

# ANNUAL REPORT 2016



CORPORATE RESPONSIBILITY  
REPORT 2016

FINANCIAL INFORMATION  
CONSOLIDATED FINANCIAL STATEMENTS,  
MANAGEMENT REPORT AND  
CORPORATE GOVERNANCE REPORT 2016  
FINANCIAL STATEMENTS,  
MANAGEMENT REPORT AND CORPORATE  
GOVERNANCE REPORT 2016



# CORPORATE RESPONSIBILITY REPORT 2016

MEDIASET *españa.*



# INDEX



**MEDIASET***españa.*



# V

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# INTRODUCTION



MEDIASET *españa.*



# LETTER FROM THE CHAIRMAN



## Alejandro Echevarría Chairman

Dear shareholders:

We hereby present to you the results of a year in which Mediaset España has maintained a leadership position amongst all Spanish TV companies in all management indicators of our field – audience rates, market share, advertising revenue, operating margins and profitability—showing the best annual operating results since the beginning of the economic crisis in 2008.

Regardless of the economic evolution being affected by the lack of political stability in Spain during 2016, the Spanish economy has doubled the growth of the European Union and it is amongst the most improved of the Eurozone. Regarding investments in the advertising field, the recovery tendency is still on going, which is great news.

In this context, TV advertising has shown once again its strength as the main tool for commercial communication, and Mediaset España has once again obtained the biggest market share: 43.3%.

The summary of our economic balance shows that we are once again leaders of the Spanish audio-visual companies: net profit of €171 million, with a 2.9% increase since 2015; EBITDA of €241.1 million, which is 24.3% of the total net revenue, and a 8.3% increase since 2015; EBIT of €224.4 million, showing a 9.4% increase since 2015 and a 22.6% margin. All in all, we can confirm that we are now the third most profitable audio-visual company in all Europe, after ITV (Great Britain) and ProSieben (Germany).

Regarding our stock market performance, the earnings per share have been of 0.51€, which are 5.9% higher than the ones obtained in 2015 (0.48€). Our capitalisation is once again the highest amongst all the Spanish media companies, with a difference of €1,400 million in comparison with our biggest competitor, and 29% higher than the joint value of all the other companies of our sector. The shares of the company ended the year being one of the ten best values of IBEX 35, with a listing of 11.5€ and 11% of annual growth.

Concerning our main business, 2016 has ended with Mediaset España being the no.1 company regarding audience rates for the sixth year in a row, in addition to being the main reference when it comes to online media and social impact. The average audience rates have been of 30.2% of share.

TV ADVERTISING HAS SHOWN ONCE AGAIN ITS STRENGTH AS THE MAIN TOOL FOR COMMERCIAL COMMUNICATION, AND MEDIASET ESPAÑA HAS ONCE AGAIN OBTAINED THE BIGGEST MARKET SHARE: 43.3%.

With regards to our social responsibility policy, we have maintained our well-known campaign 12 months ('12 Meses'), and, during 2016, we have promoted initiatives that touch upon different issues that are important to us, and that, once again, have been very positively welcomed by our audience and private and public organizations: we have maintained our perseverance in our fight against gender-based violence ('Con la trata no hay trato'); we have kept showing our full support for organ donation ('Eres perfecto para otros'); and we have brought awareness about the rights of socially rejected children ('Los Comprometidos'), amongst other important initiatives.

It should also be emphasized that during 2016, Mediaset España has obtained a better assessment regarding the Carbon Disclosure analysis about Climate Change: A-, while in 2015 it was a B. This makes of Mediaset España one of the leader companies of its field when it comes to the inclusion of measures for reducing greenhouse gas emissions. Likewise, we have strengthened our commitment to know more about and reduce these kind of emissions, and for this purpose, we have reviewed all of the types of Scope 3 emissions, calculated in accordance with the Greenhouse Gas (GHG) Protocol, which has been developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). Lastly, we believe that the participation of Mediaset España in Forética's Transparency, Good Management and Integrity Cluster, whose purpose is to promote healthy practices, should also be noted. Mediaset España has shown its commitment to making continuous improvement in the ranges of transparency and good management.

I firmly believe that 2016 has been a good financial year in all aspects, and it has been proven that this Company has reached its cruising speed, and is now ready to make the most of any improvement that may arise on a macroeconomics level.

Our leadership position --which we have maintained for years now--, requires that we keep a high level of self-strictness in all areas. However, our very reliable staff --which serves as a reference in our field due to their skills and determination--helps us be positive that these quality levels will be maintained at all times.

Lastly, I would like to take this opportunity to thank our biggest supporters: our audience, which chooses us every day as a means of information and entertainment; our advertisers, for believing that we are their most efficient commercial communicators; our suppliers, who help us grow in this industry; our shareholders, for believing in us; and our employees, who are the soul and the engine of Mediaset España. To all of you, thank you.

**DURING 2016, MEDIASET ESPAÑA HAS OBTAINED A BETTER ASSESSMENT REGARDING THE CARBON DISCLOSURE ANALYSIS ABOUT CLIMATE CHANGE. THIS MAKES OF MEDIASET ESPAÑA ONE OF THE LEADER COMPANIES OF ITS FIELD WHEN IT COMES TO THE INCLUSION OF MEASURES FOR REDUCING GREENHOUSE GAS EMISSIONS.**

# LETTER FROM THE CEO



**Paolo Vasile**  
Chief Executive Officer

Mediaset España re-established itself in 2016 as the no.1 Spanish TV company regarding audience rates, market share, advertising revenue, operating margins and profitability, achieving its best annual operating results since 2008 and becoming the third most profitable audio-visual company in Europe.

Indeed, with the dividend that we proposed to the General Board for an amount of €175.7 million, equivalent to a 100% pay-out of the annual adjusted net income, Mediaset España has distributed, since going public in 2004, an approximate amount of € 1,940 million by way of dividends and has performed a share buy-back, which was later amortised, for an approximate amount of €790 million, which is a total of € 2,730 million.

The ensemble of TV channels of Mediaset España has achieved its sixth annual triumph in a row, proving the success of the most complete multichannel system in Spain, which became bigger in 2016 with the addition of Be Mad. In this multichannel system, Telecinco and its distinct leadership stand out for the fifth year in a row, as well as Cuatro, which is the third most viewed TV channel amongst people under 65 years old, and it is a reference for millennials.

For the fourth year in a row, the news bulletin of Telecinco (Informativos Telecinco), has established itself as the leader amongst the main news bulletins during afternoon hours from Monday to Sunday, by being very ahead of its competitors.

In-house production has, once more, been the undeniable trademark of Telecinco: almost 93% of its contents are internally produced.

Mediaset España has also established itself as the no.1 audio-visual company regarding views of digital videos. Its main platforms (Telecinco.es, Cuatro.com, Divinity.es and the content platform Mitele.es, which has been completed this year with the video channel Mtmad, amongst others) have rocketed for the second year in a row to the first position, by streaming more than one thousand million videos in 2016. Also, Mediaset España has led the social media impact in all months of the year, gathering 55% of TV impact on social media, with almost 50 million comments, almost doubling those of our competitors.

On the other hand, all the film productions that premiered in 2016 ('A monster calls', 'To steal from a thief', 'Kiki, Love to Love', etc.) established Telecinco Cinema as no.1 in the Spanish Box office for the third year in a row, with an audience measurement of 42.8%.

Mediaset España directly employs 1,275 people, and indirectly, tens of thousands. All of them have been kept on as employees of the company during the hardest times of the Spanish crisis, without any staff reductions or radical outsourcing, allowing Mediaset España to breath an air of serene and productive solidarity during the most stressful times for society.

All of the above are the keys to success of this great reality called Mediaset España.

**IN-HOUSE PRODUCTION HAS, ONCE MORE, BEEN THE UNDENIABLE TRADEMARK OF TELECINCO: ALMOST 93% OF ITS CONTENTS ARE INTERNALLY PRODUCED.**

# BUSINESS CONTEXT

THE LAUNCHING OF NEW FREE TV CHANNELS DURING 2016 WITH THE EXPANSION OF THE SPANISH DIGITAL TERRESTRIAL TELEVISION (DTT), ADDED A WIDER OFFER, WHICH RESULTED IN A BIGGER AUDIENCE FRAGMENTATION AND A BIGGER COMPETITIVENESS AMONGST THE OPERATORS.

In 2016, the main external events that influenced the market environment in which Mediaset España carries out its business, were related to the Spanish and global political environment, to the new ways of using audio-visual content and the highly competitive context in this area, to the changes in regulations, to the interpretation regarding the compliance with certain requirements about child protection regarding the content that is broadcasted, or the dangers existing in the new digital environment.

The Spanish macroeconomics were affected by the political instability in Spain that was caused due to the lack of government situation that lasted until the end of 2016. This resulted in a lower visibility of the advertising market. On the other hand, the presidential elections in the US, and the referendum about the United Kingdom staying in or leaving the European Union affected the International Stock Markets, as well as the investors' interests.

Likewise, the launching of new free TV channels during 2016 with the expansion of the Spanish Digital Terrestrial Television (DTT), added a wider offer, which resulted in a bigger audience fragmentation and a bigger competitiveness amongst the operators. On the other hand, the development of paid television operators, as well as the rising of new Internet competitors such as Netflix and HBO, has had its own small impact on the television consumption. However, even if the paid television business is increasing every day, the level of consumption of free TV is still very high.

Regarding the regulatory environment, the European regulation about the protection of natural persons in relation to personal data processing and its free exchange was approved on April 2016 (2016/679 EU Regulation).

The new regulations about the compliance of the obligation of anticipated financing for certain European audio-visual works (928/2015 Royal Decree), also entered into force, providing more clearance on the criteria that was followed by the CNMC (Spanish Commission on Financial Markets and Competition) when supervising the compliance of said obligation and establishing a limit of one year for the investment excess or deficit to be used or covered, with a maximum of 40%.

On the other hand, a new rule that regulated the support for production –with the novelty of receiving 70% of said support during the production process–, also entered into force. This will allow us to know the supporting amount that each project will be receiving beforehand, which is very constructive as it guarantees a very important financing source for the independent producers and allows for the productions to be started with more guarantees. Also, the fact that the supporting amounts will be paid during the production process results in a decrease of the financial expenses and therefore, in a decrease of the production budgets.

Regarding self-regulation, 2016 has been the first financial year where the “Classification system of audio-visual products by age” has been implemented, which has provided us with a more objective and systematised framework for content classification and has provided more information to mentors, to minors and to society in general about the potentially harmful content that may be included in certain audio-visual programs.

Other aspects that have influenced the business of Mediaset in 2016 have been the actions started by the Juvenile Prosecution Service regarding the production and broadcasting of one of the new projects of the TV channel Cuatro: ‘Proyecto Bullying’, a project that shows the Mediaset’s commitment to end bullying at school. The Juvenile Prosecution Service, appealing to the Spanish Children Act, prohibited the broadcasting of four episodes that showed real life

**MEDIASET ESPAÑA IS A VERY FLEXIBLE COMPANY THAT HAS THE CAPABILITY TO ADAPT TO THE NEW MARKET CHANGES THANKS TO THE ADAPTABILITY OF ITS PROCESSES AND TO ITS FINANCIAL STRENGTH, WHICH, EVEN WITH THE BIG TECHNOLOGY EVOLUTION THAT WE ARE EXPERIENCING THESE DAYS, IT IS STILL CAPABLE OF ABSORBING IT AND TO CONTINUE BEING COMPETITIVE.**

experiences of students suffering from bullying at school: this decision forced the production team to work very hard in order to strictly adjust the contents of the program to all legal requirements regarding child protection. The episodes will be broadcasted at the beginning of 2017.

On the other hand, the new digital environment has not only increased the review and implementation of digital information flow control, but it has also forced the company to undertake a thorough cyber risk analysis.

## Mediaset España is ready

The production and broadcasting of content through new platforms has resulted in a big change to the way TV is watched. Mediaset España is technically and editorially ready to face the challenge of broadcasting its content through all of the new platforms, offering the users the best experiences.

For that matter, Mediaset has completed in 2016 the adaptation of the studios to HD format: these changes have resulted in a big improvement on the ability to create content to be added to entertainment programs. On the other hand, Mediaset has joined the general trend of offering contents through the widest number of platforms, and ever since 2016 the company has been offering live TV and on demand on Samsung Smart TVs (in 2017 this content will also be available on LG Smart TVs). Likewise, in 2016 the web page was renovated by adding multi-bitrate technology, which ensured quality content by adapting the bandwidth to each user, adding a customised list of contents, parental control and cross-device resume, amongst other improvements. On the other hand, given the increasing trend of consumption of short videos by millennials, in November 2016, Mediaset launched o 'mtmad', a new channel of exclusively online videos included in Mitele. This will be an innovative space with more than 40 different formats, where all the new digital talents will be able to express themselves with their own language and codes. In order to technologically adapt itself to all devices, Mediaset España will go through a technological transformation at the beginning of 2017 and it will take a step towards the responsive web design world.

In order to guarantee a correct adaptation to the new Personal Data Protection Regulations, Mediaset España has conducted a thorough

analysis where different aspects of the current company policies have been considered to be subject to adaptation, and has introduced new technical, organizational and legal measures that were considered necessary. On the other hand, the hiring of Cloud service suppliers and the need of adopting practices of regression and correlation of information (Big Data) – which are shaping the usage and processing of big amounts of information in third parties environments and architectures--, has led the company to create new Internal Procedures that will regulate these new circumstances and to establish regulations for coordinating the areas that are in charge of hiring services, the Data Protection area and the Computer Security area.

Regarding the mandatory compliance with the Classification system of audio-visual products by age, Mediaset España has worked hard to reinforce the mechanisms of internal coordination of everything regarding the broadcasted contents, in order to guarantee a proper content classification, both for programs produced by third parties and for programs produced by Mediaset. This has resulted in a decrease in the number of claims filed before the Committee for Self-regulation of TV content and TV content for children and of the number of infringement procedures initiated by the Spanish Commission on Financial Markets and Competition.

Mediaset España is a very flexible company that has the capability to adapt to the new market changes thanks to the adaptability of its processes and to its financial strength, which, even with the big technology evolution that we are experiencing these days, it is still capable of absorbing it and to continue being competitive.

Its strong commitment to internal production has made of Mediaset one of the main creation and production companies in Spain. Mediaset is also committed to exploiting its content on as many different platforms as possible, and it is developing a data collection system which will enable them to enrich the 'products' that are offered to advertisers and this way, maximise billing.

The commitment to broadcast new contents on digital platforms and to reinforce the synergies between TV and the Internet will be a key factor in this scenery, as well as the ability to identify, initiate and produce successful formats that are in high demand from the audience.



## KEY PERFORMANCE INDICATORS (KPIs)

**OPERATING  
REVENUE**  
(€ MILLION)

**224.4**

2014: 144.8  
2015: 205.2

**NET PROFIT <sup>1</sup>**  
(€ MILLION)

**175.5**

2014: 59.49  
2015: 166.17

**INVESTMENT IN THIRD  
PARTY PRODUCTION**  
(€ MILLION)

**125.3**

2014: 122.7  
2015: 124.2

**INVESTMENT IN FICTION  
PRODUCTION**  
(€ MILLION)

**35.4**

2014: 57.7  
2015: 44.6

**INVESTMENT IN  
CO-PRODUCTION**  
(€ MILLION)

**16.2**

2014: 14.8  
2015: 9.4

**TECHNICAL  
INVESTMENT**  
(€ MILLION)

**14.6**

2014: 8.2  
2015: 15.0

**ADVERTISING  
EFFICIENCY RATIO <sup>2</sup>**

**143**

2014: 144  
2015: 140

**AVERAGE SCREEN  
RATINGS**

**30.2%**

2014: 30.7%  
2015: 31%

**NET ADVERTISING  
INCOME**  
(€ MILLION)

**929**

2014: 858  
2015: 902

**BROADCASTING  
HOURS <sup>3</sup>**

**58,804**

2014: 58,560  
2015: 52,560

**EMPLOYEE NUMBERS**  
(AVERAGE FOR THE  
YEAR)

**1,275**

2014: 1,274  
2015: 1,266

1. Attributable to the Parent's shareholders.

2. Advertising Efficiency Ratio prepared by "INFOADEX" for all Group channels.

3. It includes all broadcasting hours from all Mediaset España channels.



# GOVERNANCE MODEL

MEDIASET *españa.*





# OWNERSHIP STRUCTURE OF THE COMPANY

**MEDIASET ESPAÑA'S CORPORATE PURPOSE IS THE INDIRECT MANAGEMENT OF PUBLIC TELEVISION SERVICES.**

## Group organizational structure

The media group Mediaset España consists of companies engaged in businesses related to the audio-visual sector, the core activities being television content production and broadcasting, and the exploitation of advertising space on its TV channels.

Mediaset España Comunicación, S.A. (hereinafter "Mediaset España" or "the Company"), incorporated in Madrid on 10th March 1989, heads the corporate group named Grupo Mediaset España Comunicación, S.A. (hereinafter "the Mediaset Group" or "the Group").

## Mediaset España, the parent company

Mediaset España's corporate purpose is the indirect management of Public Television Services. As of year-end Mediaset commercially operates the TV channels Telecinco, Cuatro, Factoría de Ficción, Energy, Boing, Divinity and BEMAD, having obtained the necessary licences to provide audio-visual communication services.

The company has its registered office in Carretera de Fuencarral to Alcobendas, nº 4, 28049, Madrid and began listing on the stock market on June 24th, 2004. It is currently listed on the Madrid, Barcelona, Bilbao and Valencia Stock Markets, joining the IBEX35 index on January 3rd, 2005.

The Group's business is centred on the exploitation of advertising space on the TV channels for which it is a concessionaire and the performance of analogous and complementary activities such as audio-visual production, advertising promotion and news agency activities.

As the Group's parent company, Mediaset España is required to draw up the Group's consolidated annual accounts, as well as its own annual accounts.





THE GROUP'S BUSINESS IS CENTRED ON THE EXPLOITATION OF ADVERTISING SPACE ON THE TV CHANNELS FOR WHICH IT HOLDS CONCESSIONS AND THE PERFORMANCE OF ANALOGOUS AND COMPLEMENTARY ACTIVITIES SUCH AS AUDIOVISUAL PRODUCTION, ADVERTISING PROMOTION AND NEWS AGENCY ACTIVITIES.

The Group's consolidated companies are as follows:

Fully-consolidated companies	Country	2016	2015
Grupo Editorial Tele 5, S.A.U.	Spain	100%	100%
Telecinco Cinema, S.A.U.	Spain	100%	100%
Publiespaña, S.A.U.	Spain	100%	100%
Conecta 5 Telecinco, S.A.U.	Spain	100%	100%
Mediacinco Cartera, S.L.	Spain	75%	75%
Publimedia Gestión, S.A.U. (1)	Spain	100%	100%
Advertisement 4 Adventure, S.L.U. (antes Sogecable Media, S.L.U.)	Spain	100%	100%
Sogecable Editorial, S.A.U.	Spain	100%	100%
Premiere Megaplex, S.A.U.	Spain	100%	100%
Integración Transmedia, S.A.U. (1)	Spain	100%	100%
Netsonic, S.L. (1)	Spain	69.86%	69.86%
<b>Equity consolidated companies</b>			
Pegaso Televisión, Inc	USA	44%	44%
Producciones Mandarina, S.L.	Spain	30%	30%
La Fábrica de la Tele, S.L.	Spain	30%	30%
Furia de Titanes II, A.I.E. (3)	Spain	34%	34%
Megamedia Televisión, S.L. (2)	Spain	30%	30%
Supersport Televisión, S.L.	Spain	30%	30%
Emissions Digitals de Catalunya, SAU.	Spain	34.66%	40%
AUNIA Publicidad Interactiva, S.L.U. (1)	Spain	50%	-

(1) The interest in these companies is held through Publiespaña, S.A.U. In 2015, they acquired control.

(2) The interest in this company is held through Conecta 5 Telecinco, S.A.U.

(3) The interest in this A.I.E. is held through Telecinco Cinema, S.A.U.

#### Changes to the consolidation perimeter in the year ended 31st December 2016

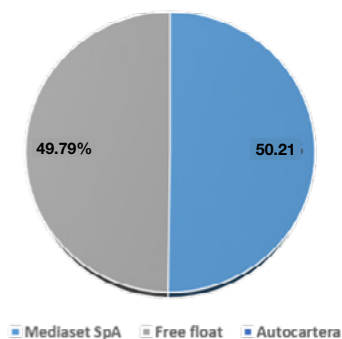
- On March 4th, 2016, the Group acquired a 50% stake in AUNIA Publicidad Interactiva, S.L.U.
- On June 29th, 2016, a capital increase was made in Emissions Digitals de Catalunya, S.A.U. To which the Group contributed 811 thousand euros. As this contribution was lower in proportional terms to that of the other shareholders, the percentage of participation went from 40% to 34.66%.

#### Changes in the Group's shareholding structure in 2016

- Authorised by the Board of Directors meeting on October 28th, 2015, following the authorization granted by the Shareholders General Meeting held on April 15th, 2015, the company continued the share buy-back program, which was completed on February 20th, 2016.
- In the period, January 1st-December 20th, 2016 the company acquired a total of 10,269,238 shares at an average price of €8.88, a total investment of €91,188,418.
- The Shareholders General Meeting held on April 13th approved the cancellation of 29,457,794 existing treasury shares, representing 8.04% of the company's capital; after the reduction, Mediaset España's capital is composed of 336,717,490 shares.

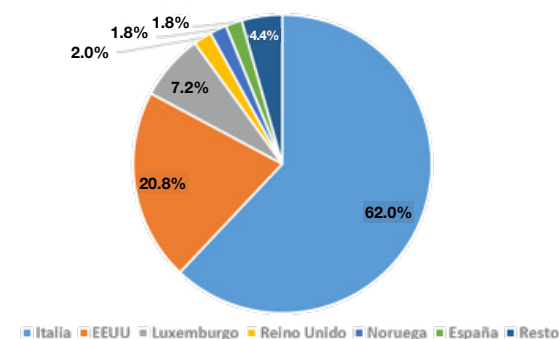
After the said movements, as at 31st December 2016, Mediaset España's capital is distributed as follows:

#### Company's capital as of 31st, December 2016



Source: Bloomberg

#### Shareholders by countries, as of 31st, December 2016



Source: Bloomberg



## Subsidiaries

Subsidiaries are companies that Mediaset España has the capacity to effectively control. This capacity takes the form of direct or indirect ownership of more than 50% of the subsidiary's voting rights.

## Direct interest through Mediaset España

### Publiespaña, S.A.U.

Commercialization of advertising.

### Grupo Editorial Tele 5, S.A.U.

Copyright Management and exploitation.

### Telecinco Cinema S.A.U.

Film Production.

### Conecta 5 Telecinco, S.A.U.

Distribution of audio-visual content on the Internet.

### Mediacinco Cartera, S.L.

Holding inactive.

### Advertisement 4 Adventure, S.L.U.

Holding for "media for equity" projects.

### Sogecable Editorial, S.A.U.

Copyright Management and exploitation.

### Premiere Megaplex, S.A.U.

Online gaming.

## Companies in which Publiespaña S.A.U. has shares

### Publimedia Gestión, S.A.U.

Commercialization of advertising.

### Integración Transmedia, S.A.U.

Inactive.

### Netsonic, S.L.

Advertising for online video.



## Affiliated Companies

Set out below are details of Mediaset España's affiliates, in which it has the capacity to exercise significant influence (which is assumed when an interest of at least 20% is held) although not control.

## Companies in which Mediaset España's has a direct shareholding

### Pegaso Televisión Inc.

Holding that channels the investment in Caribevisión Network (Spanish-language television channel that broadcasts on the east coast of the United States and Puerto Rico).

### Producciones Mandarin, S.L.

Audio-visual content creation, development, production and commercial exploitation.

### La Fábrica de la Tele, S.L.

Creation, development, production and commercial exploitation of audio-visual content.

### Supersport Televisión, S.L.

Production of sports programmes.

### Emissions Digitals de Catalunya, S.A.

Exploitation of a TV channel.

## Companies in which Publiespaña S.A.U. has an indirect shareholding

**Aunia Publicidad Interactiva, S.L.U.**  
Audio-visual communication services.

## Companies in which Conecta 5 Telecinco S.A.U. has an indirect shareholding

**Megamedia Televisión, S.L.**  
Creation, development, production and exploitation of multimedia audio-visual content.

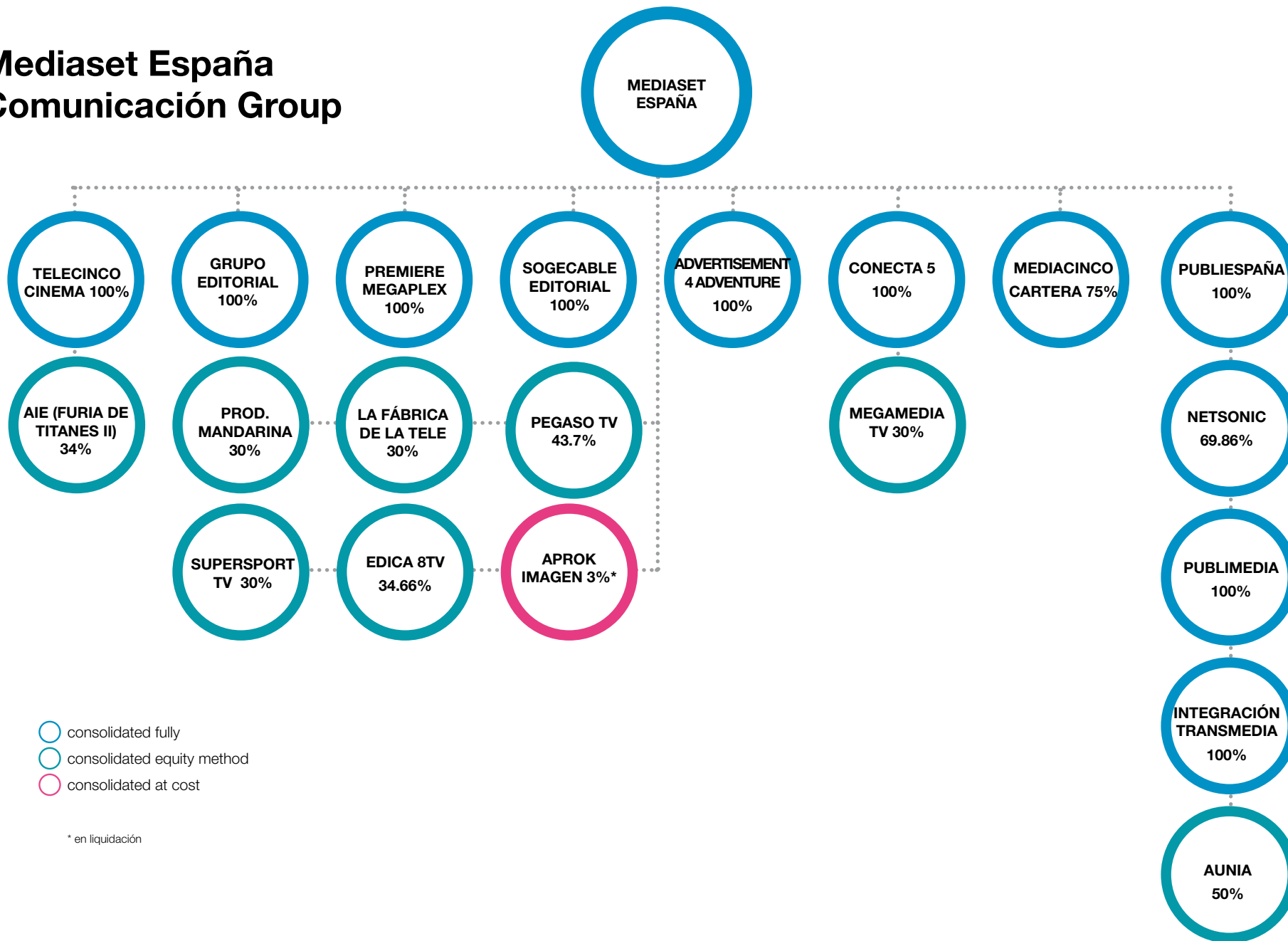
## Companies in which Telecinco Cinema S.A.U. has an indirect shareholding

**Furia de Titanes II, A.I.E.**  
Telecommunication services and participation in the creation, production, distribution and exploitation of audio-visual, fiction, animation and documentary content.

Note: None of the above companies are listed on a stock exchange. All of the aforementioned companies except Pegaso Televisión Inc. have its registered address in Spain. Pegaso Televisión Inc. is located in Miami, Florida in US.

Note: The business names of the companies are as follows: Mediaset España Comunicación S.A. (Hereinafter Mediaset España); Grupo Editorial Tele5, S.A.U. (Hereinafter Grupo Editorial); Telecinco Cinema, S.A.U. (Hereinafter Telecinco Cinema); Mediacinco Cartera S.L. (Hereinafter Mediacinco Cartera); Conecta 5 Telecinco, S.A.U. (Hereinafter Conecta 5); Publiespaña, S.A.U. (Hereinafter Publiespaña); Publimedia Gestión S.A.U. (Hereinafter Publimedia Gestión); Advertisement 4 Adventure, S.L.U. (Hereinafter Advertiserment 4 Adventure); Sogecable Editorial, S.A.U. (Hereinafter Sogecable Editorial); Premiere Megaplex, S.A.U. (Hereinafter Premiere Mediaplex); Integración Transmedia, S.A.U. (Hereinafter Integración Transmedia); Netsonic, S.L. (Hereinafter Netsonic).

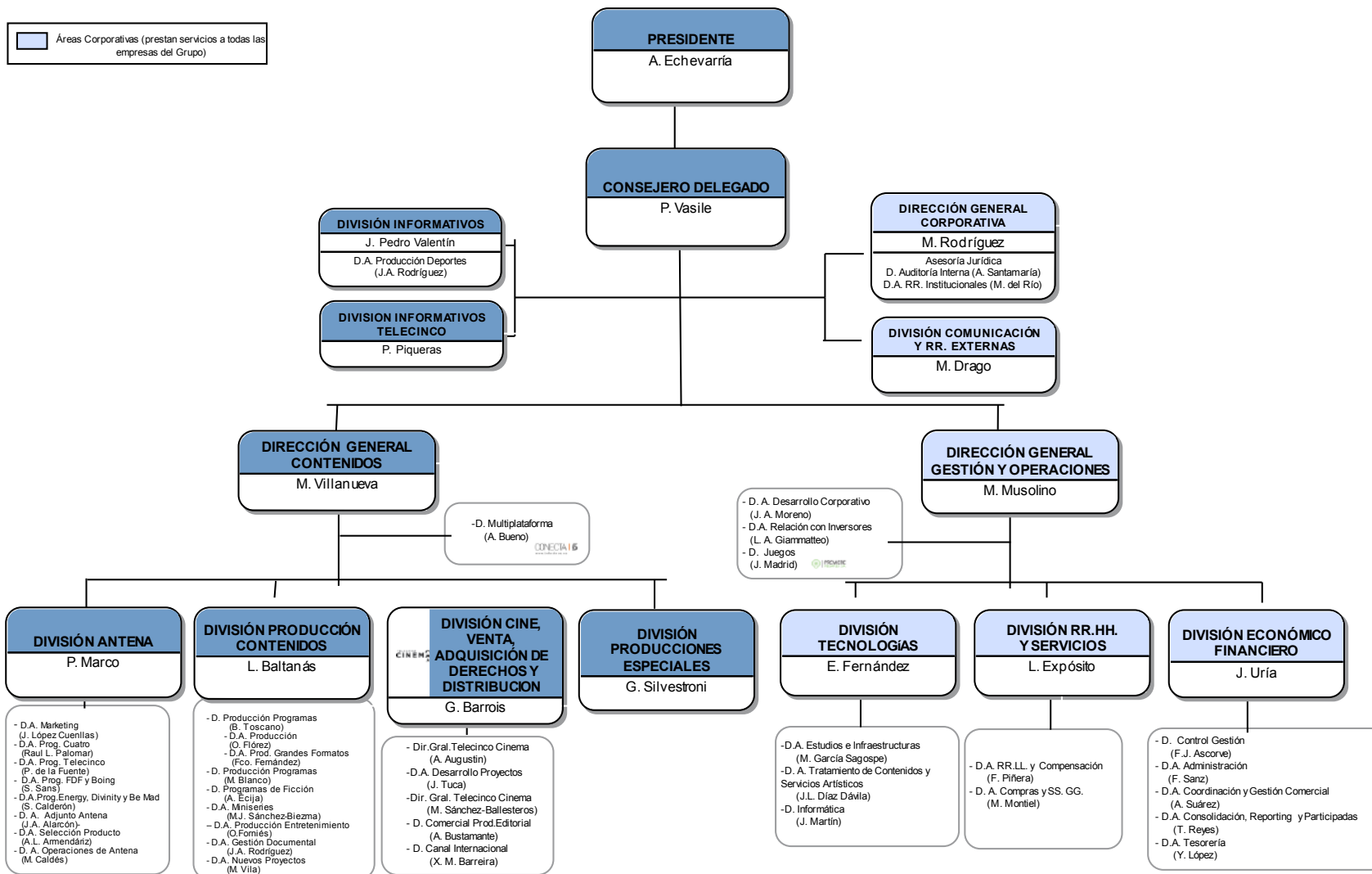
# Mediaset España Comunicación Group



- consolidated fully
- consolidated equity method
- consolidated at cost

\* en liquidación

# Mediaset España Organisational Chart



# CORPORATE GOVERNANCE SYSTEM

2016 HAS BEEN THE YEAR TO CONSOLIDATE THE MODIFICATIONS INTERNALLY AND REAFFIRM THE COMPANY'S COMMITMENT TO THE INSTITUTIONS.

Following the amendment of the good governance rules that were approved last year, 2016 has been the year to consolidate the modifications internally and reaffirm the company's commitment to the institutions.

In 2016, relationship with public administrations have been strengthened. In this regard, Mediaset España's Board of Directors agreed that the Company would adhere to the "Code of Good Tax Practices", which, together with the approval of the tax policy, reinforces the company's commitment to this matter.

## Most important milestones in 2016

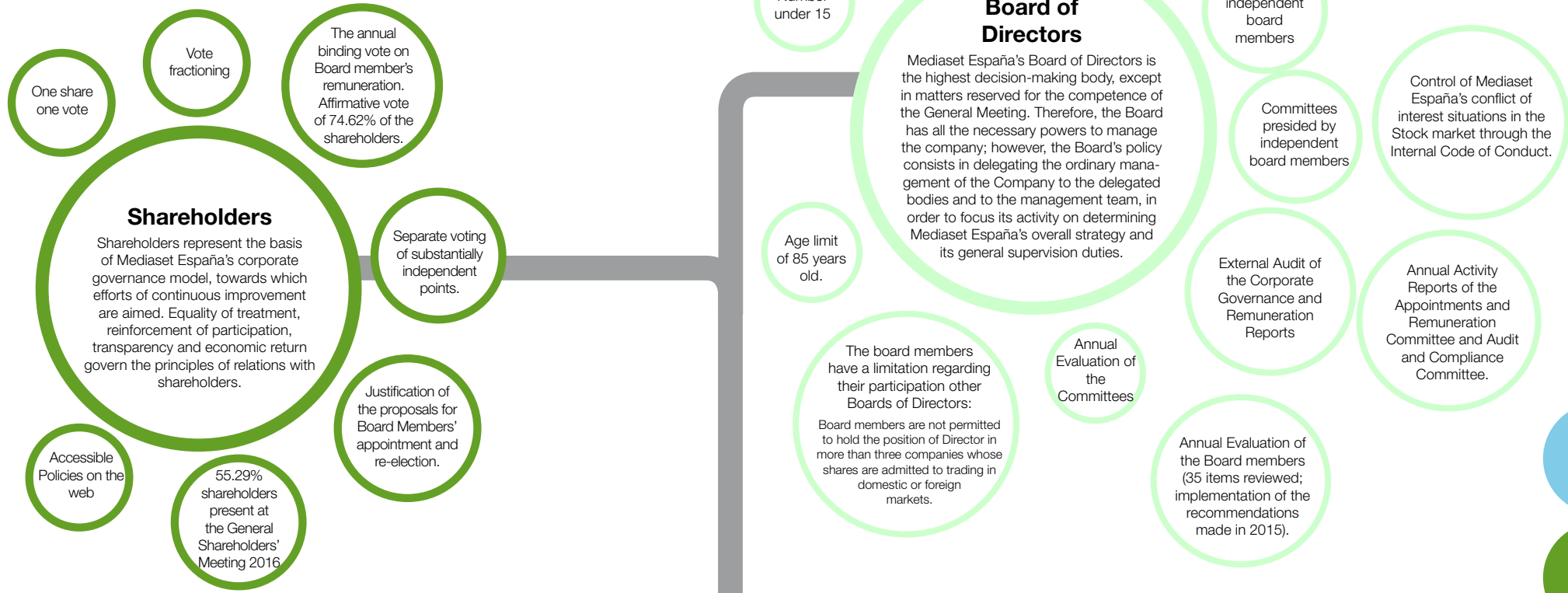
- Approval of the Tax Policy
- Approval of the Corporate Responsibility Policy.
- Approval of the Environmental Policy's update.
- Approval of the Dividend Policy.
- Approval of the Treasury Policy.
- Approval of the Policy for the Selection of Board Members.
- Adaptation of the Internal Rules of Conduct on the Stock Market to the new regulations.

## MILESTONES 2016





# Good Governance Model



## Governing Bodies

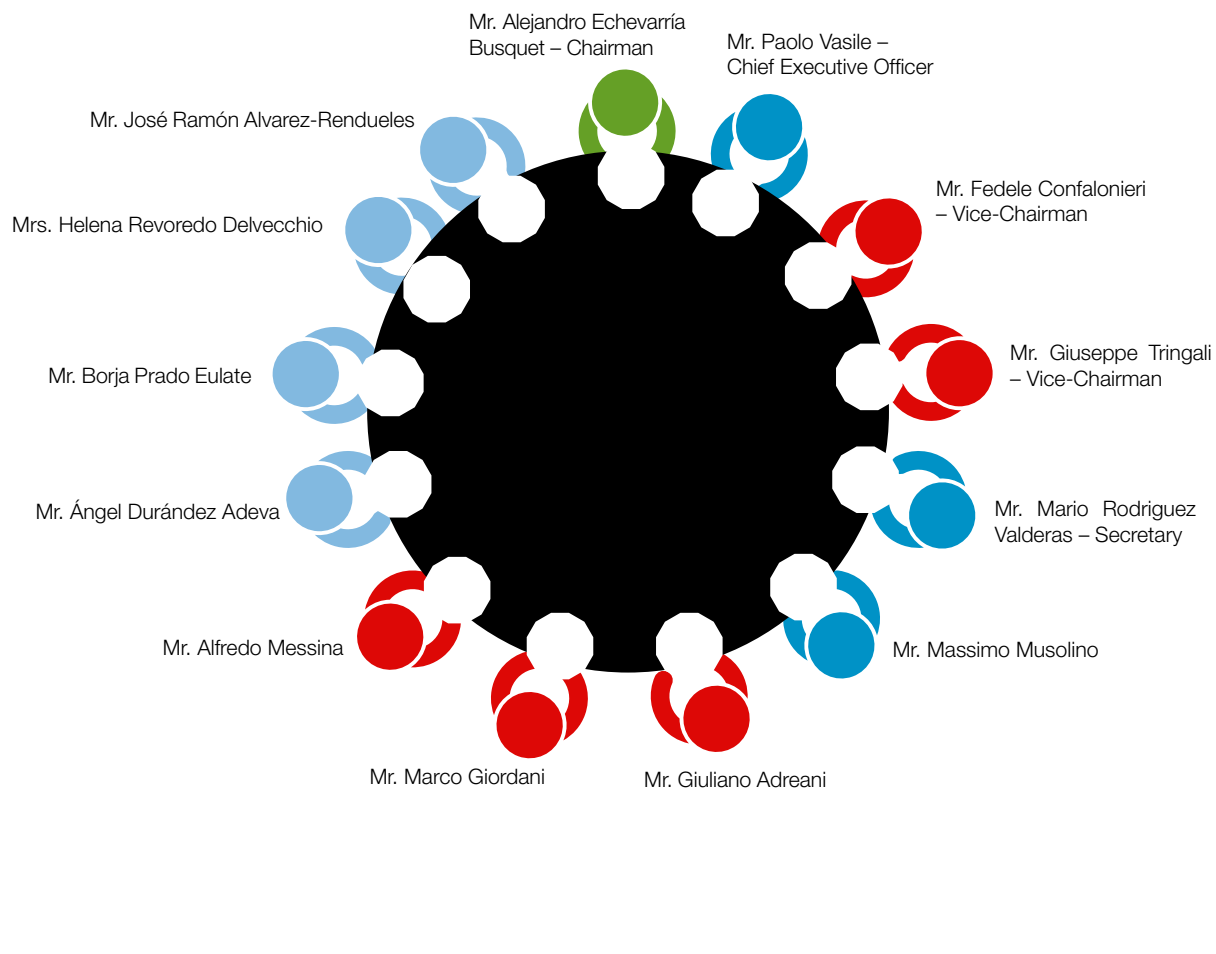




# Board of Directors' Composition



All information on activities carried out by the advisory Committees is available at <http://www.mediaset.es/inversores/es/>





## Main issues addressed by the Board of Directors in 2016

Mediaset España's Board of Directors' activity focuses on the definition, supervision and monitoring of policies, strategies and main guidelines.

Supervision of the Company's trajectory:	Supervision of the evolution of advertising billing and audience results.
Monitoring of the Company's management:	Analysis of the Company and its Group's financial statements. Approval of the Budget for 2016
Establishment of strategic objectives for 2017:	Definition of the strategic objectives on which the Company's Risk Map is established.
Directors Remuneration	Application of the balance and moderation principles to the Chairman, Chief Executive Officer and members' remuneration.  It approves the executive directors indemnity clauses.
Analysis of the political situation and legislative modifications:	Definition of internal actions with regards to different political and / or legislative scenarios.
Supervision of the activity of the different areas of the company:	Supervising the compliance with Internal Rules
Promotion of the Governance Corporate	Amendment of the Internal Rules of Conduct on the Stock Market
Promotion of the Corporate Responsibility	

Approval of the Tax Policy

Corporate Responsibility Policy

Environmental Policy

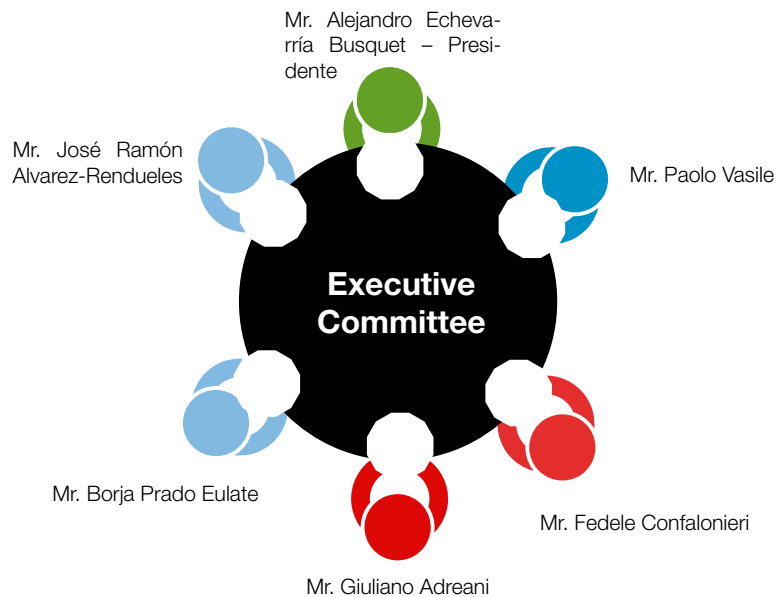
Communication with Shareholders and Investor's Policy

Dividend Policy

Treasury Policy

Selection of Board Members Policy

# Committees composition



- External
- Executive
- Nominee
- Independent



## How is the Board of Directors members' remuneration regulated?

The remuneration policy of the company's directors is governed by articles 37 and 56 of the Company's Articles of Association and article 28 of the Company's Board of Directors Regulations. These precepts establish which are the competent bodies for the approval or modification of the remuneration policy, the principles on which it is based, its structure and purpose.

The regulations governing the Board members' remuneration is available on the corporate website and we invite you to read them, as it helps to better understand the structure of Mediaset España's Remuneration Policy detailed in this report.

## What is the process?

Different management bodies of the company, including its shareholders, take part in the definition and approval process.



APPOINTMENT AND  
REMUNERATION  
COMMITTEE

BOARD OF DIRECTORS

REMUNERATION REPORT

THE EXTERNAL  
ASSURANCE OF THE  
REMUNERATION REPORT

SHAREHOLDERS  
DECISIONS: GENERAL  
MEETING BINDING VOTE  
APPROVED BY 74.62% OF  
THE SHAREHOLDERS.

INTRODUCTION

GOVERNANCE  
MODEL

BUSINESS  
MODEL

ABOUT THIS  
REPORT



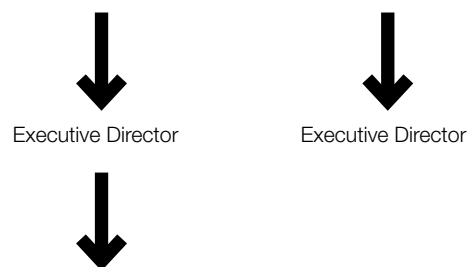
## Composition of Board Members remuneration





## Contract Shielding Clauses for Executive Directors

In the event of any change in the Company's current ownership / control (direct or indirect), and in cases of unfair dismissal, collective or objective dismissal, extinction by the Executive Director for the causes foreseen in articles 39, 40, 41, and 50 of the Workers' Statute, will receive two annuities equivalent to their gross remuneration.



a) Voluntary redundancy: accrual per year: Fixed salary + annual variable, divided by 13.5, the total remuneration is the sum of the amounts corresponding to the number of years worked.

b) Termination by fair or unfair dismissal: legal allowance, plus indemnification provided for in point a) above.

## Board members remuneration in 2016

Name	Retribution accrued in the company				Retribution accrued in Companies of the group				Totals		
	Total Retribution in cash	Amount of shares granted	Gross Profit of exercised options	Total financial year 2016 Company	Total Retribution in cash	Amount of shares granted	Gross Profit of exercised options	Total financial year 2016 Group	Total financial year 2016	Total financial year 2015	Contribution to saving schemes during the financial year
ALEJANDRO ECHEVARRÍA BUSQUET	1,024	0	0	1,024	0	0	0	0	1,024	1,027	0
PAOLO VASILE	1,757	0	321	2,078	0	0	0	0	2,078	2,554	0
FEDELE CONFALONIERI	139	0	0	139	0	0	0	0	139	123	0
GIUSEPPE TRINGALI	99	0	0	99	0	0	0	0	99	99	0
MASSIMO MUSOLINO	849	0	145	994	0	0	0	0	994	1,150	0
MARIO RODRÍGUEZ	649	0	141	790	0	0	0	0	790	818	0
ALFREDO MESSINA	107	0	0	107	0	0	0	0	107	103	0
MARCO GIORDANI	119	0	0	119	0	0	0	0	119	119	0
GIULIANI ADREANI	139	0	0	139	0	0	0	0	139	139	0
ANGEL DURÁNDEZ ADEVA	139	0	0	139	0	0	0	0	139	139	0
BORJA PRADO EULATE	111	0	0	111	0	0	0	0	111	115	0
JOSÉ RAMÓN ÁLVAREZ-RENDUELES	143	0	0	143	0	0	0	0	143	147	0
HELENA REVOREDO DELVECCHIO	95	0	0	95	0	0	0	0	95	95	0
<b>TOTAL</b>	<b>5,370</b>	<b>0</b>	<b>607</b>	<b>5,977</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,977</b>	<b>6,628</b>	<b>0</b>

In thousand of euros



THE BOARD REGULATIONS ESTABLISH VARIOUS MANAGEMENT MECHANISMS TO DETECT AND RESOLVE POTENTIAL CONFLICTS OF INTEREST BETWEEN THE COMPANY AND ITS DIRECTORS IN ORDER TO AVOID BEHAVIOUR THAT MIGHT CAUSE HARM TO THE COMPANY OR ITS SHAREHOLDERS.

## Regulation of potential conflicts of interest

Both the Code of Ethics and the Group's Internal Code of Conduct regulate conflicts of interest, a concept that refers to any situation in which a conflict arises between, directly or indirectly, the interests of Mediaset España or the integrated companies of the Group and the personal interest of the person subject to the compliance of the said Code.

In addition, the Company has implemented several procedures to mitigate the risk of conflicts of interest: control procedures that promote transparency and good working practices, available to all staff on the Group's intranet.

Moreover, the Board regulations establish various management mechanisms to detect and resolve potential conflicts of interest between the company and its directors in order to avoid behaviour that might cause harm to the company or its shareholders.

## Corporate Governance Rules

- ARTICLES OF ASSOCIATION
- SHAREHOLDERS GENERAL MEETING REGULATIONS
- BOARD OF DIRECTORS REGULATIONS
- AUDIT AND COMPLIANCE COMMITTEE REGULATIONS
- APPOINTMENTS AND REMUNERATION COMMITTEE REGULATIONS
- MEDIASET ESPAÑA COMUNICACIÓN, SA AND ITS GROUP OF COMPANIES INTERNAL CODE OF CONDUCT WITHIN THE FRAMEWORK OF CONDUCT IN THE STOCK MARKET
- CODE OF ETHICS
- TREASURY POLICY
- DIVIDEND POLICY
- POLICY FOR THE SELECTION OF BOARD MEMBERS
- TAX POLICY
- CORPORATE RESPONSIBILITY POLICY
- ENVIRONMENTAL POLICY

## Good governance code of listed companies

### Compliance of the CNMV's good governance's recommendations

TOTAL COMPLIANCE

**47**

RECOMMENDATIONS

PARTIAL COMPLIANCE:

**4**

4 RECOMMENDATIONS

Note: Explained

NON-APPLICABLE

**13**

RECOMMENDATIONS

# RISK MANAGEMENT

The Mediaset Group has a solid internal control system that ensures the proper performance of business activities and the proper management of risks inherent therein.

As the highest governing body of Mediaset España, the board of directors has the task of identifying the main risks of the Group and implementing and carrying out supervision of the information and

internal control systems in place, for the purpose of adopting the measures required to reasonably ensure an effective internal control system and the development of improvements to said system.

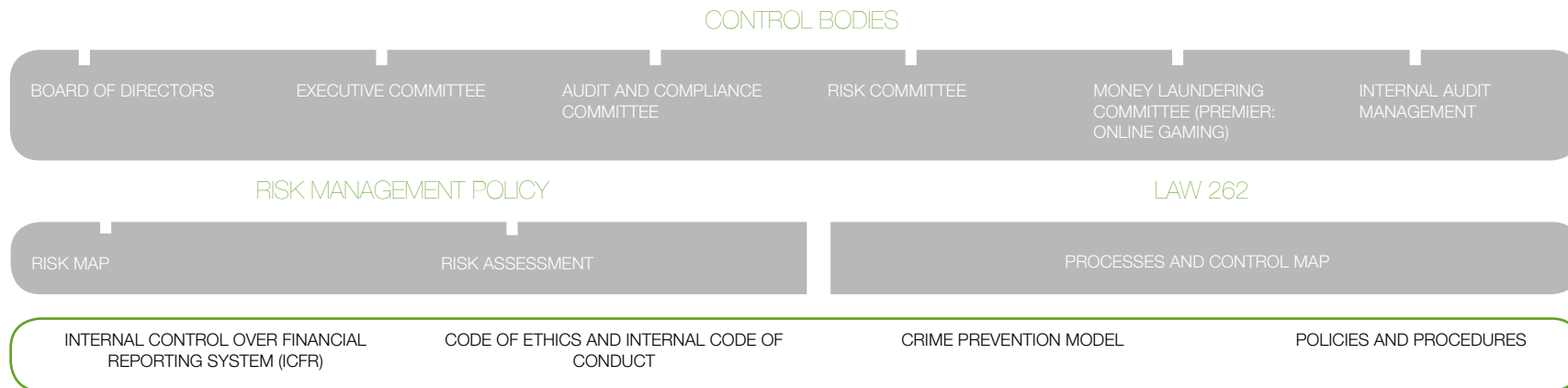
Mediaset España's Audit and Compliance Committee's functions are defined as follows; ascertaining, checking and supervising the suitability and integrity of the processes for the preparation of financial information, internal control and the risk management systems, as well as ensuring compliance with the Risk Policy, among other responsibilities.

The Risk Committee, formed by the Group's General Managers, is the body through which the executive risk management functions are carried out in the Company's day-to-day operation, laying down the framework for the Integrated Risk Management.

The internal Audit Management is responsible for driving and supporting risk management and providing the Board of Directors with assurance that the internal control system is being properly supervised. Its duties include evaluating, controlling and tracking the business risks that are identified and managed for each of the Group's companies.



## Mediaset Group's internal control system





## THE RISK MANAGEMENT POLICY ESTABLISHES GUIDELINES FOR THE IDENTIFICATION, RISK ASSESSMENT AND RESPONSES, AND THE CONTROL AND SUPERVISORY ACTIVITIES.

The Risk Management System introduced in 2007, based on the Enterprise Risk Management (ERM) of the Committee of Sponsoring Organisations of the Treadway Commission (COSO II), which has been regularly updated since then, ensures a comprehensive and balanced risk management which aims to identify, control and manage significant risks that may affect compliance with the defined objectives.

The Risk Management Policy establishes guidelines for the identification, risk assessment and responses, as well as the control and supervisory activities. Within this framework, the company has mapped all processes involving business and structural operations so as to identify those that are key and critical to achieving the strategic objectives, on which periodic testing is carried out in order to validate proper compliance.

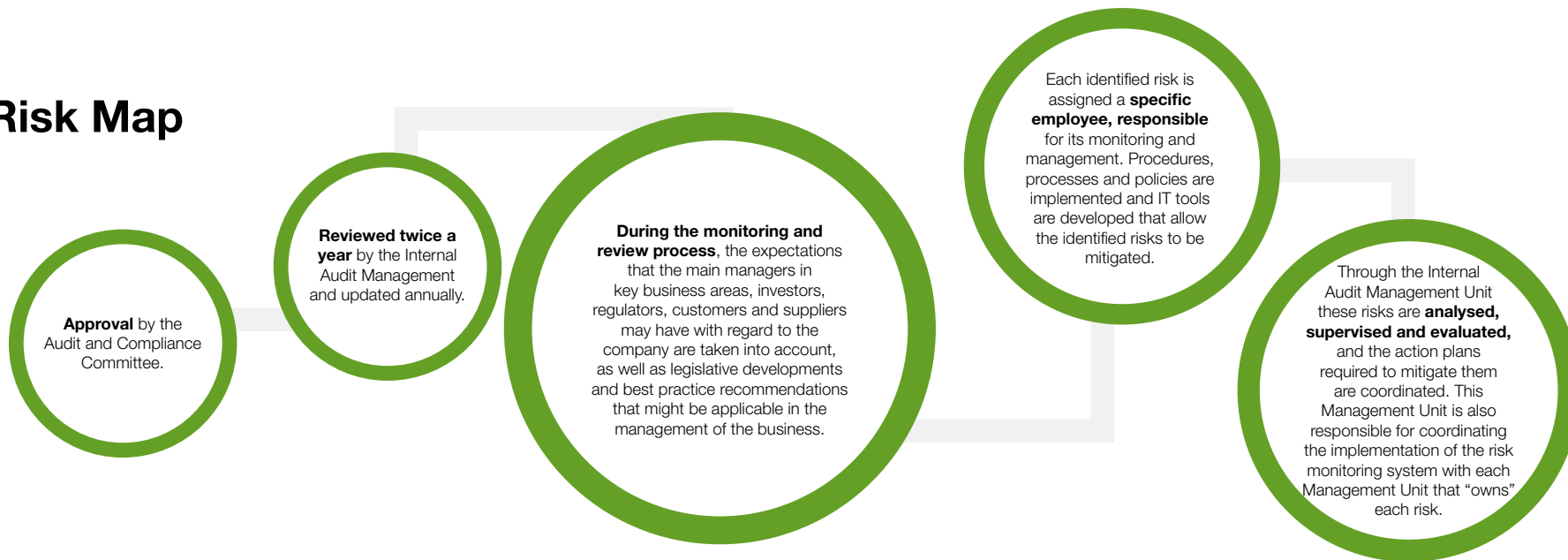
Furthermore, Mediaset España has implemented the necessary procedures to comply with Italian Law 262/05, regarding processes and control related to accounting information.

Along the same lines, the Group has implemented an Internal Control Over Financial Reporting System (ICFR) which ensures the reliability of the financial information reported by the Group's companies on an individual basis and the consolidated financial information, as well as compliance with the relevant legislation and the correction of any weaknesses observed, minimising risks related to the reflection of these operations in the Group's annual accounts.

Every year, all personnel involved in the preparation and supervision of financial information and the evaluation of the ICFR receive training on accounting standards, risk control and risk management, auditing and tax updates. In 2016, these employees received a total of 254 hours' training related to accounting, tax and financial legislation.

The Group has also designed a Crime Prevention and Detention Model, which is based mainly on the implementation of the Code of Ethics, the definition of the Internal Rules of Conduct, the creation of a Complaints Channel and the setting up of Compliance Management. In 2016, as part of the updating of the Crime Prevention and Detention Model, a Crime Prevention and Compliance Unit has been set up, and will be directly accountable to the Audit and Compliance Management.

## Risk Map





## Crime Prevention and Compliance Unit

### Main powers

- Definition and updating of the criminal risk map.
- Establishment and updating of the necessary controls for the prevention and detection of criminal conduct.
- Management of the complaints channel and internal investigations.
- Ensure and coordinate the application of the code of ethics by the different companies of the Group.
- Annually evaluate the level of compliance with the Code of Ethics.

### How it works

- Meetings prior to each of the Audit and Compliance Committee meetings (4 or 5 times a year) and additionally, whenever necessary.

The Mediaset Group has a Code of Ethics which establishes the fundamental values and principles that govern the Company, to which all employees, managers and Board members, as well as subsidiaries, are subject. The Code is therefore applicable to all kinds of professional relationships and governs, among other areas, contractual, commercial and business relations between Mediaset España and its suppliers and customers. All natural or legal persons who have any type of relation with Mediaset España in the course of their professional or business activities as external auditors, consultants, advisers, suppliers, advertisers, media centres, external producers, bodies, institutions, etc. are also required to comply with the Code of Ethics.

The document, updated and approved by the Board of Directors in December 2016, is available on the company's intranet and has been ratified by both, employees and directors, who have confirmed that they are aware of it and the fact that they are subject to its provisions.



# Fundamental Principles of the Code of Ethics

## CODE OF ETHICS

INTEGRITY, RESPONSIBILITY AND TRANSPARENCY OF FINANCIAL INFORMATION.

RIGHT TO EQUALITY AND NON-DISCRIMINATION.

RIGHT TO HEALTH AND SAFETY AT WORK AND ENVIRONMENTAL PROTECTION.

COMPLIANCE WITH PREVAILING LEGISLATION AND REGULATIONS.

## Code of Ethics- main sections

- LEGAL AND REGULATORY COMPLIANCE
- CONFLICT OF INTEREST
- CONFIDENTIALITY AND CONFIDENTIAL INFORMATION
- PRIVILEGED INFORMATION
- INTEGRITY, RESPONSIBILITY AND TRANSPARENCY OF FINANCIAL INFORMATION
- EQUALITY AND NON-DISCRIMINATION
- HEALTH AND SAFETY AT WORK AND ENVIRONMENTAL PROTECTION
- INTELLECTUAL AND INDUSTRIAL PROPERTY
- MONEY LAUNDERING AND FINANCING OF TERRORISM
- FREEDOM OF EXPRESSION AND JOURNALISTIC INDEPENDENCE
- COMMERCIAL RELATIONS AND COMMERCIAL RELATIONSHIPS WITH COMPETITORS
- PRIVACY AND DATA PROTECTION
- ANTITRUST REGULATION
- DUTY OF COMMUNICATION AND COMPLAINTS CHANNEL
- MANAGEMENT OF THE CODE OF ETHICS BREACHES

Control of compliance with the Code of Ethics corresponds to the Internal Audit and Human Resources Management. Likewise, the Management of the Compliance Department, which is dependent on the Audit and Compliance Committee, and includes the Corporate General Manager of Mediaset España, the General Operations Manager and the Internal Audit Manager, is responsible for ensuring compliance with the Internal Code of Conduct. Its functions include notifying any infringement of the said Code to the Human Resources Management, which takes the requisite disciplinary action, if appropriate.



## Risk Management Policies and Procedures

- CODE OF ETHICS.
- CORPORATE SECURITY POLICY.
- INTERNAL RULES OF CONDUCT..
- MONEY LAUNDERING AND FINANCING OF TERRORISM PREVENTION MANUAL
- PROCEDURE FOR PURCHASE OF GOODS AND SERVICES.
- PROCEDURE FOR PURCHASING RIGHTS.
- PROCEDURE FOR THIRD PARTIES CONNECTING TO MEDIASET COMPUTING NETWORK.
- PROCEDURE FOR BROADCAST CONTINUITY.
- PROCEDURE FOR CONTROL OF FURNISHINGS AND SUNDRY MATERIALS.
- PROCEDURE FOR RETURNING ASSETS.
- PROCEDURE FOR THE MAKING AND ACCEPTANCE OF GIFTS.
- PROCEDURE FOR SIGNING OF CONTRACTS.
- PROCEDURES AND DUTIES OF THE ACQUISITIONS AND SALES COMMITTEE.
- PROCEDURE FOR POWER OF ATTORNEY MANAGEMENT.
- PROCEDURE FOR ASSET MANAGEMENT .
- PROCEDURE FOR CUSTOMER MANAGEMENT.
- PROCEDURE FOR THE MANAGEMENT OF ADVERTISING EXCHANGE.
- PROCEDURE FOR PROVISION OF FUNDS.
- PROCEDURE FOR REQUESTING REMOTE ACCESS.
- PROCEDURE FOR ORDERING WORK MATERIALS.
- PROCEDURE FOR THE USE OF EMAIL AND INTERNET.
- PROCEDURE FOR THE USE AND MANAGEMENT OF THE COMPANY'S COMPLAINTS CHANNEL.
- PROCEDURE FOR THE USE AND MANAGEMENT OF THE PREMIERE MEGAPLEX COMPLAINTS CHANNEL .
- PROCEDURE FOR TRAVEL AND TRAVELLING EXPENSES.
- PROCEDURE FOR THE CONTROL OF PERSONAL DATA STORED IN NON-AUTOMATED FILES.
- PROCEDURE FOR THE USE OF MOBILE DEVICES.
- PROCEDURE FOR HIRING IN CLOUD ENVIRONMENTS.
- PROCEDURE GOVERNING THE SALE OF AUDIO-VISUAL RIGHTS.





## MEDIASET ESPAÑA HAS INSTALLED A SYSTEM OF MANAGEMENT AND FRAUD ALERTS IN ORDER TO PREVENT UNLAWFUL PRACTICES OR DETECT EVIDENCE OF SUSPICIOUS OPERATIONS.

In order to ensure the effective implementation of the Code of Ethics and the various procedures that develop and implement it, the company complements and reinforces its preventive framework with a number of control processes that identify areas for improvement and detect potential breaches, with a view to taking the necessary corrective measures.

Internal Audit Management carries out control procedures over the application of the pertinent procedures and codes. Any possible case of irregularity, fraud or corruption, and any infringement of the Code of Ethics, may be submitted to this area, who must pass the case on to the Audit and Compliance Committee.

With regards to the communication by any employee, executive, director and or interest group of Mediaset España that might have reasonable grounds for suspecting that practices contrary to the principles and values of the Code of Ethics or ethical practices and good faith in business are taking place, these concerns or attitudes can be transferred directly to the Internal Audit Management, or communicated through the Complaints Channel, available on the company intranet and also managed by the Management. Complaints should be made on an individual and personal basis.

The Internal Audit Management will analyse and assess the accuracy and credibility of the information received, raising those it deems justified with the Audit and Compliance Committee, for its final evaluation. It will also guarantee and appropriately ensure, the correct and complete protection of privacy and the confidentiality of the information disclosed and the identity of the persons involved.

During 2016 no complaints have been received through these channels. Given the lack of use of these mechanisms and the possible use of alternative ways of communicating the above-mentioned situations, the Management has raised the need to carry out a review of the procedure for using the Complaints Channel in order to make them more accessible to anyone who may be interested. This review will take place at the beginning of 2017.

Simultaneously, since 2014 Mediaset España has installed a management and fraud alerts system in order to prevent unlawful practices or detect evidence of suspicious operations. It has 41 key indicators regarding the primary process of the Group related to revenue, costs and IT systems. These key indicators are monitored on a daily basis by automated control mechanisms covering the information recorded in the main applications that support the monitored processes.

Conflicts of Interest are regulated by the Code of Ethics and the Group's Internal Code of Conduct. Establishing clear performance criteria and rules intended to avoid situations that create uncertainty surrounding the interests lying behind the actions of any person forming part of the company, with the ultimate aim of ensuring integrity in content creation and dissemination.

In turn, the Company has implemented several procedures to mitigate the risk of conflicts of interest: control procedures that promote transparency and good working practices, such as the Procedure of the Acquisitions and Sales Committee, the Procedure Purchase of Goods and Services, the Procedures for Signing Contracts and the Procedures for the Management of Powers of Attorney. These procedures are available to all staff on the Group's intranet.

Moreover, various mechanisms are in place to detect and resolve potential conflicts of interest between the company and its directors in order to avoid behaviour that might cause harm to the company or its shareholders. In this respect, under the Board of Directors Regulations, any related-party business transactions between the Mediaset España Group and its Board members must be authorised by the Board. The existence of a personal interest also extends to cover situations where the matter affects any person related to the director concerned (family members for natural persons and partners or directors, among others, in the case of legal entities). If a director is in a conflict of interest situation, he/she must notify the company immediately and refrain from attending and participating in discussions concerning matters in which he/she has a personal interest.

Within the Annual Audit Plan, the Internal Audit Department carries out the analysis of the risks related to corruption in the lines of activity with the highest incidence in the Group. In this regard, in 2016, 4 business

THE COMPANY HAS IMPLEMENTED SEVERAL PROCEDURES TO MITIGATE THE RISK OF CONFLICTS OF INTEREST.



## MEDIASET ESPAÑA HAS STRONG CONTROLS IN THOSE AREAS THAT MAY BE AFFECTED BY THE MONEY LAUNDERING LAW.

units of the Group have been analysed, representing 80% of the Group's activities, with no material risks found that could affect the operations of these units or their economic and financial capacity.

To ensure compliance with anti-money laundering and financing of terrorism regulations and legislation, Mediaset España has tight controls in areas that may be affected by the money laundering law. In particular, the business areas of online gambling and the collections and payments (sending money). In the case of online gambling, the Money Laundering Prevention Committee acts as a control mechanism. It relies on the Money Laundering Prevention Unit to manage the controls, which are described in the Money Laundering Manual. Also, the online gambling business is obliged to comply with all Mediaset Group procedures, which affect cost control, payments, collections, ethical behavior and other areas.

In addition, the Economic and Financial Management has exhaustive controls in place to verify all collection and payment operations of its income and costs operations. Among others, it has protocols for client approval, customer cataloging procedures, assignment of powers for payment with joint signature, verification procedures for compliance with third party obligations.

As in previous years and in order to reduce the risk of corrupt practices taking place, the company has continued providing training in the prevention of money laundering and the financing of terrorism, aimed primarily at persons whose activities are related to online gaming, such as the commercial area, internal control bodies, the financial area and gaming employees. In 2016, the entire workforce, the Board of Directors and the Committee of the company related to gambling activities has received training in the prevention of money laundering. In addition, the entire Mediaset España workforce that provide support work to gambling activities has also received training in money laundering prevention. In this regard, 34 people have received 95 hours of training in this matter.

In terms of computer security, the Group has established a management framework that starts with the Corporate Security Policy, revised and updated in 2016 to incorporate the necessary control framework for the new digital environment. In turn, it has a Security Management Committee responsible for ensuring the implementation of computer security in a coordinated and centralized manner.

The control processes established by the Internal Audit Department for reviewing IT security are based, on the one hand, primarily on the revision of the different procedures defined in the IT Security Policy and on the other, a semi-annual review of the controls established in information systems. Both reviews are carried out in collaboration with the Head of IT Security.

In all the tasks planned by the Internal Audit Department that involve the review of the processes that are supported by computer systems, a specific section for reviewing the computer security of this system is included within its scope. Also, prior to the start of production of a computer system, a security review is carried out to verify that the initially defined controls have been implemented correctly.

ALL THE WORKFORCE PERFORMING TASKS LINKED TO GAMING ACTIVITIES HAS RECEIVED TRAINING.



The management of computer security is developed in the section "Cybersecurity" of this Report



## Self-Regulations Codes and Agreements

- CODE FOR THE SELF-REGULATION OF TELEVISION CONTENT AND CHILDREN.
- CODE OF CONDUCT ON COMMERCIAL ADVERTISING OF GAMBLING ACTIVITIES.
- ADVERTISING CODE OF CONDUCT OF THE ASSOCIATION FOR THE SELF-REGULATION OF COMMERCIAL ADVERTISING (AUTO-CONTROL) AND OTHER SPECIFIC ADVERTISING CODES ISSUED BY THAT ASSOCIATION.
- DEONTOLOGICAL CODE OF THE FEDERATION OF JOURNALIST (FAPE).
- EUROPEAN DEONTOLOGICAL CODE OF THE JOURNALISM CAREER.
- ETHICAL CODE OF THE ASSOCIATION OF MEDIA MANAGERS (DIRCOM).

## Specific guides for the sector

- EUROPEAN REGULATION ON BROADCASTING QUOTAS. (DIRECTIVE 2010/13/EU).
- GUARANTEE OF AWARDING OF SPACES.
- AGREEMENT OF THE PROCEDURE FOR THE MARKETING AND MANAGEMENT OF ADVERTISING SPACE ON GENERAL TELEVISION.
- BEST PRACTICE AGREEMENT FOR ADVERTISING.
- AUDIO-VISUAL COMMUNICATION ACT.
- CINEMA ACT.
- INTELLECTUAL PROPERTY ACT.
- ADVERTISING CODE OF CONDUCT.
- SELF-REGULATION CODE FOR FOOD ADVERTISING AIMED AT CHILDREN, PREVENTION OF OBESITY AND HEALTH (PAOS CODE).
- SELF-REGULATION CODE FOR TELEVISION CONTENT AND CHILDREN.
- CODE OF ETHICS FOR ELECTRONIC COMMERCE AND INTERACTIVE ADVERTISING (ONLINE TRUST).
- UNITED NATIONS GLOBAL COMPACT PRINCIPLES.
- CODE OF ETHICS FOR THE BEST COMMERCIAL PRACTICE FOR THE PROMOTION OF CHILDREN'S DIETARY PRODUCTS (OCTOBER 2012).
- CODE OF CONDUCT ON COMMERCIAL ADVERTISING OF GAMBLING ACTIVITIES (JUNE 2012).
- LIST OF AUTHORIZED DECLARATIONS ON THE HEALTHY PROPERTIES OF FOODS OTHER THAN THOSE CONCERNING THE REDUCTION OF THE RISK OF ILLNESS AND THE DEVELOPMENT AND HEALTH OF CHILDREN (IN FORCE DEC/2012).





**MEDIASET ESPAÑA CARRIES OUT THE CONSTANT REVIEW OF ITS ACTIVITIES AND THE SETS ON WHICH THEY WORK, IN ORDER TO ENSURE FULL SECURITY AND FULL RESPECT FOR THEIR RIGHTS.**

In the normal course of business, Mediaset España manages the participation of under-age artists in its programmes in strict compliance with the criteria and procedures established for this purpose by the Department of Employment in the Madrid Regional Government.

For this purpose, the company has drawn up a manual where all necessary information is brought together concerning minors' rights, to ensure the proper conduct of children's activities on television and ensure that their rights to education and the enjoyment of their free time are not infringed. This manual is available on the intranet and is given to all production companies that hire children so that they implement the measures it sets out.

Mediaset España carries out the constant review of its activities and the sets on which they work, in order to ensure full security and full respect for their rights. Among other issues, the company verifies the suitability of the access and waiting areas for minors, or the creation of properly adapted rest areas. Similarly, they are notified of the measures and actions to be taken in an emergency, and the presence of the minors'

legal guardians during the relevant sessions is guaranteed. Working hours can never exceed 8 hours and additionally the scheduling of recording involving children is coordinated with their schooling timetable, to allow them to attend class on a regular basis.

The Company has also implemented measures to minimise the risk of its employees committing any offenses involving aggressive behaviour when fulfilling their obligations or services. In this respect, it is guaranteed that security personnel subcontracted by Mediaset España have received training in the human rights area and hold the official Security Guard qualification which includes a training module on human rights. Mediaset España only works with security companies that have been authorised by the Interior Ministry and all security guards have a Professional Identity Card.

Any purchase of goods and services in the company is regulated by the purchasing and contract signing procedures, and it is the Purchasing and General Services Management that are responsible for supervision and management in this area.

**THE COMPANY HAS IMPLEMENTED MEASURES TO MINIMISE THE RISK OF ITS EMPLOYEES COMMITTING ANY OFFENSES INVOLVING AGGRESSIVE BEHAVIOUR WHEN FULFILLING THEIR OBLIGATIONS OR SERVICES.**





ANY PURCHASE OF GOODS AND SERVICES IN THE COMPANY IS REGULATED BY THE PURCHASING AND CONTRACT SIGNING PROCEDURES.

**Risk management also undisputedly involves the management of the supply chain, considering the risks related to the activities carried out by suppliers and their impact on Mediaset España's business. In this respect, the procedures in place include:**



Prior to the contracting of services or goods, the Suppliers Approval Protocol is applied: an analysis of suppliers' solvency, tax residence certificates in the case of non-residents and contractors' certificates in the case of residents, Politics and Quality Certifications and CSR.



The contractual relationship takes into account matters related to Personal Data Protection and the contracting of Public Liability and damage insurance, among others.



Those suppliers that provide their services inside the Group's facilities must in turn comply with requirements related to the Prevention of Occupational Risks.



For their part, suppliers specifically related to the gaming areas must have additional money laundering training.



Any purchase in excess of €20,000 must be approved by the Acquisitions Committee, which is made up of the Chief Executive Officer, the General Operations Manager, the General Content Manager and the General Commercial Manager, with Internal Audit Management acting as secretary and with the support of the company's Legal Counsel and Control Management.



Any purchase of goods or services in excess of €20,000 must be formalised in a contract.

## Activities carried out by the Internal Audit Management in 2016

- REVIEW OF KEY PROCESSES THAT HAVE AN IMPACT ON THE GROUP'S FINANCIAL STATEMENTS, THROUGH SUBSTANTIVE AND COMPLIANCE TESTING.
- AUDIT OF THE PROGRAMMES ON THE PROGRAMMING GRID.
- AUDIT OF THE ADVERTISING SALES DISCOUNTS.
- UPDATING THE CODE OF ETHICS AND THE INTERNAL CODE OF CONDUCT.
- COLLABORATION ON THE REVISION OF PROCESSES AND IMPLEMENTATION OF CONTROLS IN THE DIGITAL INFORMATION FLOWS.
- UPDATING THE COMPANY'S RISK MAP.
- UPDATING OF THE CONTINUITY OF THE BROADCAST PROCEDURE.
- UPDATING THE INVENTORY OF INFORMATION ASSETS AND RELEVANT APPLICATIONS AND REVIEWING THEIR CRITICALITY LEVEL.
- REVIEW OF THE THIRD-PARTIES CONNECTING TO THE MEDIASET NETWORK PROCEDURE
- AUDIT OF COMPLIANCE WITH THE POLITICAL PARTIES ADVERTISING CAMPAIGNS.
- COLLABORATION IN THE REVIEW OF THE DIGITAL PLATFORM STATUS AND THE CYBER RISKS ANALYSIS.

- REVIEW OF THE NEW OPERATING SYSTEM PROCESSES IN THE DIFFERENT AREAS OF THE GROUP.
- UPDATING THE OPERATING ALERTS AND GROUP'S MANAGEMENT SYSTEMS.
- UPDATING THE GROUP'S POLICIES AND PROCEDURES.
- AUDITS OF THE MAIN CHANNELS CORE PROGRAMMES ON THE PROGRAMMING GRIDS.
- REVIEW OF DIGITAL AND MULTIPLATFORM PROCESSES.
- REVIEW OF ADVERTISING SALES PROCESSES.
- COLLABORATION ON THE IMPLEMENTATION OF IMPROVEMENTS IN THE GROUP'S CRIME PREVENTION SYSTEM.
- STRENGTHENING OF THE CONTROLS ON THE MEDIASET ESPAÑA GROUP'S INFORMATION SYSTEMS.

## MILESTONES 2016

**126** RECOMMENDATIONS WITH THE CORRESPONDING ACTIONS PLAN

OPERATIVE AND COMPLIANCE AUDITS  
57%

### Dedication

CONSULTANCY WORKS  
24%

RISK EVALUATION AND REVIEW  
17%

TRAINING 2%



## Main risks and management mechanisms

RISK	DESCRIPTION	MANAGEMENT MECHANISM	MATERIALIZED	MANAGED
<b>REGULATORY ENVIRONMENT</b>	The numerous regulatory changes to which the company is subject on both a taxation and employment level, and also regarding specific changes in the audio-visual sector, constitute a risk that threaten the stability of the business and the achievement of strategic objectives.	The Group has set up a working team in which all regulatory changes are analysed in detail by senior management, so that any unexpected decision can be coped with immediately and its impact on the company can be minimised.	Continuous tax regulatory changes that have an impact on the annual cashflow of all the Spanish companies. In particular, the measures adopted in Corporate Income Tax to advance partial payments, the new criteria for the portfolio provisions deduction and the limitation on the use of negative tax loss carryforwards.	Adaptation to tax regulation.
		In turn, given the continuous monitoring by the regulator of the content broadcast by the channels, the Group has developed processes and implemented appropriate precautionary measures at the editorial control level to ensure that restrictions on broadcasting of content during protected times are complied with and that these are properly catalogued, with viewers being advised beforehand.	Employment Regulatory changes, based on the General Budget Law for 2016, and the Ministerial Order of development for the purposes of social contributions. Contribution bases were adapted to Social Security concerning part time contracts.	Adaptation to employment regulation.
		However, it should be noted that the evaluation criteria for broadcasting content are entirely subjective and therefore it is difficult to entirely eliminate this risk.	Entry into force of Royal Decree 988/2015, of 30th October, which regulates the legal obligation's to have prefinancing of certain European audio-visual productions, which states that the films not made in the Spanish language would not be considered as Spanish films with regards to the calculation of the mandatory 5% annual investment in European audio-visual productions.	Individual selection of those film projects, which are expected to be profitable, and in turn, guarantee the systematic compliance with the obligation of annual investment.
<b>MACRO-ECONOMIC AND POLITICAL ENVIRONMENT</b>	The television business is directly related to economic growth and therefore this is an external factor that has a direct impact on the business.	Since the beginning of the crisis, the Group has taken measures aimed at controlling both business and structural costs. These measures will be maintained for some time, given the current economic climate	Political instability in the country after the elections on December 20th 2015, have contributed to the increasing uncertainty in the Spanish economy. This has influenced the low visibility of investment in advertising.	Weekly Management Committee in which, among other things, the behavior of the advertising market is monitored and the Company's necessary actions are defined. Offer "360" solutions to clients and agencies, where the impact of advertising on TV, webs, events, etc. is increased.
<b>MARKET FRAGMENTATION</b>	High competition in the audio-visual sector due to the offers of existing content from various sources .	Mediaset España strongly supports the promotion of all platforms of broadcasting content, with Television as the main platform.	A large segmentation of free to air TV with the broadcast of more than 18 channels at national level. Also, the continued pay-TV penetration in Spain and the growth of new competitors on the internet.	Company's high reaction capacity related to costs containment of in-house and external contents production, sports events and news. Offering contents on the largest possible number of windows, including Smart TVs and new formats exclusive to the internet.

RISK	DESCRIPTION	MANAGEMENT MECHANISM	MATERIALIZED	MANAGED
<b>RISKS INHERENT IN THE AUDIO-VISUAL BUSINESS</b>	The threat of losing leadership in terms of profitability.	<p>From the perspective of leadership in profitability, Mediaset España carried out a thorough monitoring process of the state of the advertising market to achieve the appropriate billing- costs - profitability mix, without affecting its audience leadership.</p> <p>For this purpose, the company maintains its operations scheme, that most of the programmes it broadcasts are in-house productions, achieving an increased capacity to contain costs.</p>	Due to the appropriate monitoring and reviewing procedure of billing-costs-profitability mix, no risks have materialised in 2016.	
<b>REPUTATIONAL</b>	Mediaset España owns many brands, both corporate and products associated with its programmes, it is therefore, exposed to situations that may threaten its corporate image, and the image of the channels it broadcasts and their programmes.	<p>The Communications Department Management is responsible for maintaining the corporate image through the continuous monitoring of any news or activity that could cause a crisis impacting Mediaset España's image. This Department coordinates with the Multiplatform Department Management to monitor any developments on social networks.</p> <p>It has also strengthened coordination with the programme producers to improve reaction times.</p> <p>When a situation of potential conflict is detected, the Communications Department Management coordinates, informs and advises the CEO to take the necessary measures.</p>	In 2016 no reputational risks have materialised.	
<b>FINANCIAL</b>	The recent appreciation of the dollar against the euro has impacted the TV business, since broadcasting rights are purchased in markets that operate in this currency.	The company has contracted the necessary hedging and exchange insurance contracts to mitigate any potential negative impacts.	Appreciation of the dollar against the euro	Efficient exchange rates contracted, making the impact insignificant for the Group.



RISK	DESCRIPTION	MANAGEMENT MECHANISM	MATERIALIZED	MANAGED
<b>TECHNOLOGICAL TRANSFORMATION</b>	The constant and increasingly rapid technological evolution can affect the way television is consumed.	Mediaset España monitors the evolution and effect that technological transformation can have on television.	Increased consumption of content from mobile devices, apps, on demand and live TV and connected TV.	<p>Creation of a Digital Committee</p> <p>Adaptation of the sets to HD format.</p> <p>Investment in talent, hiring expert digital staff.</p> <p>Offering content on the largest number of windows: Mediaset's live and on-demand TV platform is also available on smart TVs.</p> <p>Renewing the web platform with the latest multi-bitrate technology.</p> <p>Launch of a new exclusive internet video channel within Mitele (mtmad), an innovation space with more than 40 formats, to attract new digital talents.</p> <p>Greater presence in the digital advertising market.</p>
<b>PIRACY</b>	Technological advances and the decline in associated costs facilitates the possible unauthorized access to music and audio-visual content and that they can be quickly shared by users of new technologies, without the authorization of the legitimate rights owners and without any payment of fees or corresponding royalties.	<p>Mediaset España has established solid contracts with first-line providers for the digital file hosting.</p> <p>In turn, it has defined procedures for controlling the content flow to the different platforms and technical audits are carried out to review its correct application.</p> <p>Additionally, it has an external content monitoring service on youtube, which tracks and removes all contents owned by Mediaset from this channel.</p> <p>Moreover, the company's Legal department takes legal actions deemed necessary to defend intellectual property rights.</p> <p>In the case of films, the company has a contracted monitoring system by means of which the illegitimate access to the produced contents is fought, during the period of time in which the film is broadcasted in cinemas.</p>	During 2016, unauthorized third parties have reproduced the company's contents on the web.	The financial impact has been assessed at brand level and has been considered insignificant.
<b>CYBER ATTACKS</b>	Damage caused by third parties on the service platforms, resulting in the interruption of services provided to customers and / or protection of personal data.	<p>Mediaset España has defined a Cyber Security Risk Map in the Group.</p> <p>Also, it has established periodic revisions, both of users and system vulnerabilities, as well as internal and external audits contracted. It also has procedures for the appropriate treatment of incidents.</p> <p>Contracting an attack mitigation service through Denial of Service (DOS).</p>	Degradation of the service for users who would like to connect to the web.	Digital platform state's review, automation of update processes, use of advanced Heuristic and awareness of sensitive groups regarding information security, in order to reinforce the company's End Point and WorkStation with respect to Malware.



RISK	DESCRIPTION	MANAGEMENT MECHANISM	MATERIALIZED	MANAGED
<b>LAWSUITS</b>	Litigation and disputes that the Group maintains or may maintain with third parties in employment criminal, tax, contentious-administrative or civil and commercial jurisdiction pending final resolution.	Mediaset España, through its Directors and advisors, evaluates the risk for all litigation and disputes and, in those cases where the risk is probable and its economic effects are quantifiable, adequate provisions are provided.	<p>In 2016 a penalty related to non-compliance with the protection of minors was received and seven penalties for breaching advertising regulations.</p> <p>In an employment context, 29 complaints were filed against Mediaset Group companies (all of them in Spain).</p> <p>In 2016, a resolution from the Economic-Administrative Tribunal was obtained, regarding the proposal contained in the auditing actions assessments from the Tax and Customs Control Unit of the Tax Agency, actions which included the verification of gambling, games of chance or luck fees since June 2008 to December 2011.</p>	<p>3 penalties have been appealed related to noncompliance of the advertising regulations and a sanction for breach of protection of minors.</p> <p>In the field of employment claims, 22 of them have been settled by agreement, 4 with a favorable resolution for the company and 1 is pending judgment.</p> <p>The necessary provisions have been provided ( Annual Accounts Note 14).</p> <p>The Company has provided a guarantee for an amount of EUR 9,029 thousand before the Tax and Customs Control Unit of the Tax Agency due to an appeal filed against the aforementioned Liquidation Agreement.</p> <p>The abovementioned assessments and, therefore, the proposal for regularization, refer in any case to the Company's operations in which it has strictly followed the criteria set by the Tax Agency (and in particular by the same Inspection Body) in previous verifications carried out due the same tax concept and on operations of an identical nature. Therefore, in the Company Directors opinion and tax advisors, there are arguments to defend the aforementioned criteria applied by the Company before the review bodies, both administrative and jurisdictional, and, consequently, to obtain a favorable outcome.</p>

Note: the chart above only highlights material risks for Mediaset España's business.



# DATA PROTECTION

## THE COMPANY HAS ALSO IMPLEMENTED TEN PROCEDURES TO MANAGE ANY INITIATIVE INVOLVING THE USE OF PERSONAL DATA

The framework of action that assures the full integration of personal and content data protection into the business management, part of the company's Code of Ethics, which includes privacy and data protection issues, as well as confidentiality of information. Based on the document, the Data Protection Unit, together with the Management of the Internal Audit and the Technology Division, they have developed various tools which dictate the company's responses in this area.

The company has a Corporate Security Policy, Procedures and Regulation on the Treatment of Personal Data and Confidentiality of the Personnel within the Organisation, which regulates access to and treatment of personal documents by all the Group companies' departments, areas and management units. At the same time, it defines the security measures that must be applied when processing files containing personal data to guarantee the confidentiality of the information.

The company has also implemented ten procedures to manage any initiative involving the use of personal data, including user identification and authentication, remote access, application access and the use of personal data files. The procedures are regularly reviewed in order to ensure its accordance with business activities and current legislation.

In order to ensure the strict compliance with the Organic Law on Data Protection (LOPD) and other applicable regulations, the company has a Data Protection Unit. The Unit's main objective is to regulate the treatment of personal data and personal data files, irrespective of how

they are processed, the related citizen's rights and its obligations as the company that creates or processes them.

The Data Protection Unit is in charge of close and detailed monitoring related to those departments or business units of the company that require special advice and tighter surveillance, given the nature of the activity performed, such as, those units that work with social media. Thanks to an efficient internal control system, no penalty proceedings were initiated in 2016 in relation to personal data privacy and protection.

In this context, in 2016, the consulting work regarding the degree of the company's compliance with the new General Data Protection Regulation, concerning the protection of physical persons and the treatment of personal data and free movement of this information, approved in May 2016 and will be applicable from May 25th 2018. These tasks resulted in the identification of points for the adaptation of current Mediaset policies in force and also technical, organizational and legal measures that may be deemed necessary.

Furthermore, in virtue of its commitment to the promotion of the exchange of information and knowledge on issues related to data protection, Mediaset España covered the 8th Annual Open Session of the Spanish Data Protection Agency (AEPD), broadcasting it on the TV channels, reaching a 14% audience share. In turn, the company has broadcast, on the intranet, the Internet Safety Guidelines edited by the Spanish Data Protection Agency and the National Institute on Cyber Safety.

Mediaset España has responded rapidly regarding the compliance or preparation of the company when addressing the trends that may have an impact on their activity in issues such as contracting services provided in the Cloud, or the need to adopt informational regression and correlating practices (known as Big Data), that condition the use and treatment of large amounts of information in third party environments and architectures. In this sense, the company has developed the Procedure for contracting in the Cloud, has created the Department of Data Development and has established controls to ensure the coordination between those areas contracting services in the Cloud or the development of Big Data, with the Department of Data Protection and IT security.



With regards to the relationship between the company and citizens in terms of Data Protection, Mediaset España has defined and implemented an action protocol to guarantee that ARCO rights (access, rectification, cancellation and objection) may be exercised. It details the areas affected by these rights, the channels through which the Mediaset Group's users may exercise them, the procedure for responding to requests, special cases in which the right may be exercised and subsequent notification to the user of the positive outcome of their request.

In 2016, 8 ARCO rights requests were answered in a timely manner and 5 published contents referring to participation in competitions and news were removed. Studio audiences for TV programmes produced at Mediaset España's facilities were also provided with written

information and asked to give their consent in connection with image rights and personal data.

BEFORE ANY NEW INITIATIVE OR PROJECT BEGINS, THE SECURITY AND DATA PROTECTION RISKS ARE ASSESSED AND, CONSEQUENTLY, THE NECESSARY SAFETY REQUIREMENTS ARE ADOPTED



THE DATA PROTECTION UNIT IS IN CHARGE OF CLOSE AND DETAILED MONITORING RELATED TO THOSE DEPARTMENTS OR BUSINESS UNITS OF THE COMPANY THAT REQUIRE SPECIAL ADVICE AND TIGHTER SURVEILLANCE

# CYBERSECURITY

The Technology Division, along with the support of the Security Management Committee, manages the technical security of the IT systems, performing in accordance with the Corporate Security Policy and using criteria derived from the ISO Information Security Standards 27001 and standards published by the National Cryptologic Center.

The Corporate Security Policy, which was revised and updated in 2016 to include the necessary controls for the new digital environment, together with the procedures to implement it, aims to avoid or mitigate the possible risks associated with the Group's technological assets. The said Policy allows the Group to ensure that all information provided by clients, suppliers, auditors or consultants who maintain a working, commercial or professional relationship with the Group, will be adequately guarded, in a way that guarantees privacy and that all laws, rules and regulations on data protection are complied with.

## Security Management Committee

### COMPOSITION



### AMONG THEIR DUTIES





FOR THE PURPOSE OF PREVENTING, DETECTING AND RESPONDING TO POSSIBLE CYBER-ATTACKS, MEDIASET ESPAÑA CONDUCTS REGULAR REVIEWS.

Within the said framework, Mediaset España directs the maintenance and new investments aimed at sustaining information security, focusing on the development of preventive actions.

To ensure the agility, availability, integrity, confidentiality and controlled access to information, Mediaset España has established highly available completed environments, redundancy communications, and outsourced services to reduce or eliminate the consequences of incidents that could take place in this area. In this regard, the Business Continuity Plan contemplates the aspects of IT (high availability of the apps and Back-up Policies) and Broadcast (Broadcast Contingency Plan).

For the purpose of preventing, detecting and responding to possible cyber-attacks, the company conducts regular reviews of both users and system vulnerabilities, as well as contracting internal and external audits. It also has procedures for the appropriate treatment of incidents, resorting to, if necessary, the Forensic practice.

## Main collaborations and training sessions

given by the Mediaset España's Head of Computer Security in 2016:

"A Day in the Security Department ", organized by the Carlos III University of Madrid with the collaboration of the Information Systems Audit and Control Association (ISACA), within the Cycle of Cybersecurity Conferences.

Participation in the Regulatory Working Group of AUTELSI (Spanish Association of Users of Telecommunications and the Information Society) for the elaboration of the Study: "Management of Compliance in the ICT environment"

The initiatives that were carried out in 2016 focused on the automation of upgrade processes, the use of advanced Heuristics and the awareness of sensitive collectives with respect to information security were carried out with the aim of reinforcing the End Point and WorkStation of the Company in relation to Malware, taking into account the trends and eventualities that have been happening in the global context related to the Malware dissemination campaigns.

Along the same lines, in 2016, the Audit Department, together with the Technology Division and independent external consultants, carried out a Cybersecurity Risk Map in the Group, as well as a review of the digital platform status. As part of its recommendations, among other activities, the inventory of relevant information and application assets were updated and its level of criticality was reviewed.

IN 2016, A CYBERSECURITY RISK MAP WAS CARRIED OUT IN THE GROUP, AS WELL AS A REVIEW OF THE DIGITAL PLATFORM STATUS.

# SUPPLY CHAIN MANAGEMENT

## SUPPLIERS DECLARE THEIR COMMITMENT TO ETHICAL AND RESPONSIBLE MANAGEMENT.

The supply chain management is part of Mediaset España's responsible and sustainable business management. For that purpose, the company promotes responsible practices within its area of influence by transmitting environmental, social and ethical standards to its supply chain.

Since 2010, contracts with Mediaset España suppliers have contained a clause stipulating their commitment to engage in sustainable activities, making a commitment to: respect employees' rights and union memberships, refrain from using child labour, reject all kinds of forced labour, prohibit any type of discrimination, comply with occupational hazard prevention legislation, assure employee safety during working hours and prohibit any conduct that entails corruption, blackmail or extortion. The contractors also declare that they will respect environmental regulations and promote the efficient use of limited resources such as energy, water and raw materials in the course of their activities. Thereby, suppliers declare their commitment to an ethical and responsible management.

## Types of goods and service suppliers



TECHNOLOGY

38%



PROFESSIONAL SERVICES

21%



PRODUCTION SERVICES

12%



WORKS AND MAINTENANCE

9%



PROGRAMME AUDIENCE

4%



TRAVEL

4%



SECURITY

3%



CLEANING

3%



DINING AREAS

2%



RECEPTIONISTS, AUXILIARY STAFF

2%



TRANSPORT

1%



OTROS SUPPLIES

1%

**CONTRACTS WITH NATIONAL SUPPLIERS REPRESENT A LARGE MAJORITY OF THE GOODS AND SERVICES PURCHASES' VOLUME.**

The products and service contracting distribution, managed by the Purchasing and General Services Management presents, as in previous years, a larger concentration related to the contracting of technological, professional services and production, which together account for 71% of contracted products and services.

The contracted technological services are related to the purchases of technical materials (essentially hardware, software, cameras, mixer, matrices, sound and image equipment). Professional services consist mainly of IT applications maintenance and development, and consultancy and audit services. Production services refers mainly to services related to set design, illumination and subtitling.

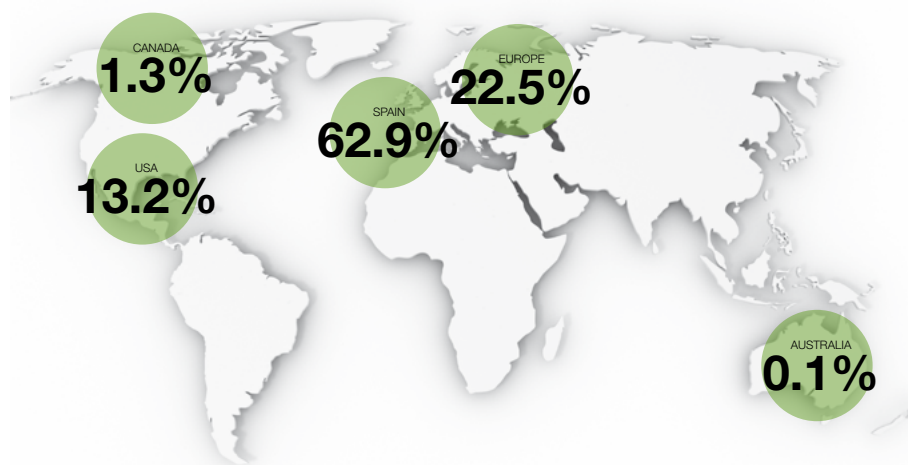
Contracts with national suppliers represent a large majority of the goods and services purchases' volume, where international suppliers respond to the contracting of technological services.

## Products and Services Suppliers



Note: As in prior years, the supplier must have a Spanish tax code and the invoice must be settled in Spain in order to be classed as Spanish.

With regard to the distribution of content broadcast rights suppliers in 2016, 63% of contracts correspond to suppliers of Spanish broadcast's rights, 23% to suppliers from other European Union countries and 15% % to suppliers in North America and Australia.





## Management of our production companies

Production companies are a fundamental part of Mediaset España's supply chain. This section pretends to be an initial approach to the management of participated production companies, according to the information provided.

## Producciones Mandarinina

### Editorial Independence

Directors have total authority over the editorial content of their programme, starting from the script writing to the editing and especially at the time of broadcast, if it is a live programme.

### Content Quality

The Content Management look after the quality of the scripts, the narrative structure of each programme and the profile of the presenters, collaborators, guests or the actors and their characters.

It also promotes technical quality, which includes the level of audio-visual records such as lighting, sound and musical setting and the production model of video and graphics created for each programme.

The innovation in the creation of contents constitutes a fundamental element for PRODUCCIONES MANDARINA. To this end, the New Projects department works by analysing and studying all the novelties that are presented, both in Spain and internationally, participating in fairs and capturing new ideas and trends. The presentation of new projects is usually done in meetings where the content production team of Mediaset España is present. In these meetings, a dossier presentation of the project is presented to the company. In the case that the project is of interest to the company, the complete development of the project's contents and the production of a pilot programme or a video demo of the proposal is usually requested, to assess its possible success on television.

### Pluralism and diversity

The productions can be of different types and the promotional mechanism used will depend on the type. In the current programmes, the variety of sources consulted and fidelity towards the reality of the news are valued; as for the entertainment programmes or magazines, the diversity in the guest panel is valued; in fiction, these concepts are included through the narrative of scripts.

### Right to Privacy and Honour

Contracts with collaborators, presenters and guests have a clause where they undertake, in the performance of their services and during the term of the contract, to respect the applicable legislation in force, and in particular, that relating to the protection of intellectual property, honour, privacy and a person's personal image rights, assuming responsibility before the producer.

### Intellectual Property Rights

In the contracts (when there is economic consideration) and assignments (if they are free), the transferor guarantees that the audio-visual recordings do not infringe any third party right, responding before MANDARINA with regards to the ownership and peaceful exercise of the said rights, assigning to Mandarinina the totality of the transmissible intellectual property rights, both, commercialization and image rights that may correspond to them on the audio-visual recordings.

### Freedom of expression

The principles of journalism are governed by PRODUCCIONES MANDARINA's Code of Ethics, which states that presenters, collaborators, management team and editors must carry out their work in strict compliance with the principles of veracity, objectiveness and independence of the information transmitted. While performing their work, they must observe the principles of freedom of expression and information, professional secrecy and non-discrimination with the generation of content.

Furthermore, it is fully committed to rectifying any information that does not abide by the principle of veracity and does so whenever necessary.

### The content control process

The Management of the production company's Content Department is the one who establishes the editorial line of each programme and the programme directors are in charge of managing and deciding the contents, always supervised by the executive production of both the production company and the TV channel.



## Producciones Mandarinina

### Workforce Data



Workforce at 31<sup>st</sup> of December 2016



Average Workforce 2016

100% of the workforce is covered by Collective Agreement. Collective Agreement in force: II Audio-visual production industry (Technicians) Collective Agreement.

### Fringe benefits:

- "Ticket Restaurant" vouchers for all staff.
- Flexible hours.
- Bus service for employees.

### Training

In 2016, 18% of the workforce has carried out training on "Audio-visual Sector Risks: sets and studios".

### Energy Resources Management

- Hourly climate control.
- Progressive incorporation of LED lighting.

### Waste Management

- Toner recycling: Biotoner Ecologic Systems
- Paper recycling: Reisswolf
- Management of computer components, computers, monitors, telephones and video players: delivery to recycling point.

All XDCAM DISCK and memory cards are recycled: these are formatted and reused in the new programs produced by MANDARINA.







## La Fábrica de la Tele

### Right to Privacy and Honour

All the contracts with contractors and / or participants in the programmes have specific contractual provisions on the need to not incur any privacy or honour violations of third parties rights.

### Freedom of expression

A large part of the programmes produced have an important component of opinion and debate, therefore, the exercise of freedom of expression is considered a fundamental value, where the limitation lies in the restrictions legally established to the exercise of this right.

### Intellectual Property rights

Much of the audio-visual content that make programmes is owned by the television channel that broadcast them. If works or contents subject to intellectual property rights of third parties are used, these are backed by an assignment of rights contract.

### The content control Process

Responsibility for the programmes' contents rests in the first instance on its director, who starts from the guidelines established by the Content Coordinator and the company's governing body, whose criteria is also very relevant in the content's definition and determination of the final version of the programme.

The last content control is determined by the television channel in charge of its broadcast.

## La Fábrica de la Tele

### Workforce Data



Workforce at 31 of December 2016

**143** **125**

Average Workforce in 2016

**111** **110**

All the workforce is covered by Collective Agreement. Collective Agreement in force: II Audio-visual production industry (Technicians) Collective Agreement

### Fringe benefits:

- ticket restaurant vouchers for all staff, who have a one hour break for lunch during their working hours.
- Flexible hours
- Health Insurance

### Training

In 2016, the workforce received language training.

### Energy Resources Management

Automated Lights control system and air-conditioning in the offices.

### Waste Management

Selective collection and plastic, paper and toner recycling: ARCE RECUPERACIONES

Both XDACM and P2 are reused. In the case of XDCAM, once the contents of the XDCAM are digitized, the documentation department deletes the content for later reuse.





# CONTENT MANAGEMENT MODEL

THE PRINCIPLES GOVERNING JOURNALISM ARE REFLECTED IN MEDIASET ESPAÑA'S CODE OF ETHICS.

## Audiovisual content management

Pluralism and diversity of information sources, freedom of expression and journalistic independence, impartiality and the accuracy of information, the application of ethical standards, along with viewer participation and accessible content are fundamental values that guide Mediaset España's broadcasts, without forgetting the prevalent entertainment role of the Group's channels.

The principles governing journalism are reflected in Mediaset España's Code of Ethics, which states that journalists must carry out their work in strict compliance with the principles of veracity, objectiveness and independence of the information transmitted. While carrying out their work, they must observe the principles of freedom of expression and information, professional secrecy and non-discrimination, guaranteeing editorial independence through internal mechanisms that provide protection from any governmental, technical or other type of interference with the generation of content.

Mediaset España is fully committed to rectifying any information that does not abide by the principle of veracity and does so whenever necessary.

Pluralism and diversity of information sources and active participation from various sectors of society are highly valued by Mediaset España and are integrated into news coverage and discussion programmes, seeking to strike a balance of trends and opinions so as to offer quality audio-visual services suited to all audiences.

Innovation in terms of content creation is essential to maintain Mediaset España's leading position in the audio-visual industry. The New Projects Area spares no effort in keeping on top of all new developments in Spain and internationally, they remain in constant contact with production and distribution companies, taking part in trade fairs, examining new trends and studying new products in order to decide whether to include them in the Group's programming.

New projects are generally taken on board during meetings attended by the content production team and, where possible, the Production Department's Manager and even Mediaset España's General Manager of Content. Details on the types of materials offered by external producers are highly relevant during these meetings. A decision is usually taken on proposals made during the same meeting, either rejecting them because they are not interesting or asking producers to work on them. In the latter case, it is common practice to request the full development of project content and even a pilot programme or a video demo of the proposal to assess its TV potential.

If the content production team directly receives a project, a report is submitted to the Director of the Production Department and also, in most cases, to the head of content production for the channel deemed most suitable. The team analyses the proposal and decides whether or not it is of interest to the company.

Once the project is approved, the Antenna Division participates in the content development phase to optimise the product. Content is analysed for inclusion in the programme schedule, taking into account age classification or target audience, among other considerations, in order to develop programming strategies and determine the best screening dates, content marketing strategy, launch campaigns, best TV promotion formats and other activities relating to the programme's positioning for optimal performance.

IN A SOCIETY OF PERMANENT AND CONTINUOUS INFORMATION, THE TENDENCY IS TO RECEIVE A MULTITUDE OF DATA OF ALL TYPES AND FROM DIFFERENT POINTS OF THE WORLD. THE IMMEDIACY OF INFORMATION THROUGH SOCIAL NETWORKS FORCES THE MEDIA TO FILTER, CONTRAST AND REPORT IN THE SHORTEST PERIOD OF TIME AND WITHOUT NEGLECTING THE NECESSARY ACCURACY OF INFORMATION.



## INNOVATION IN TERMS OF CONTENT CREATION IS ESSENTIAL TO MAINTAIN MEDIASET ESPAÑA'S LEADING POSITION IN THE AUDIO-VISUAL INDUSTRY.

In order to align content creation with the company's values and Code of Ethics, Mediaset España has defined and implemented a pyramidal control system in which generated content is assessed and monitored.

Finally, the categorisation of the audio-visual content to be broadcast, is defined within the framework of content's self-regulation, with the application of the new "Age Rating System of audio-visual products" subscribed by the free to air TV operators in 2015 and under the supervision of the Spanish National Market and Competition Commission.

Under this framework of self-regulation, all television content must be qualified, except for news programmes and the broadcast of events (sports, musical, cultural, political, bullfighting and bull runs). For the said classification, it should be analysed whether the content contains one or more of the seven content categories identified in the System as potentially harmful (violence, fear or anguish, sex, discrimination, drugs and toxic substances, imitative behaviours and language), which are analysed independently. The presence, verbal or visual, intensity, realism or frequency of these contents in the programme will determine the age below which their viewing is not recommended. The age qualification given will determine the time slot in which each programme can be broadcast.

- The Editorial Committee defines the editorial strategy together with the Management of the Content Department. These guidelines, ranging from the programme's objective to the time slot in which it is to be broadcast and the language to be used, are transmitted to the production companies and the Executive Producers are responsible for monitoring its implementation.
- Live programming is assessed and monitored daily in meetings attended by the channel's Managers and programme producers. All aspects of the programme are addressed, from the content to be broadcast or complaints received to the images and captions to be used.
- The rest of the programmes are also monitored by Mediaset España, starting with the notification of the programme content guidelines to the producers. Subsequently, once the programmes have been created and submitted by the producers, Mediaset España views them to assess compliance with the guidelines, the Code of Ethics, respect for human rights, rights of children and the right to privacy, among other issues. Once this assessment has been made, findings are sent to the production companies for them to adapt the content accordingly before submitting the programme to Mediaset España again for further analysis and assessment.
- In the case of programmes featuring children, in addition to the controls referred to above the programme is sent to the Child Protection Authority for approval before it is broadcast.
- During work meetings, the Executive Producers review scripts and outlines, and in the case of pre-recorded content they view the programmes prior to their screening.
- In addition to these periodic procedures, quarterly meet-ings of the Self-Regulation Committee attended by the heads of the Antenna Division, Content Production Division and Institutional Relations Department are held to analyse complaints or claims received and transmit their findings to the production companies in order for the relevant content to be corrected and improved.

The Antenna Division is responsible for the distribution of content through the self-promotion of Mediaset España's products. The editorial lines of self-promotion campaigns are managed under the direction and supervision of the Antenna Department's Manager, along with the Self-Promotion Sub-division and the cooperation of the Programming and Marketing Directors. This requires a very close collaboration with the In-House Production and Fiction Departments, as well as with the producers who make the programmes, with the aim of reaching a consensus on the concepts that they want to promote, where the purpose of a promotion campaign is to attract the maximum number of viewers to the program.

Once the editorial lines are defined and the target audience of the campaigns has been agreed, the creative team of the Self-Promotion Sub-division creates the different elements of the promotion, maintaining in constant communication with the Antenna Division's Management, so that they can supervise it and make sure that the publishing guidelines for promotions defined by Mediaset España's Management are met.



IN ORDER TO BRING CONTENT QUALITY INTO LINE WITH THE VIEWERS' EXPECTATIONS, MEDIASET ESPAÑA HOLDS REGULAR MEETINGS TO ANALYSE PROGRAMMING AND AUDIENCE FIGURES.

In order to enhance the distribution of content, Mediaset España also makes the programme schedule available to viewers on its websites, thereby increasing opportunities to access content.

In order to bring content quality into line with the viewers' expectations, Mediaset España holds regular meetings to analyse programming and audience figures, and commissions market research surveys on television content from independent companies. These surveys combine qualitative analysis, social media studies and other types of analysis employed in the audio-visual industry.

## For the purpose of aligning the television offer to the expectations of the audience

Studies on a group of viewer's preferences

Studies on the level of familiarity with the thematic channels of the company

Analysis of the thematic channels positioning on the remote control, among others.

MEDIASET ESPAÑA WIDELY USES THE DIGITAL PLATFORMS AS A MEANS OF DISTRIBUTING THEIR AUDIO-VISUAL CONTENT AND AS A MECHANISM OF INTERACTION WITH THE AUDIENCE

## Internet Content Management

During 2016, the previous year's growing trend of audio-visual content consumption through mobile devices has been maintained. In this regard, the consumption of Mediaset España's content from mobile devices (smartphones and tablets) already exceeds 70%. Throughout the year, the content consumption on these devices has increased, but so has the consumption of applications, on demand and live TV and connected TV. In this online scenario, there are more and more competitors and we have to adapt technologically to the new scenarios. Therefore, Mediaset España is carrying out a technological transformation to take the step towards making its websites responsive, in early 2017.

The company's multimedia universe is formed by the main channels webs (telecinco.es, cuatro.com, divinity.es), Mitele.es (Mediaset's live and on demand TV platform), Radioset.es (Mediaset's online radio website) and Eltiempohoy.es (Mediaset's weather website). Added to these, are the apps of its top contents (Mitele, Mediaset Sport, MotoGP, Big Brother, The Voice) and the social networks for each channel and each programme or series (Facebook and Twitter). All the above is aimed at the user enjoying the contents anytime, anywhere, and allowing them to participate in the contents.

**Mediaset España's contents are available on demand to the user immediately after the program or series has been broadcasted on TV and can be consumed at no cost to the user, on the web (PC, mobile and tablets) or through the Mitele app, available on iOS and Android. Additionally, on the webs, users find additional exclusive content that is not found in any other platform, extending the life of the contents.**

Through the Mediaset apps, users can participate and have a say in the group's programmes. In this regard, through their own apps, the audiences make important decisions on prime-time programmes such as The Voice, Big Brother or Survivor. At the same time, users have the opportunity to generate content, intervening in game shows or initiatives that require their participation by sending answers, or uploading content generated by them such as photos or videos, to web platform spaces that are activated for specific initiatives (user generated content), and are moderated prior to publication. Similarly, users can send their views, complaints, suggestions or questions through various Mediaset contact mailboxes. Thus, through the different platforms, both the company's own webs and external webs, reviews are collected, interacting with users and making their participation in content creation easier.

A team of people, under the management of the Multiplatform Department, evaluate all the comments received and responses to surveys and polls released through the various enabled means, they also respond to requests from the audience made via social networks, opinion boxes at the foot of the news items, videos and photos, continuous customer service email or other communication methods used. Depending on the type of comment, the team evaluates the responses received, coordinating with the relevant content producer, or, requests advice from the company's Legal Department. Thus, the company incorporates and takes into account the views and concerns of users and viewers.

To support this work and to help obtain the information required to respond to the audience's requests, Mediaset España receives daily automated alerts containing relevant information about the comments made on the various social networks relating to the contents of the company's channels, the comments are moderated and controlled internally.

## DISCLOSURE OF CONTENT AND AUDIENCE INTERACTION DIGITAL PLATFORMS



- WEBS

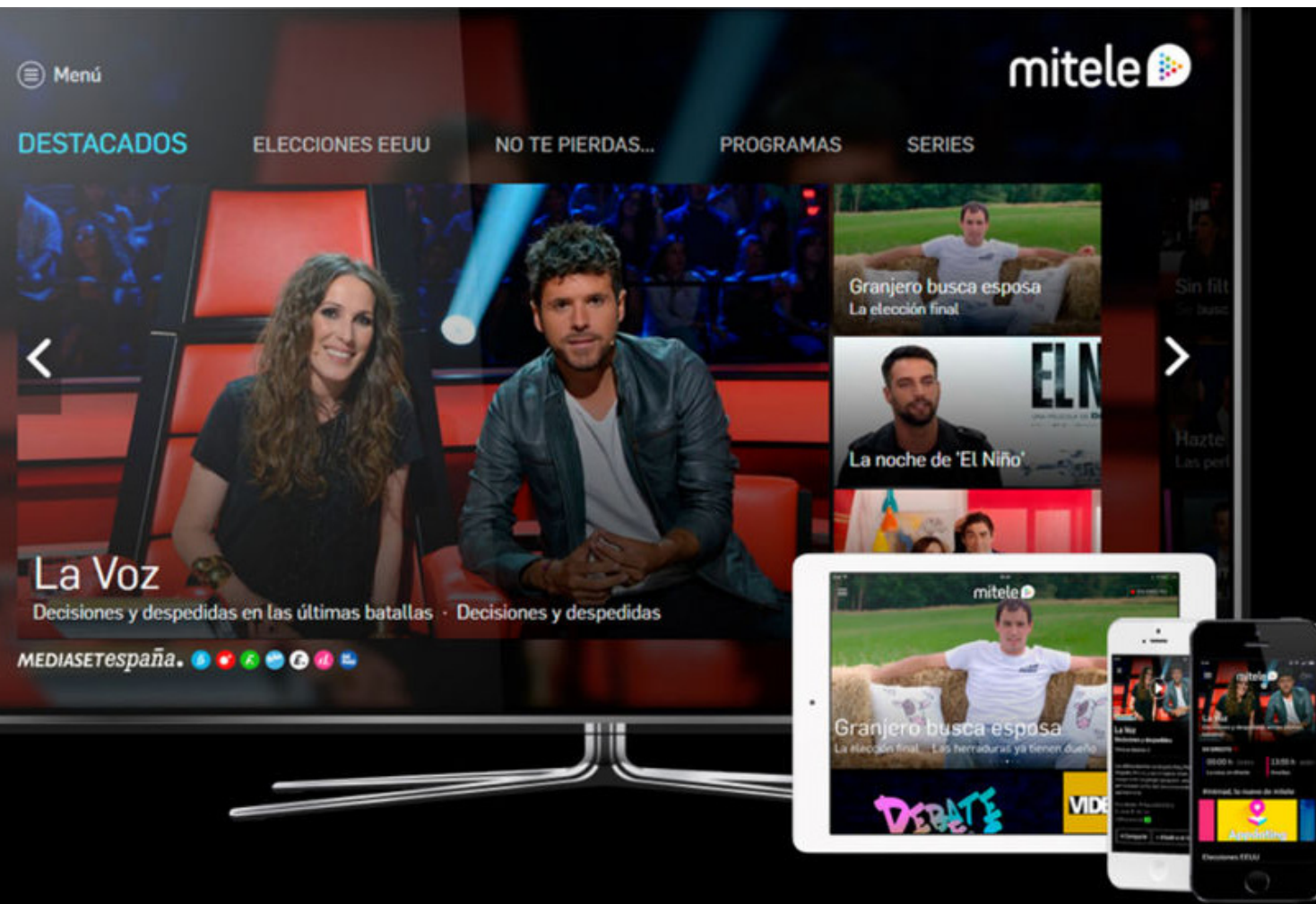


- MEDIASET APPS



- SOCIAL NETWORKS





Mediaset España is technically and editorially prepared to face the challenge of broadcasting its contents on the new devices and with the best experience for the user, providing a technological legacy of interest for society. Since December 2015, Mitele.es, Mediaset España's live and on-demand video platform, is in the market via a new window: the connected TVs, a start-up guaranteed by the Markets adaptation and acceptance of the non-linear audience measurement system (the 'time shift'). During 2016, Mitele has reached the TV, achieving 250,000 unique browsers in its first year of life on this screen. In turn, the platform has been renovated with the latest multi-bitrate technology that ensures quality content adapting to the bandwidth of each user, with the inclusion of a personal list of contents, parental control and cross-device resume, among other improvements. Moreover, in view of the trend of increasing consumption of short videos by the millennial public, Mediaset España has launched mtmad in November 2016, a new exclusive internet video channel within Mitele, an innovative space with more than 40 formats, where the new digital talent is expressed in their language and codes, and with which the company delves into the world of producing quality content exclusively for the internet.





## THE PROTECTION OF PERSONAL DATA OF USERS WHO INTERACT ON MEDIASET'S WEBSITES AND APPS IS GUARANTEED BY THE RIGOROUS APPLICATION OF THE CORPORATE SECURITY POLICY.

Mediaset España's webs reproduce the content broadcasted by the company's channels, the mechanisms to ensure the privacy of minors and of any other group that may require special protection are also reproduced. In turn, there are exclusive web initiatives that represent potentially vulnerable groups, such as the Divinity.es site "Women", (<http://www.divinity.es/mujeres/>) or Mitelekids, a children's content portal which promotes navigation in a safe environment for children (<http://www.mitelekids.es/>), or the "Gipsy Queens"s video channel in mtmad.es, where there is visibility and standardisation of the habits and customs of the gypsy community (<http://www.mitele.es/mtmad/gipsy-queens/1477400568203/>)

Mediaset España also ensures that all content available on its websites observes corporate values applicable to content creation; values that include freedom of expression and editorial independence, impartial information, content quality, pluralism and diversity. Since the majority of the content posted on Mediaset España's websites comes from its television networks, it reflects the same editorial independence, quality, pluralism and diversity as the content broadcast on television. In any case, those responsible for overseeing the web platforms ensure that any subsequent edition by the site's editorial team does not distort the original content. These control mechanisms are applied to all of the contents, thus including user generated content.

Moreover, the intellectual property rights of the programmes that are broadcast live and on-demand on the Mediaset online platforms are guaranteed by the mechanism that the company applies before the broadcast of their programmes on air.

Additionally, the Multiplatform Department's Management ensures that all content offered through the various websites has the broadcasting rights reflected in the contract with the corresponding producer. As for the exclusive content of the websites related to the publication of user generated content, the users guarantee that they are the legitimate owners of the exploitation rights for the content they provide and therefore responsible for them, authorising the company to publicly distribute it across the different platforms.

The protection of personal data of users who interact on Mediaset's websites and apps is guaranteed by the rigorous application of the Cor-



porate Security Policy. The framework that ensures the protection of personal data is set out in the "Data Protection" section.

Advertising content posted on the company's websites is controlled and supervised by Publimedia.










For more information regarding the management system for responsible broadcasting of advertising, see the "Advertising Management" section of this report.

CONTENT ACCESSIBILITY IS A FUNDAMENTAL ASPECT OF THE MEDIA'S RESPONSIBILITY.

## Content accessibility

Content accessibility is a fundamental aspect of the media's responsibility. Therefore, year after year Mediaset España maintains its commitment to making its programmes available to people with visual or hearing impairments, as a means of social and cultural integration of these groups. In this regard, it broadcasted many series, films and programmes with subtitles, translated into sign language or with audio descriptions.

## Subtitled programmes issued by each channel of the Group

CANAL	TOTAL 2016
	6,429 hours
	5,538 hours
	5,551 hours
	5,790 hours
	6,414 hours
	6,136 hours
	3,590 hours
	<b>39,448 Horas</b>

During 2016, Mediaset España's channels have broadcasted 39,448 hours of subtitled programmes, the Telecinco, Boing and Energy channels have offered the most hours of content in this format.








## Number of programmes broadcasted in 2016 by content type and channel

	Nº
ANIMATION	54
CINEMA	1276
GAME SHOWS	22
DATING	7
SPORTS	4
DOCUMENTARIES	12
DOCU-REALITY	155
SPECIALS	42
SPORTS EVENTS	19
SHOWS	2
COMEDY	4
NEWS	4
MAGAZINES	13
MAKEOVER	2
MUSICALS	7
REALITY-SHOW	28
REPORTS	12
SERIES	156
TALK-SHOW	13
ZAPPING	9

Cinema has occupied almost 70% of the programmes broadcasted by the channel with subtitles.










## Hours of content broadcasted with audio description in 2016

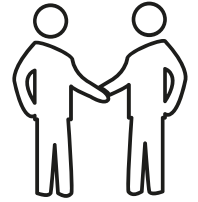
								Total
ZAPPING	110:36	11:27	125:43	141:46	221:12		70:14	681:00
SERIES			827:17					827:17
DOCU-REALITY		148:51						148:51
ANIMATION						132:05		132:05

All of the channels broadcasted content with audio description, with more than 1,789 total broadcasted hours in this format and covering the genres of animation, series, docu-reality and zapping.

## Hours of contents broadcasted in sign language in 2016

								Total
ZAPPING	110:37	11:27	126:00	141:26	221:12		70:14	681:17
SERIES			1:20					1:20
DOCU-REALITY		153:40						153:40
ANIMATION						132:05		132:05

In 2016, more than 968 hours of content translated into sign language have been broadcast, covering the genre of animation, docu-reality, series and zapping.



# MANAGEMENT OF CORPORATE COMMUNICATION

The diversity of content on Mediaset España's channels and the company's own business dimension convert its relationship with the media into a strategic task.

The Communications and External Relations is responsible for the promotion and dissemination of the values and leadership of the company, its strengths and its main activities, as well as safeguarding the corporate reputation. In this sense, it focuses its management on implementing the recommendations from the Deontological Code of the Federation of Journalists, European Journalism Deontological Code and the Association of Directors of Communication's Code of Ethics. In turn, the performance of its activity is governed by the following criteria; accuracy of information, ethical opinions, transparency and respect for the ideological and publishing guidance of the owners of various media echoing the numerous news articles generated by the company.

## Management of Corporate Communication Mechanism

Participation in professional forums that collect industry trends in various fields (communication, marketing, advertising, audio-visual content, new information technologies, etc.)

Weekly meetings between the Director of the Communications department and the CEO to address global and specific communication strategies.

Weekly participation by the management of the Communications department in the Management Committee.

Weekly meetings with Content Production Managers, Executive Producers, Delegate Producers and those responsible for the production companies to create communication plans for each of the programmes, series and digital content, following the criteria provided by the Editorial Board of Mediaset España and in accordance with the company's ethical code when executing the plans.

Weekly meetings with the Publiespaña's Marketing, Digital Marketing and Commercial Strategy Managers, to analyse and direct the communication of the actions aimed at the advertising exploitation of the company's devices.

As members of the Self-Regulation Committee, periodic meetings with the Institutional Relations Department Manager to analyse the conclusions of the various meetings.

Periodic meetings with the Investor Relations Management and the Finance General Management, to analyse the evolution of the financial-stock market.

Weekly social strategy meetings with Megamedia's Social Networks team.

Weekly internal strategical planning meetings, and further meetings based on need.

Regular meetings with those responsible for Telecinco Cinema in order to jointly plan the best possible promotion of films produced by Telecinco Cinema, and the corporate communication of the brand itself.

Daily monitoring of the social networks, starting from the newspapers with a summary of the day's most "commented on" on social networks, from daily reports with the most mentions on the accounts identified as influencers, a weekly report with the mention of the brands made by company influencers, and monthly reports with the number of accumulated comments for Mediaset España and its competition.



## THE INFORMATION GENERATED BY MEDIASET ESPAÑA IN THE MEDIA IS TRACKED, MONITORED, ANALYZED AND DISSEMINATED INTERNALLY THROUGH DAILY CLIPPINGS.

The Communication Department not only establishes fluid relations with the communication environment from a journalistic and opinion leader's point of view, with daily operations from the Press sub-directorate, but also advertising, through events and specific presentations with advertisers carried out by the Corporate Image Sub-directorate.

In turn, the Corporate Image Sub-directorate designs the strategy of the "12 Meses" initiative through which social awareness campaigns are promoted at a corporate level. The spots of these campaigns are planned across all Mediaset España channels except Boing, except on those occasions when it is considered vital that the campaign reaches children. In this case, an adaptation of the spot in question is made, so that it can be broadcast on Boing, with all the minor protection guarantees.

In order to maximize the message of "12 Meses", meetings with the Antenna Division, the Content Production Division, the News Division and the Multiplatform Directorate are held in order to establish communica-

tion guidelines, prior to launch, taking into account the idiosyncrasy of each Mediaset España's programmes and channels.

Moreover, corporate accounts on social networks are two-way channels of communication that allow the company to listen, to know, to inform, to communicate, to interact and to promote news immediately. The interaction of users with corporate accounts gives Mediaset España valuable knowledge of its followers and the possibility of having immediate feedback on their tastes and preferences, and to respond to their concerns or approaches with personalised attention, as far as possible, and develop communication and marketing strategies.

The information generated by Mediaset España in the media is tracked, monitored, analyzed and disseminated internally through daily clippings. It is estimated that the company generates more than 100,000 impacts per year in the media, which places it among the Spanish companies that generate more information in the media, according to MyNews. Such visibility and exposure requires continuous monitoring to safeguard the corporate reputation.

All the work carried out by the Press Office is published on the free access website [Mediaset.es/Mediasetcom](http://Mediaset.es/Mediasetcom), a microsite implemented in 2015, where the content is updated daily based on the press releases sent, dossiers, photographic material and audio-visual and in general, all relevant information on the contents, the activity of the companies, social campaigns and corporate and institutional company news.

During 2016, the implementation of a platform in order to improve the service of content distribution to the various medias, has been carried out. A tool almost designed "on demand", where it offers on a daily basis, with a preview, all materials to download in different formats and qualities, all with a responsive system adapted to the viewing and download from any device, PC, MAC, Mobile and tablet, both Android and IOS.

## Participation with specific agents of the media sector

Marca España

ICMEDIA (Consumer Associations and Media Users Federation)

OCTA (Television and Audiovisual Contents Observatory)

Self-regulation Committee on Television and Infant Contents

UTECA (Associated Commercial Television Union)

EBU (European Broadcasting Union).



111,200 FOLLOWERS



131.445 FOLLOWERS



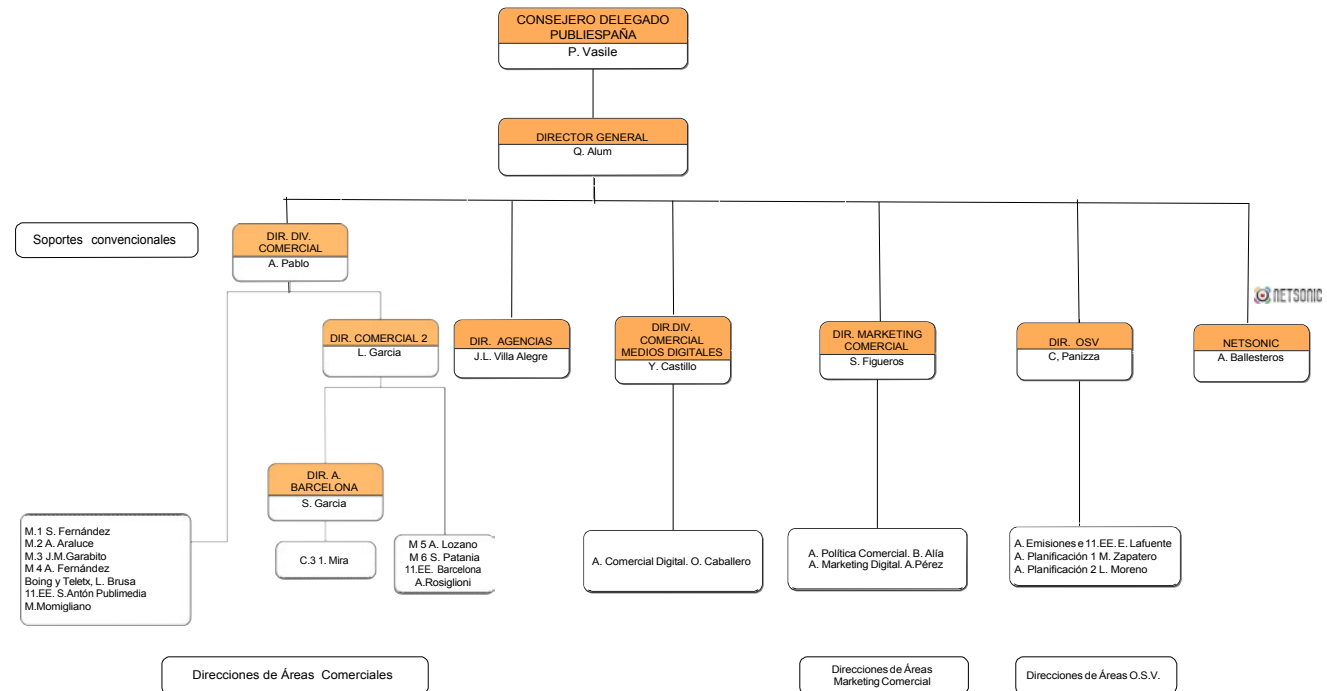
71.644 FOLLOWERS

# ADVERTISING MANAGEMENT

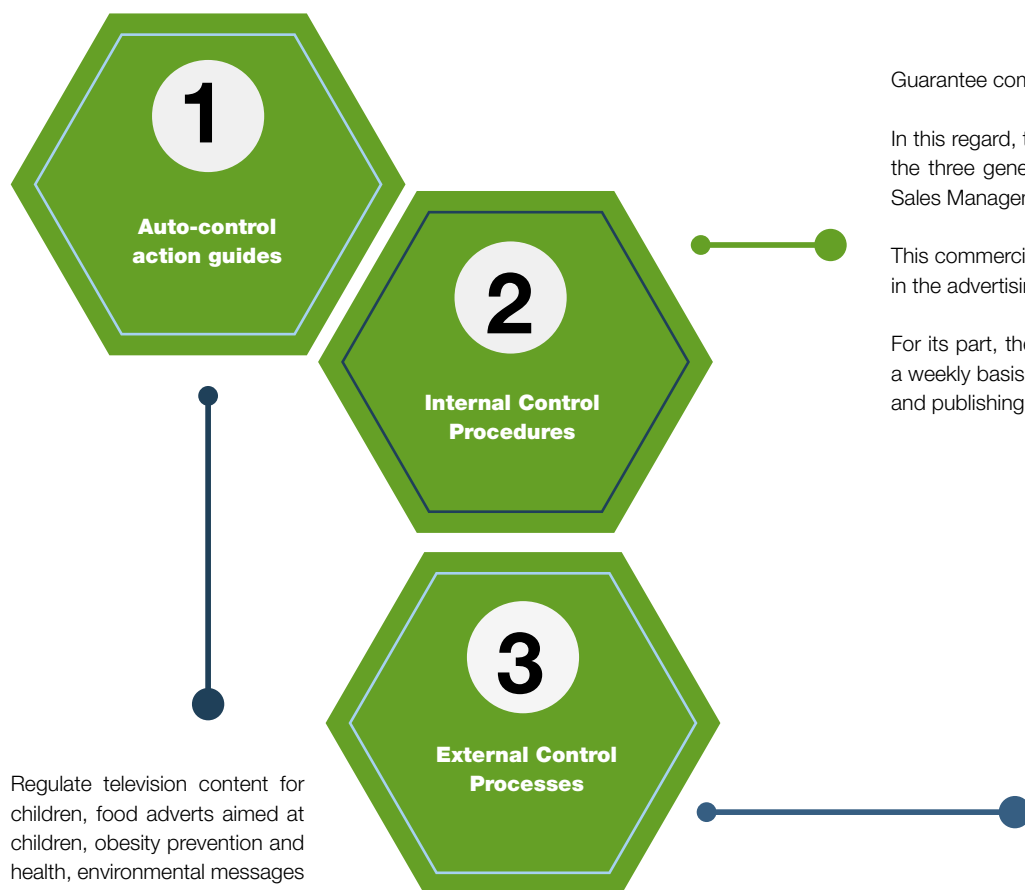
THE ADVERTISING ACTIVITY OF THE GROUP IS DEVELOPED VIA PUBLIESPAÑA, AND FALLS WITHIN THE STRICT COMPLIANCE OF CURRENT LEGISLATION.

Mediaset España considers that the responsible broadcasting and management of advertising, a fundamental element of the business, is essential for its sustainability, and therefore has implemented management mechanisms and specific controls designed to ensure its achievement. The advertising activity of the Group is developed through Publiespaña, and falls within the strict compliance of current legislation, the monitoring of action guidelines defined by the Self-regulation of Commercial Communication Association (hereinafter, Auto-control), which the company has adhered to since its beginnings in 1995, and the application of solid internal control mechanisms.

During 2016, the company has taken new organizational steps within the area of Publiespaña, to merge the commercial and content management under the responsibility of the CEO Paolo Vasile. Thus, a structure similar to the general management of Contents has been created, with a deputy general manager for the CEO and is responsible for the management of the advertising sales. Likewise, the Commercial Digital Media Management and the Commercial Marketing Division have been created, in addition to strengthening the commercial structure.



## Control mechanisms



Regulate television content for children, food adverts aimed at children, obesity prevention and health, environmental messages in commercial communications, advertising toys to children, promotion of medicines, e-commerce and interactive advertising, alcoholic drinks, premium rate services and many other areas.

Guarantee compliance with both current legislation and the codes issued by Auto-control.

In this regard, the company designs a quarterly commercial policy that is reviewed and revised on a weekly basis by the three general management teams that oversee its implementation, (Commercial Management, Marketing and Sales Management and New Commercial Products Management).

This commercial policy is defined by taking into account the broadcast inventory capacity, client's needs, and trends in the advertising market, the legal framework and the recommended good practices.

For its part, the company's Management Committee, composed of the CEO and the General Managers, meets on a weekly basis to coordinate, along with other matters, all initiatives and possible synergies between the commercial and publishing areas.

Ensure the exercise of responsible work by the voluntary submission of advertising to an independent control by Auto-control.

The content control process by Auto-control may arise both prior to the broadcast of advertising content, and after, should any disputes arise or claims get presented.

Prior to the broadcast, when Publiespaña detects that one of the ads requested by a client may violate current legislation or content and advertising self-regulatory codes to which Mediaset España adheres to, it requests a preliminary report on its ethical and legal correction from the Auto-control Technical Office (Copy Advice). The opinion issued by Auto-control is accepted by the company and, if it recommends not broadcasting a piece of advertising, then the advertising campaign is suspended.





For more information about regulated matters, click here [http://www.autocontrol.es/que\\_codigos.shtml](http://www.autocontrol.es/que_codigos.shtml)

To ensure compliance with applicable regulations, Publiespaña is constantly adapting to new legislation which affects their activity. A number of regulatory changes have come into force throughout 2016, most notably:

- Collaboration Agreement between the Health Ministry of the Regional Government of Castilla La Mancha and AUTO-CONTROL, regarding advertising activity (January 2016).
- Collaboration Agreement between the Autonomic Press Secretary for the President of the Generalitat Valenciana and the Self-regulation of Commercial Communication Association (Auto-control) regarding advertising activity (November 2016).
- Modification of the Deontological Code for Artificial Nutrition Advertising: Agreement with the Spanish Association of Manufacturers and Distributors of Enteral Nutrition Products (AENE).
- Modification of the Code of Ethics for Wine Advertising: Agreement with the Spanish Wine Federation (FEV).
- Deontological Code for Bottled Water Advertising: Agreement with the National Association of Bottled Drinking Water Companies (ANEABE).
- Deontological Code for Cinema Advertising: Agreement AUTO-CONTROL – MOVIERECORD – DISCINE Y 014.

1,410  
CONSULTATIONS

1,069

NO PROBLEMS WITH THE AD CONTENT

90

MODIFICATIONS TO THE AD ARE RECOMMENDED

251

BROADCASTING OF THE AD IS NOT RECOMMENDED

To ensure the proper application of the Auto-control Guidelines in 2016 Publiespaña has requested 1,410 prior consultations (Copy Advice) from the Auto-control Technical Office in relation to advertising pieces, prior to their broadcast, whether in the story phase, or final creative versions, to reflect what the final piece will include before recording. These prior consultations are conducted in order to identify the existence of any element that must be modified according to the AUTO-CONTROL regulations in order to make the necessary changes before the final completion of the advertising piece. In these prior consultations, a report on a particular piece of advertising is requested.

Moreover, Publiespaña has conducted 137 legal consultations to the Technical Office, prior to the completion of an advertising spot. They are conducted on generic issues such as documentation, broadcasting time slots, advertising sectors, among other issues, and therefore do not result in an expert opinion.

## TEAM MANAGEMENT

THE MEDIASET GROUP ENSURES A WORKING ENVIRONMENT WHICH IS FRIENDLY AND BENEFICIAL FOR THE WORKFORCE AND WHICH ENSURES STABILITY FOR THE BUSINESS.

One of the pillars of Mediaset España's leadership is the talent of its professionals. For this reason, one of the priorities for Human Resources Management is an adequate Employer Branding policy to attract external talent and engage in-house talent. This policy is complemented by the strong relationship with the main training institutes in Spain, aiming to ensure the influx of young people carrying out internships in the Group's companies and who constitute the base of youngsters for covering any occasional need and replacement of long-term staff.

With the policy of Employer Branding (EB), the company seeks to identify the image of Mediaset España as an Employer Brand to attract new external talent and enhance the sense of belonging and the commitment of the current staff. During the last 6 years, the Group has grown and generated the need for new professional profiles, the company has promoted measures to reach this goal such as, a meticulous Trainees and Students Policy, the VII Edition of the Master's in Creation and Management of Content, the active participation in external events attracting a large number of young professionals, the appointment of an internal Head for the management of EB, the distribution of the project on Social Networks, the creation of a Career Site, with a higher visibility of the section "Work with us" and inserting testimonial videos of the Group's staff targeted to potential candidates.

On the other hand, reconciliation policies for the structure staff, together with the implementation of a complete Equality Plan, generate satisfaction, stability and near parity in the staff. Additionally, training sessions allow the staff to develop their potential and to guarantee their suitability to the business needs at any time.

Through the various Collective Agreements currently in force, the Mediaset Group ensures a working environment which is friendly and beneficial for the workforce and which ensures stability for the business. Thanks to these Collective Agreements, the company succeeds in channelling all efforts towards the achievement of the common objective of value creation. These agreements comply with and apply the relevant legal requirements and frameworks within the sectors applicable to the various Group companies, depending on the business they carry out.

The Human Resource Department, in coordination with the directors of the various areas of the Group companies, is responsible for ensuring compliance with the legislation applicable to each of the companies.

In addition, The Joint Committee for the Interpretation of the Collective Agreement is the body which has been established to resolve employment conflicts derived from the interpretation and implementation of the Collective Agreement.

The Collective Agreements covering each Group company cover both permanent and temporary employees hired directly by Mediaset España. Employees hired by temporary employment agencies are covered by the Collective Agreement pertinent to this area and the provisions that are legally applicable to them under the Agreement covering the company that employs them.



The company manages the minimum notice periods which affect workers and the pertinent procedures relevant to organizational changes according to the strict compliance with time limits for each employment area in the workplace, either in the Statute of Workers Rights, in the current Collective agreements in force or any other law that is applicable. As these notice periods are laid down by law or contained in Collective Agreements, they are guaranteed through the implementation of the legislation or the agreement concerned.

## Binding Collective Agreements

Mediaset España	Mediaset España's Collective Agreement.
Publiespaña	Advertising Sector's Collective Agreement.
Telecinco cinema	Madrid's Regional Collective Agreement for Office Workers, however, employees will benefit from any improvements provided for in the Mediaset España Collective Agreement in force at the time.
Conecta 5	Madrid Regional Collective Agreement for Office Workers.
Premiere Megaplex	Madrid Regional Collective Agreement for Office Workers.
Netsonic	Advertising Sector's Collective Agreement.

### In Mediaset España's Collective Agreement certain specific provisions are laid down with regard to the notice periods, these being:

Notice by employee of voluntary redundancy.	→	Minimum 15 days
Request by employee for voluntary leave of absence and notification of subsequent re-admittance.	→	Minimum 45 days
Setting the holiday schedule by agreement between the Workers' Committee and Company management.	→	During the first quarter of the year.
Trial periods for new employees.	→	The duration of trial periods depends on salary levels: 6 months for qualified skilled staff, 3 months for others and 15 days for unskilled staff.
Notification to Workers' Committee of procedure for internal recruitment procedure for covering newly created work posts.	→	Minimum two working days before date of internal announcement.
Deadline for candidates to apply for internal posts.	→	Minimum 5 days.
Application of penalties, serious and very serious infractions.	→	Compulsory prior notification of disciplinary proceedings to the interested party and to employees' representatives.
Shift planning.	→	At least one month's advance notice, with interested parties being notified at least 2 weeks in advance.
Timetable per project (mainly affecting employees assigned to sets, studios, production and acting services).	→	Timetable changes should usually be reported to the employee at least 12 hours prior to the commencement of the working day.
Proposed special working hours during summer, Easter and Christmas to be notified by the Managers of each department.	→	20 days in prior to the start date.
25 hours of paid time off.	→	Following prior notice to the employee's immediate superior and supporting evidence for time involved.
Application for reduced working hours (legal guardian) start and end date.	→	Minimum of 15 days.
Period of prior notice for the termination of the Collective Agreement.	→	2 months before it or any of its clauses expires. Otherwise, it will be understood to be tacitly renewed.



Furthermore, the Advertising Sector's Collective Agreement and Madrid's Regional Collective Agreement for Office Workers also provide actions regarding the notice period, including:

	Madrid's Regional Collective Agreement for Office Workers	Advertising Sector's Collective Agreement
Communication of voluntary termination	→ Without notice	Directors, Head of Department and Technical Staff: 1 month. Administrative Staff: 15 days. Support and non-qualified staff: 1 week.
Voluntary Leave	→ Without notice	Re- entry request shall be made within the period of leave.
Mandatory leave	→ Without notice	Re-entry request shall be made in the month following the termination.
Leave without pay	→ Without notice	Minimum 15 days
Holidays	→ Preparation of the calendar during the month of January.	2 months in advance.
Probationary Period	→ Graduated Staff: 6 months. Non- qualified staff: 1 month. Other staff: 2 months.	Directors, Heads of Department and Technical Staff: 6 months. Administrative Staff: 2 months. Support and non-qualified staff: 1 month.
Serious and severe misconduct	→ Institution of contradictory proceedings only for legal representative or union representative.	Previous to enforcement, communication to the worker and legal representatives.



## WITH REGARD TO REMUNERATION, MEDIASET ESPAÑA GUARANTEES EQUAL TREATMENT FOR ALL EMPLOYEES ON THE BASIS OF THEIR EMPLOYMENT CATEGORY.

Mediaset España declares zero tolerance towards any behavior that may be considered abusive, offensive or that may be described as bullying, both physical and psychological, specifically on the basis of race, colour, gender, religion, ethnic origin, nationality, age, personal situation, sexual orientation, disability, physical condition or any other conduct prohibited by Law.

Mediaset España's Code of Ethics refers to this policy as applicable and compulsory for all staff, directors, Members of the Board of Directors and subsidiaries. It entered into force on 1st January 2012 and has been revised and amended on 22nd December 2016.

### Equal opportunities and non discrimination

The various companies that make up the Group have specific measures in place to ensure the commitment assumed by the Group with respect to equal opportunities and non-discrimination. In this respect, the Code of Ethics, Equality Plans, Collective Agreements and measures to eliminate and prevent harassment in the work place make up the robust framework for action that supports and reinforces the effective implementation of the commitment in this area.

Mediaset España's Code of Ethics, guarantees the principle of equal of opportunities and non-discrimination in all situations, especially in all matters concerning access to employment, working conditions, training and professional development and promotion. The explicit commitment is reflected on the figure of the Equality Commission, that is constituted by an equal number of company representatives and social representatives. Its mission is to ensure the implementation and supervision of the Equality Plans in force at any time.

The current equality plans in force in the various Group companies are defined with the main objective of ensuring respect for equal treatment and opportunities between men and women in all areas of work, and preventing any discriminatory situation in the work place.

The plans contain self-evaluation and monitoring measures which guarantee that both company management and the Equality Committee,

if necessary, will ensure their proper application and fulfilment, and will analyse the degree of achievement of the objectives set in each case.

All of the Group's Equality Plans include an Equality Agent with a specific function to provide support and guidance regarding the measures laid down in the plans, as well as follow-up work and information on the degree of implementation of the corresponding Plans.

Both equality and non-discrimination plans and procedures are distributed to all staff by internal communication channels, mainly through informational circulars, corporate intranet and the Employee Portal, where there is a specific section on "Equality" where the entire contents of all Equality Plans and Procedures for the Management of Psychosocial Risks and situations of harassment in the workplace are published.

The procedure for the management of psychosocial risks and bullying situations within the work environment applicable to Publiespaña and Publimedia (in force since November 2009 and Premier Megaplex (in force since June 2013) addresses the following issues:

- Business Declaration on Principles of equality and non-discrimination.
- Preventive measures directed to take action in the origin of the risk.
- Development of specific intervention procedures.
- Monitoring the implemented actions.

With regard to remuneration, Mediaset España guarantees equal treatment for all employees on the basis of their employment category. In this respect, the Collective Agreements applicable to Group companies officially contain the salary tables for each professional category and set out the applicable remuneration regime, irrespective of gender, indicating salary supplements and terms and conditions. Therefore, there is an equal allocation of base salary between men and women while salary supplements are assigned to the corresponding employee categories under Collective Agreement provisions, regardless of gender or any other personal features.



**MEDIASET ESPAÑA'S CONTRIBUTION TO THE CREATION OF KNOWLEDGE IN THE AUDIO-VISUAL SECTOR MATERIALISES THROUGH THE MASTER'S DEGREE IN CONTENT CREATION AND MANAGEMENT.**



**For more information about fringe benefits and the work-life balance measures available, click here.**

Exceptionally, some workers have an “ad-personam” supplement assigned to them, which is due to their personal circumstances or to the position of trust in the post they hold, this supplement being negotiated without regard to the gender of the person in question.

The HR Management prepares an annual remuneration report which is given to the Employee representatives. In 2016, the said report has not identified any differences between the remuneration received by male and female employees. Therefore, the company has not needed to take any corrective actions.

## **Fringe benefits and life-work balance measures**

The company annually reinforces its commitment to fringe benefits and life-work balance measures offered to the work force, contained in collective agreements and Equality Plans applicable to each Group company. The same benefits are offered to the entire work force, regardless of their working hours or work contract.

Only in the case of certain gifts from the company which are not included in the Agreement, such as the hamper or Christmas toys, all workers, permanent or temporary are required to comply with certain conditions, such as, both the provision of services and, being in an employed position when receiving the gift and, temporary workers must have complied with the minimum period of work accumulated in the corresponding calendar year.

## **Training**

The Sub-directorate of Human Resources prepares a training plan, based on the guidelines set by the Management of the company each year and the demands generated by the evolution of jobs. Once the Plan is approved by the Management, it is planned and the programmes are set in motion. At the end of the first half of the year, the Plan is revised in order to correct deviations or include further programmes.

When defining the training catalogue, they take into consideration, on the one hand, the obligatory training which employees must carry out, both globally for all staff and for specific groups, such as training in Occupational Health and Safety, Money Laundering Prevention, tax and accounting update, among others. And secondly, they review the needs that were not covered during the previous year, and those that have been identified through meetings with managers of the group.

From the employee portal, personnel can access the catalogue of existing training programmes and request any programme they deem necessary for the performance of their job. Applications for training are validated by the Human Resources Division, who evaluates the relevance of the requested course to the current or future activity of the applicant.

In order to guarantee training quality and continuous improvement, employee satisfaction is measured at the end of training programmes using questionnaires. Evaluations, tests and follow-ups are performed to check that the employees make the most of their training and meetings are held with the heads of the relevant departments to detect future training needs within their teams.

Mediaset España's contribution to the creation of knowledge in the audio-visual sector materialises through the Master's Degree in Content Creation and Management, launched in 2009 jointly with the Universidad Europea de Madrid. The training meets the requirements and current needs of the audio-visual sector and given the wide experience of the faculty and the practical approach of the methodology used in classes, it allows the professional to progress in this sector thanks to the high qualification gained on completion of the course.

## THE OCCUPATIONAL RISK PREVENTION PLAN ENSURES COMPANY'S COMPLIANCE WITH THE PROVISIONS OF THE OCCUPATIONAL RISK PREVENTION LAW.

The Collaboration Agreements with State and Private Universities, and also with Business Schools, to provide internships of their students in the company, encourage students to acquire technical and human skills that qualify them to enter the employment market.

At the same time, The Professorship Mediaset-UEM (Universidad Europea de Madrid), created in 2013, and has the task of generating collaboration synergies, channel training activities and undertaking research projects to develop the audio-visual business, between the two organizations towards the development of the audio-visual business.

### Performance evaluation

The Performance Evaluation System allows for the systematic, detailed analysis of activities and responsibilities undertaken throughout the year, while defining future actions for the development of work teams.

The process is carried out through a specific tool available in the Employee Portal, which enables the evaluation process to be completed more quickly and increases the reliability of historical data. In addition, the results are completely transparent. The results of the assessments are taken into account in the decisions regarding the professional development of employees and on the identification of training needs.



For more information on the Audio-visual Media Professorship, click on the following link: <http://catedramediosaudiovisuales.es/>

## Occupational health & safety risk prevention

At Mediaset España, Health and Safety at Work is regulated and guaranteed through the Occupational Risk Prevention Plan. The Plan is prepared by the Mediaset Group Joint Prevention Service ("Servicio de Prevención Mancomunado" or SPM) with the participation of the Health and Safety committee, and is approved by the Human Resources and Services Management and presented to Risk Officers.

Mediaset España's Collective Agreement establishes provisions on health and safety. In Chapter XI Health and Safety at Work, it includes matters such as the provision of an annual medical examination for employees and among others, the right to be informed of medical examinations to be carried out.

The Occupational Risk Prevention Plan ensures company's compliance with the provisions of the Occupational Risk Prevention Law and the requirements laid down in the OHSAS 18.001 vocational risk prevention standard, as well as fulfilling the requirements of Spain's increasingly strict legislation and encouraging good health and safety practices among employees.

Based on the objectives set in the Prevention Plan, each year the SPM prepares an annual Preventive Activity Plan which lays down the programmes and activities to be carried out during the year in order to achieve the Plan's objectives. This plan is delivered to the Risk Officers at the start of the year and is revised on a quarterly basis by the Health and Safety Committee

Furthermore, the SPM conducts activities not initially anticipated in the Annual Preventive Activity Plan, but which prove to be necessary due to regulatory modifications, changes in the activities or for other reasons arising from the nature of the business.



THE HEALTH AND SAFETY COMMITTEE HOLDS ORDINARY MEETINGS AT LEAST QUARTERLY. EXTRAORDINARY MEETINGS MAY ALSO BE CALLED AT THE REQUEST OF ANY REPRESENTATIVE OR WHEN REQUIRED BY A SERIOUS CONTINGENCY.



The details of the activities regarding the team management are set out in the “Business Model- Team Management” section of this document.

The company also has a Procedures Manual that addresses various aspects of Health and Safety at Work, from business activity coordination to the acquisition and purchase of products, the effective incorporation of new regulatory requirements related to the evaluation of the hazards of optical radiation exposure, and other issues.

The Health and Safety Committee is the body responsible for holding regular consultations on the company’s risk prevention performance. Its competencies include its involvement in the preparation, application and evaluation of risk prevention plans and programmes within the Company and the promotion of initiatives concerning methods and procedures for the effective prevention of risks, proposing to the Company management improvements in conditions or corrections to existing weaknesses.

This committee has 10 participants, including the Risk Officers (employee representatives elected to this role) and representatives of the company. All Mediaset España’s personnel are represented on this committee. The other Group companies do not have a committee of this kind as there is no workers’ legal representative. However, the adequate protection of health and safety at work of all employees of the Group’s companies is guaranteed through the SPM, which is responsible for carrying out prevention tasks in this area.

The Committee holds ordinary meetings at least quarterly. Extraordinary meetings may also be called at the request of any representative or when required by a serious contingency such as a serious accident at work or situations involving imminent risk for employees that could require work to be temporarily suspended.



# SHAREHOLDERS AND INVESTORS RELATION MANAGEMENT

**MEDIASET ESPAÑA PUBLISHES QUARTERLY REPORTS CONCERNING THE RESULTS, AND INFORMS BY EMAIL EACH INVESTOR AND ANALYST WHO HAS REQUESTED IT AND HOLDS ROADSHOWS OR MEETINGS WITH INVESTORS.**

The Investor Relations Management and the Shareholder Office of Mediaset España play an important role in maintaining a smooth relationship, both with institutional investors and with individual ones. At the same time, there are continuous communication paths with stock analysts and with the main players in the international markets.

Aiming to distribute corporate information without misinformation or asymmetry between shareholders or potential investors, the company follows the criteria established for listed companies by the regulating body, that in this area is the National Stock Market Commission (CNMV), follows Mediaset España's Code of Ethics and the best market practices in terms of communication and relation with investors. In this way, Mediaset España provides quarterly reports on the results reported to the CNMV, publishes these reports on its corporate web site- [www.mediaset.es/inversores/en-](http://www.mediaset.es/inversores/en-), both in Spanish and English, and informs every investor and analyst that have so requested via e-mail.

Similarly, and within the framework of the events held for the results presentations, the company offers the possibility of following these meetings in real time by means of conference calls and web casts. These events offer the interest groups the opportunity to interact and pose any question that they may consider significant. This informative event is recorded and stored, and is available via Mediaset España's web until the next event.

To complement the periodical activities of publishing the quarterly and yearly results mentioned above, throughout the year Mediaset España has communicated, by way of the procedure for communicating any relevant facts to CNMV, the most relevant aspects that have affected the market price and that the shareholder or investor needs to know. At the same time, within the framework of its policy of communicating with investors, the company holds conferences, roadshows and meetings with all investors interested in maintaining direct contact with the company.



# STAKEHOLDERS RELATIONS

ALL INFORMATION RELEVANT TO THE WORKFORCE IS NOTIFIED THROUGH THE EMPLOYEE PORTAL AND THE CORPORATE INTRANET, AS WELL AS THROUGH THE COMMITTEES WHICH COMPILE EMPLOYEES CONCERNS AND REQUIREMENTS.

Mediaset España considers its main stakeholders to be those people or organisations that make its business activity possible or are affected by it; and thus they integrate them into their management through various channels of information, communication and interaction with the company.

Through their roadshows, and the channels established by the Investor Relations department and the Shareholder Office, they gather the shareholders and investment community's concerns; through audience measurements it gauges the suitability of the content offered; through the forums and blogs on its web pages it maintains contact with the audiences; with the email [rc@telecinco.es](mailto:rc@telecinco.es) the company communicates with all those interested in the responsible management of the audio-visual business, as well as those seeking the company's cooperation with academic assignments related to social responsibility; and it channels interaction with advertisers through media agencies.

All information relevant to the workforce is notified via the Employee Portal and the corporate intranet, as well as by the Committees which collect the employees concerns and requirements.

The Company is in continuous contact with suppliers through regular meetings and direct contact with each purchasing agent. Suppliers also have an email address where then can discuss any concerns or needs that may arise.

The Company's active involvement in major media associations such as the "Unión de Televisiones Comerciales Asociadas" (Associated Commercial Television Union or UTECA) and the Association of Commercial Television in Europe (ACT) allows it to intervene in the development of those initiatives which regulate the sector at a national, a Community and an international level. It also maintains regular contact with the competent administrations in the audio-visual sector.

The main stakeholders identified by Mediaset España and established communication channels to interact with each of them are listed below:



# COMMUNICATION CHANNELS

COMMUNICATION AND INTERACTION MECHANISM



## EMPLOYEES

Corporate Intranet: Medianet  
Employee Portal  
Notice boards  
Health and Safety Committees  
Workers' Committees and Trade Union representatives  
Equality Agent  
HR Department



## ARTIST AND PROFESSIONALS OF THE SECTOR

Artistic Hiring Department  
Special Production Division



## SHAREHOLDERS

Regular meetings with shareholders and investors; presentation of quarterly results.

Shareholders Office:  
Teléfono: 91 358 87 17  
[http://www.mediaset.es/inversores/es/Contacta\\_0\\_1339275491.html](http://www.mediaset.es/inversores/es/Contacta_0_1339275491.html)

Investor Relations Area  
Ctra. de Fuencarral a Alcobendas, nº 4  
28049 - MADRID  
E-mail: [inversores@telecinco.es](mailto:inversores@telecinco.es)  
Phone: 91 396 67 83



## ADVERTISERS

Publiespaña Sales and Marketing Management  
Telephone: 91 395 90 00  
[www.publiesp.es](http://www.publiesp.es)  
Association for the Self-regulation of Commercial Communication (AUTOCONTROL)



## AUDIENCE

[www.telecinco.es](http://www.telecinco.es)  
Programs own web sites  
blogs, digital events, forums  
and opinion surveys



## SUPPLIERS

Procurement and General Services Area  
[www.publiesp.es](http://www.publiesp.es)  
Restricted access web site for suppliers  
E-mail: [comprasyservicios@telecinco.es](mailto:comprasyservicios@telecinco.es)

COMMUNICATION AND INTERACTION MECHANISM



## SYNDICATES

Notice boards  
Digital board in the Corporate Intranet  
Corporate E-mail  
Worker's Committee  
Syndicates Social Networks and blogs



## COMPETITION

Associated Commercial Television Union (UTECA)  
European Association of Commercial Television (ACT)  
Joint Commission for the Monitoring of the Self-Regulation Code



## GOVERNMENT

Advisory Committee for Telecommunications and the Information Society (CATS)  
National Stock- Market Commission (CNMV)  
National Stock Markets and Competition Commission (CNMC)  
Secretary of State for the Information Society and Digital Agenda (Ministry of Energy, Tourism and Digital Agenda)  
Directorate General for the Regulation of Gaming (Ministry of Economy and Public Function)  
Ministry of Culture  
Spanish Protection Data Agency (AEPD)



## SOCIAL ORGANISATIONS

General Corporate Management  
E-mail: [ro@telecinco.es](mailto:ro@telecinco.es)  
Employment Market



## EMPLOYMENT MARKET

Employment Portal  
<http://www.rrhhempleo.telecinco.es/>



## ALL STAKEHOLDERS

About the Corporate Responsibility Report  
E-mail: [ro@telecinco.es](mailto:ro@telecinco.es)

To exercise ARCO rights  
E-mail: [arco@mediaset.es](mailto:arco@mediaset.es)

To contact the Communication Division  
E-mail: [mediasetcom@mediaset.es](mailto:mediasetcom@mediaset.es)

INTRODUCTION  
GOVERNANCE MODEL  
BUSINESS MODEL  
ABOUT THIS REPORT





## PARTICIPATION IN PUBLIC POLICY DEVELOPMENT

**MEDIASET ESPAÑA IS FULLY COMMITTED TO ASSURE STRICT COMPLIANCE WITH LEGISLATION, FOLLOWING STRICT INTERNAL PROCEDURES IN PLACE TO GUARANTEE THAT ALL APPROPRIATE MEASURES ARE ADOPTED TO COMPLY WITH THE REGULATIONS IN FORCE.**

Through its Institutional Relations, Mediaset España promotes and ensures the representation of their legitimate interests before the Public Authorities in general, and, particularly before parliaments and governments at a national and European level.

These activities are governed by the provisions of the company's Code of Ethics and are focused on assuring that Mediaset España's legitimate interests are represented before the Spanish Competition and Markets Authority (CNMC), the General Directorate for the Regulation of Gambling, the President's Office and the Ministries (Ministry of Culture, Ministry of Industry and Ministry of Economy and Competitiveness), the Institute of Film and the Audio-Visual Arts, the Spanish Parliament and Senate, and the European Commission, among other public entities.

Membership of leading media industry associations such as the Union of Associated Commercial Televisions (UTECA) and the Association of Commercial Television in Europe (ACT) allows the company to defend and represent the common interests of commercial television organisations in Spain, the EU and internationally.

Mediaset España is also an active member of the Information Systems Audit and Control Association (ISACA), ensuring its international involvement in the development of standards, methodologies and certification for auditing and control in information systems.

## During 2016, Mediaset España's activity in this context was focused, mainly, in the following objectives:



- Application of the General Audiovisual Communication Law and its regulatory development, with special emphasis on strengthening the protection of minors and the correct implementation of the provisions applicable to television advertising;
- Within the scope of self-regulation, application of a new "Age rating system for audiovisual products", subscribed by the free to air TV operators in 2015, under CNMC supervision. This rating system was launched with the intention of establishing a more objective and systemised framework for rating content, and be an instrument that provides information to guardians, children themselves and society as a whole, about potentially harmful content that a particular audio-visual programme may have;
- Application of gambling regulations and the responsible implementation of the new online gambling services. Mediaset España was involved as a member of the Responsible Gambling Advisory Board, formed by the General Directorate for the Regulation of Gambling, and of the Joint Committee monitoring the Code of Conduct on the Commercial Communication of Gambling Activities; to which they joined as gaming operators, through its subsidiary, Premiere Megaplex.
- Defense of a public system of transparent and rational television, with a true public service approach in its contents, and submitted to mechanisms of real control, and with a strict compliance with the prevailing regulations, especially in advertising.
- Defense of a transparent and equitable system for the management of intellectual property, calling for greater transparency and control of the Intellectual property rights management entities, as well as the application of fair and proportionate fees based on the effective use of the repertoire they represent.
- Participation in the review process of the European Directive on Audio-Visual Communication Services, currently underway (Directive 2010/13 / EU).
- Application of the regulations implementing the Cinema Law.



# PARTICIPATION IN CORPORATE RESPONSIBILITY INITIATIVES

## Global Compact

Since 2007, Mediaset España maintains its commitment to support the United Nations Global Compact (UN Global Compact), international initiative proposed by the United Nations with the aim of obtaining a voluntary commitment by the entities to corporate social responsibility by implementing Ten Principles based on human, employment and environmental rights and to combat corruption. The company has developed its progress report in which it communicates the actions taken in order to implement the Ten Principles among the stakeholders.



For more information consult the "Global Compact Compliance" section of this Report.

## Carbon Disclosure Project

Since 2009, Mediaset España has participated in the Carbon Disclosure Project consultation process (hereinafter, CDP). The initiative was launched in 2000 by the United Nations, and keeps the world's main database of primary and business information on climate change, with the purpose of providing solutions for climate change by disclosing information significant to business decisions, policies and investment decisions. Through the Climate Change questionnaire, the CDP annually analyses the information relevant to climate change among more than 5,800 of the world's largest listed companies, representing over 827 institutional investors, with assets valued at over USD 100 trillion. In 2016, Mediaset España obtained an A-rating (compared to 99B the previous year), demonstrating a leading position in implementing measures to reduce its greenhouse gas emissions, ranking among the top 25% of companies with the highest valuation at a global level. Also, at the sector level, the company is well above the world average, which has received a C valuation for the same period of analysis.

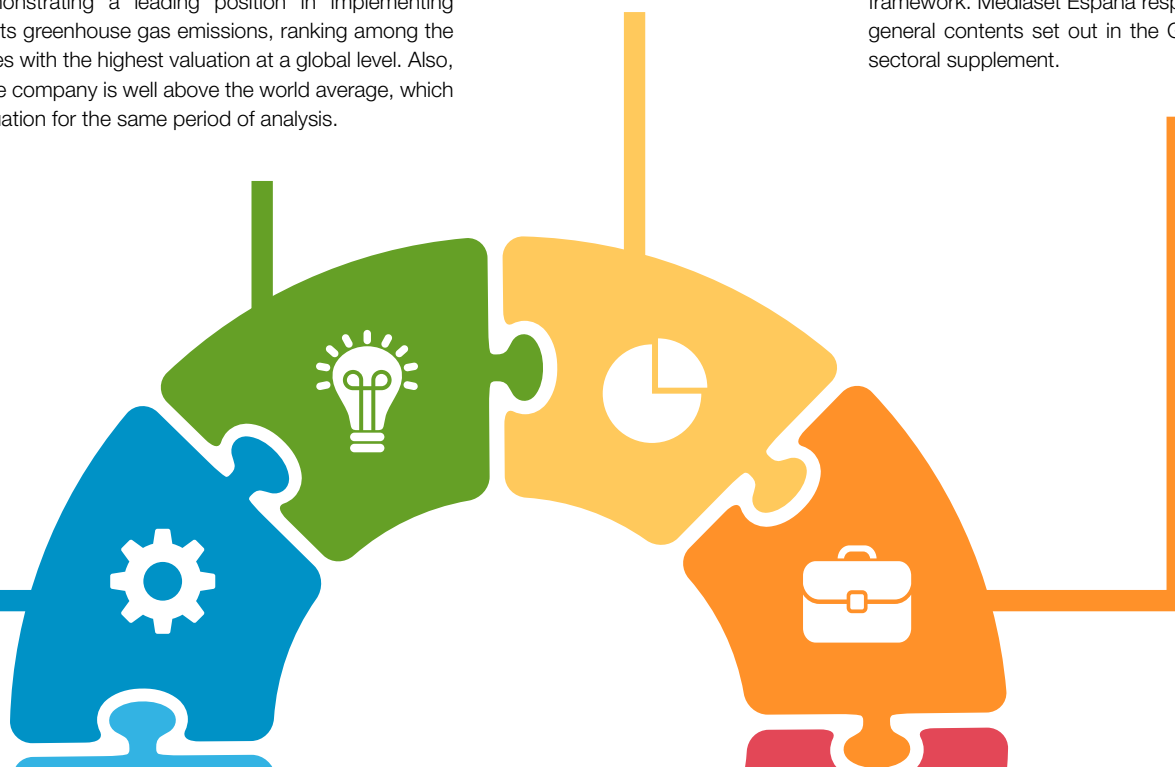
## FTSE4GoodIbex

Since 2008 Mediaset España has taken part in the FTSE4Good Ibex. This index reflects levels of environmental, human rights and employment policy management, as well as compliance with certain standards relating to supply chain working conditions, rejection of corruption, etc.

## Global Reporting Initiative

Since 2012, Mediaset España follows the principles established in the Framework for the development of Sustainability Reporting Guidelines elaborated by Global Reporting Initiative (GRI), a non-profit organization whose aim is to promote the development of sustainability reporting guidelines in all sorts of organizations.

This framework, which contains the sustainability reporting Guidelines, provides the principles and indicators that companies could use to measure and communicate their economic, environmental and social performance and has improved its adaption to the different sectors, by way of sectoral report supplements, complementary to the general framework. Mediaset España responds in its CR Report not only to the general contents set out in the Guide, but also to the corresponding sectoral supplement.





# PARTICIPATION IN CORPORATE RESPONSIBILITY INITIATIVES

## Transparency, Good Governance and Integrity Cluster

Since 2016 Mediaset España is a member Forética's Cluster Transparency, Good Governance and Integrity. The Cluster, made up of 48 large companies, representing more than 20% of Spain's GDP in billing volume, is a business meeting point for leadership, knowledge, exchange and dialogue in this field, with a special focus on the value of transparency and good governance in companies and their impact on the market.

## Climate Change Cluster

Since 2016 Mediaset España has been a member of the Climate Change Cluster. The Cluster is a business meeting point in leadership, knowledge, exchange and dialogue on climate change, coordinated by Forética as the representative in Spain of the World Business Council for Sustainable Development.

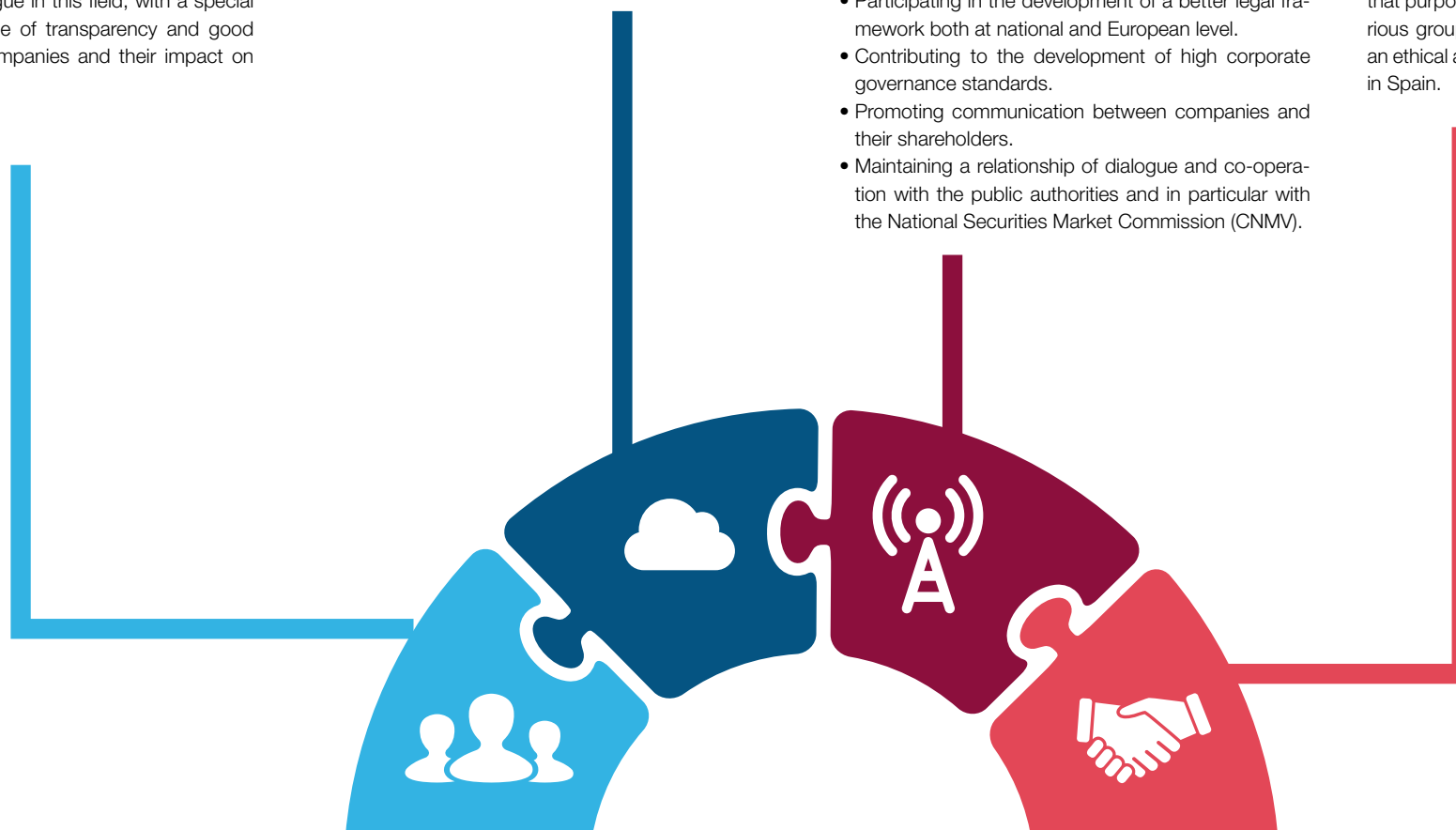
## Spanish Broadcasters Association

Since 2012, Mediaset España has been part of the Spanish Broadcasters Association, which has the purpose of:

- Promoting measures which strengthen legal certainty in all matters concerning the issuing of traded securities.
- Participating in the development of a better legal framework both at national and European level.
- Contributing to the development of high corporate governance standards.
- Promoting communication between companies and their shareholders.
- Maintaining a relationship of dialogue and co-operation with the public authorities and in particular with the National Securities Market Commission (CNMV).

## Responsible Gambling Advisory Board

In the responsible management of gambling activity, Mediaset España has been part of the Responsible Gambling Advisory Board since it was established. This organization aims to watch over the possible consequences of gambling on the safety and welfare of consumers, and for that purpose, it serves as a forum so that the various groups involved work together to achieve an ethical and responsible approach to gambling in Spain.





# BUSINESS MODEL



MEDIASET *españa.*



# INDUSTRY OUTLOOK



**Mario Rodriguez Valderas**  
Corporate General Director

Once again, advertising on TV has shown excellent health in the overall advertising market, even increasing its share in the advertising market, reaching 40.5%. And despite the increasing strength of advertising on the internet, which continues to increase (26.8%) compared to other traditional advertising media.

Generally, Mediaset has reached a 43.3% share of the television advertising market in 2016, the highest among its competitors. This situation is supported, of course, by high television consumption. During 2016, Spaniards have devoted an average of 248 minutes per person to audio-visual consumption, of which 214 minutes, that is, 86.2% has been dedicated to the live viewing of free to air television channels.

That said, the main challenges concerning the television sector in the short term are of a regulatory character.

Especially important to us is Hertzian television, the so-called second digital dividend, pending final approval by the European institutions. As in 2015, it is about transferring the digital terrestrial television (DTT) channels again, but in this instance to the 700 MHz band, in order to free the current 800 MHz band in favour of telecommunications companies.

Within the scope of action granted to the member States of the European Union, the Spanish Government must undertake this task being conscious of our country's peculiarities, where DTT is the principal method of television broadcasting, unlike the north and central Europe, where cable or satellite are the predominant means. It must do so in a non-disruptive manner, guaranteeing the current status of the television licensees. And it must be done in a non-hasty manner, ensuring the least traumatic transition possible for the citizens and companies affected.

Moving on, the strength of the digital media highlights the need to harmonize the obligations imposed, in general, on the audio-visual media companies. The strict rules concerning advertising broadcasts, protection of minors, investment in cinema, etc. weighing on televisions, are pointless if, as all studies reflect, audio-visual content is increasingly consumed through other sources; especially among the younger audience. Surely, this calls for a revision of the current Audio-Visual Communication Act, which, after seven years in force, has been largely surpassed by the social and economic reality of our country.

**MEDIASET HAS REACHED A 43.3% SHARE OF THE TELEVISION ADVERTISING MARKET IN 2016, THE HIGHEST AMONG ITS COMPETITORS.**

# STRATEGY

**IN 2016 MEDIASET ESPAÑA OBTAINED AN AUDIENCE OF 30.2% IN TOTAL INDIVIDUALS TOTAL DAY, THAT IS 3.1 PP AHEAD OF ITS IMMEDIATE COMPETITOR.**

Free to air TV confirms its good health in 2016. Despite the increase in competition due to 6 new free air television licenses being awarded (3 in high definition and 3 in standard definition), the aggressive penetration of Movistar + in pay television and the incorporation of the new OTT platforms like Netflix and HBO, Mediaset España maintains its leadership position in the sector.

The company has met its main goal for 2016, which was to be a leader in profitability, maximizing its revenue and audience. So much so, that the net profit of 2016 amounted to € 171.00 million, an increase of + 2.9% compared to 2015 (€ 166.17 million). Adjusted net income reached € 175.72 million (+ 5.9% vs. 2015). Mediaset España has presented its best profit since 2009.

In 2016 Mediaset España obtained an audience of 30.2% in total individuals total day, that is 3.1 pp ahead of its immediate competitor. Mediaset España's Group also led Total day audiences for 32 consecutive months, and was the preferred communication-media group for young people (13-24 years old) with an audience of 37.6%, leading this age group for the fifth consecutive year, exceeding its immediate competitor by 8.1pp (29.5%). It also led in women (16-44 years old) with 36.0% and children (4-12 years old) with an audience of 31.2%.

In 2016, Mediaset España recorded a monthly average of 10.6 million unique users (multiplatform), 194 million page views and 91.6 million streamed videos (ComsCore source).

In 2017, the strategy will continue focusing on:

## 1. Continue being the free to air TV company that leads in profitability

After more than a one year period of coexistence with the 6 new free to air television channels that were awarded to other operators, Mediaset España is in a position to strengthen its content offer with the same investment proposal in production that it has had until now.

Despite the constant changes in the media sector, in 2016 Mediaset España once again achieved a solid cost control policy and recorded total operating costs of € 759.55 million in 2016. In 2015, the figure amounted to € 758.75 million, which means the costs were flat in the year, in spite of the Euro 2016 broadcast, and the launch of the new Be Mad channel.

	2016	2015	Variation %
Employees costs	105.87	105.04	0.8%
Rights consumption	205.45	205.16	0.1%
Other operating costs	439.51	439.06	0.1%
Other amortization and provisions	8.71	9.49	(8.2%)
<b>Total Operating Costs</b>	<b>759.55</b>	<b>758.75</b>	<b>0.1%</b>
PPA amortization	8.00	8.00	-
<b>TOTAL COSTS</b>	<b>767.55</b>	<b>766.75</b>	<b>0.1%</b>

Mediaset España reduced its operating costs in 2016 by 21.7%, compared to the same period in 2010 (pro-forma basis). This has resulted in savings of € 209.89 million regarding Total Operating Costs, despite two more channels now operating.

€ millions	2010*	2011	2012	2013	2014	2015	2016	Var.
<b>Operating costs</b>	<b>969.44</b>	<b>824.12</b>	<b>829.93</b>	<b>748.65</b>	<b>779.33</b>	<b>758.75</b>	<b>759.55</b>	<b>-21.7%</b>

\*Pro-forma: Consolidated figures prepared under IFRS elaborated by Telecinco Group and Sogecuatro Group.

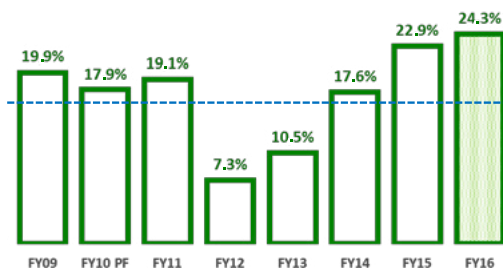
Audience 2016 to date\*  
Targeted channels

	Total individuals	Core target
Factoria de Ficción	3.2%	8.9%
Divinity	2.3%	3.5%
Energy	1.9%	2.0%
Boing1	1.5%	2.6%
BeMad**	0.6%	0.9%
<b>TOTAL targeted channels</b>	<b>9.3%</b>	<b>10.1%<sup>a</sup></b>



Derived from the very high capacity to manage costs and thanks to the sustainability of advertising revenues, the Group's profitability continues improving:

*EBIDTDA/Total net revenue*



## 2. Maintain audience leadership.

Mediaset aims to maintain its audience leadership in viewers and internet users:

**Television:** Since April 2016, Mediaset España has operated with 7 channels, one more than in the same period of 2015. Be Mad is the new Mediaset España's HD channel, which was launched on April 21st.

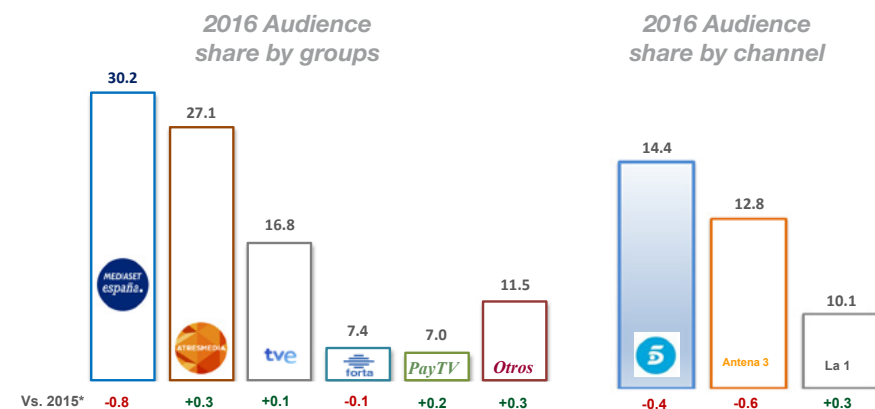
In 2016, Mediaset España's group has allocated 43.0% of its broadcasting hours to in-house production and 57.0% to third party rights, compared to 45.6% and 54.4% of the same period in 2015, respectively. The increase in the consumption of third parties' rights is mainly due to its new channel Be Mad.

TELECINCO, in the same period of 2016, allocated 92.9% of its broadcasting hours to in-house production, and 7.1% to external production, in line with the same period in 2015 (91.5% of in-house production and 8.5% external production).

CUATRO assigned 58.9% of its grid to in house production and 41.1% to external production, an increase of 6.4pp in in-house production compared to the same period in 2015 (52.5% of its own production and 47.5% external production).

Telecinco and Cuatro' channels, together, allocate 76.6% of its broadcasting hours to in-house production, compared to 23.4% of other's production. In 2015, 73.0% of the combined consumption of the channels corresponded to in-house production, which is an increase of 3.6pp in 2016.

As a result of this strategy, the audience data for 2016 are as follows:



**Internet:** 2016 has been a very positive year for Mediaset España's OTT platform, MiTele, it has carried out an important renewal process, both the technological aspect and the web's design as well as the apps' improvement (mobile, Tablet and Smart TV), and the contents that have been updated to HD format. The new Mitele includes new features such as parental control, cross device resume and content lists, where the latter allow the user to view contents at a later time. In addition, during 2016, Mediaset España has launched the live broadcast of Boing, both

on Mitele and on the web. These efforts highlight the importance for Mediaset España to have its contents in a multiplatform environment.

As for the Internet, the website Telecinco.es registered an average of 7.6 million unique users in 2016, well ahead of its immediate competitor, which accumulates 5.8 million. On the other hand, Cuatro.es has obtained 2.9 million unique users in the same period (source ComScore PC + Mobile).

At the end of 2016 Mediaset España's Apps, amounting 13.6 million downloads, the most popular being: Mitele with 5.9 million downloads, Big Brother with 3.4 million and The Voice with 1.8 million.

At the end of 2016, Mediaset España had 180 active social networks accounts: Facebook, Twitter and Instagram. The company registered 49.4 million comments in 2016, representing 54.8% of the total content related to television, much higher than its direct competitor.

Mitele is present in Smart TVs, through an agreement with one of the main operators of this market. According to the latest IAB report, 44% of all Spanish's Smart TVs are connected, and the evolution is increasing. Mitele's app is present in an important part of the Smart TVs market.

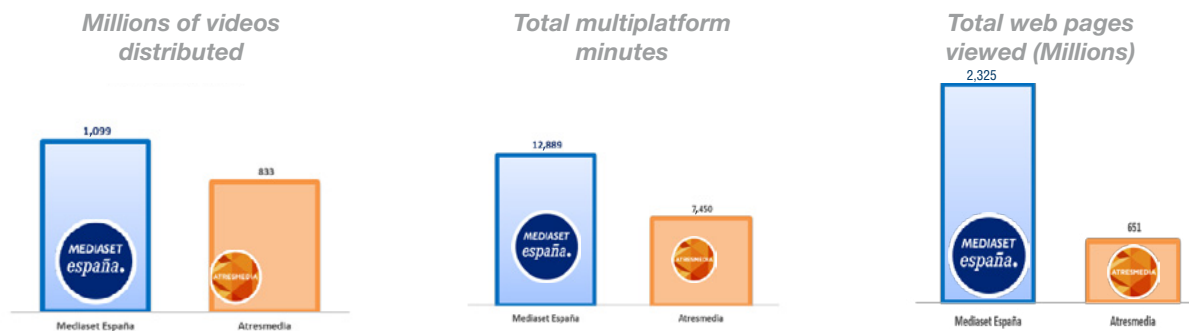
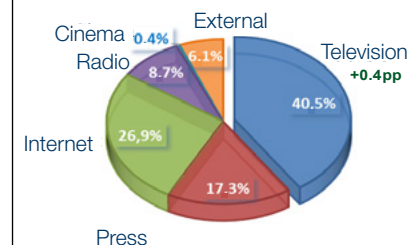
### 3. To be the advertising market leader.

According to Infoadex data, the conventional advertising market in 2016 reached € 5,234.8 million, representing a growth of 4.3%, compared to 2015, while the advertising market for television grew, in the same period, +5,5% to € 2,121.9 million. In 2016, the advertising investment in television represents 40.5% of the total advertising in the conventional market, compared to 40.1% of the total advertising in 2015, an increase of 0.4 pp.

In 2016, 90.1% of the television advertising market belongs to free to air TV operators, while 3.8% belongs to pay TV and 6.0% to local television channels.

According to Infoadex data, Mediaset España had a market share of 43.3% in 2016, +1.3 pp above its immediate competitor:

### Advertising in the conventional market



# BUSINESS MODEL

## MAIN RESOURCES

- Availability of **finance resources**
- Technical and Technology support** and outstanding **infrastructures**
- Creative Talent**
- Commercial relationships** ensuring access to leading programming
- Wide range** of broadcast media
- Strong **commercial relationships** with advertisers
- Constructive relationship** with the audio-visual regulatory bodies
- Licences for the star** programming **brands**
- Sustainable use** of natural resources
- Reasonable** supply chain management

## WHAT DO WE DO AND HOW DO WE DO IT

### VALUE CHAIN

#### CONTENT DISTRIBUTION

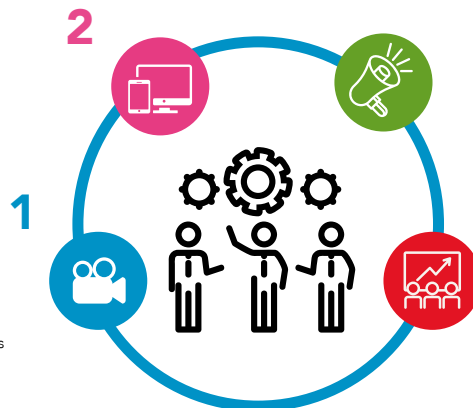
- DTT
- Webs/app
- Cinemas and home video
- Pay TV Platforms
- News Agencies

#### CONTENT PRODUCTION

- Internal/external creators
- Intellectual Property
- Licences and derived products
- Trademarks

#### CONTENT PURCHASE

- Broadcast rights management



CORPORATE AREAS OF SUPPORT

### GOVERNANCE MODEL



#### CONTENT MANAGEMENT

- Editorial Committee;
- Content Committee;
- Fiction Committee

#### ADVERTISING MANAGEMENT

- Advertising Committee

#### HUMAN RESOURCES MANAGEMENT

- Workers' Committee
- Equality Committee

#### RISK MANAGEMENT

- Risk Committee;
- Acquisitions Committee;
- Compliance and Crime Prevention Unit;
- Money Laundering Prevention Unit;
- Security Management Committee;
- Data Protection Unit

#### CORPORATE GOVERNANCE MANAGEMENT

- Board of Directors, Executive Committee, Audit and Compliance Committee, Appointments and Remuneration Committee

## WHAT MAKE US DIFFERENT

**Attractive audio-visual content** for the audience

**Multichannel and Multiplatform offer**

**Commercial Policy** of short blocks in prime time, multiplatform offer and the superspot

**Target richness** unique in Spain

**Capacity to face changes** with quickness

## THE VALUE THAT WE CREATE



Dividend proposed to shareholders

**0.437€/ share (ordinary) and 0.085€/ share (extraordinary)**

Direct Employment created

**1,274 employees**

Support for social matters

**€10.7 million**

Entertainment valued by the audience

**30.2% average screen share**

Value for our advertisers

**Advertising Effectiveness Ratio = 143**

Contribution to the tax authorities

**€204,292 million**

Investment in environmental improvements

**€553,323**

Production (external and fiction) and Coproduction Investment

**€177 million**



# KEY SUCCESS ELEMENTS

## Talent

For the sustainable development of its business plan, Mediaset Spain needs a team of people who possess the skills and attitudes necessary to perform the assigned roles, who understand and commit to the values and expected behaviour that should guide their actions.

In this respect, it is essential for the company to have the talent capable of developing content that will attract audiences and take full advantage of the sale of advertising space. Similarly, it is essential to have people who have the expertise needed to handle the technologies used in content production, broadcast, and marketing.

The Company's talent management strategy is focused on:

## Aligning talent with business strategy

The company's training policy aims to cover the needs identified or demanded by personnel, implementing specific training actions tailored to work posts, as well as programmes for updating and perfecting managers' skills along with other skills programmes linked to business needs.

## Identify future talent needs

Through its intern and trainee policy, training agreements with specialised centres or through the selection of the best students on the University Audio-Visual Content Creation and Management Masters and other talent recruitment programmes, Mediaset España has supplemented the capacities of its current team while ensuring future access to the best specialists and professionals.

## Strengthen personnel's commitment

By developing and implementing measures to promote an appropriate organizational climate, such as the existing Equality Plans, Welfare Benefits, Interest Communications Policy and the Career Opportunity and Performance Management Policy for internal personnel, among others.

## Critical talent retention

Through the development and training policy, together with an adequate system of recognition and remuneration, the company ensures the retention over time of the employees with the talent and skills required for the sustainable success of the business.



# KEY SUCCESS ELEMENTS

## Multichannel and Multiplatform Offering

One of the main factors underlying the business success of Mediaset España is the great variety of products in offers the market through a broad range of media which enable viewers to enjoy a unique experience in line with their own tastes and preferences. In this way, anyone can find a medium for watching a programme or other content which suits their own preferences.

As part of its multichannel offering, Mediaset España distinguishes between two major groups: the principal channels and the new generation channels.



### Principal channels

The two principal channels, Telecinco and Cuatro are the company's emblem. Telecinco, as a general channel with a variety of programmes for different audiences, and Cuatro, as a channel aimed at younger viewers with innovative content, are the organization's cornerstones. Content on offer includes entertainment, films, fiction, news and sports events.



### New generation channels

The five new generation channels seek to reach audiences looking for specific content. Mediaset España places a variety of programmes at their disposal to meet their tastes and preferences. They are differentiated channels whose profile is based on viewers' gender or age, or the specific content their broadcast.

In addition, Mediaset España's services extend far beyond the TV screen, not only via each channel's web site but also through mobile apps and its presence on social networks.



## Flexibility of the Model

Mediaset España offers a wide range of programmes thanks to its unique operational model. The company has always been characterised by the flexibility of its approach and the speed with which it deals with change when programmes need to be replaced or rebroadcast. This flexibility is achieved mainly due to the following:

The Group's strong financial capacity which enables it, when opportunities are identified, to buy premium content and formats for its viewers.

Having its own facilities and latest technology, which generates production synergies for both in-house and third-party productions.

Human resources made available for each programme, allowing continuous monitoring of each production and a perfect coordination with the programming area when planning each channel's programme grid.

The digital transformation that is being carried out by the company, so that the audio-visual contents broadcasted are perfectly adapted to any mobile device and with the best experience for the user.



# OTHER PERFORMANCE INDICATORS

## ECONOMIC HIGHLIGHTS

**TOTAL  
NET REVENUE**  
(€ MILLION)

**992**

2014: 932.1  
2015: 971.9

**PROFIT/  
NET REVENUE**  
(€ MILLION)

**22.6%**

2014: 15.5%  
2015: 21.1%

**ADJUSTED EBITDA**  
(€ MILLION)

**241.1**

2014: 163.87  
2015: 222.67

**ADJUSTED EBITDA /  
NET REVENUE**

**24.3%**

2014: 17.6%  
2015: 22.9%

**NET FINANCIAL  
POSITION**  
(€ MILLION)

**193.4**

2014: 265.71  
2015: 192.41

**ORIGIN-BASED  
TAX PAID**  
(€ MILLION)

**55.09**

2014: 29.99  
2015: 53.19

**GOVERNMENT FINANCIAL  
ASSISTANCE**  
(EURO)<sup>1</sup>

**318,400**

2014: 4,133,300  
2015: 706,820

**COMMUNITY  
DONATIONS**  
(EURO)

**118,858**

2014: 252,861  
2015: 78,359

**CONTENT  
PRODUCERS<sup>4</sup>**

**34**

2014: 25  
2015: 32

**PROGRAMMES  
GENERATED<sup>4</sup>**

**84**

2014: 77  
2015: 101

**ACQUISITION  
CONTRACTS FOR  
THIRD- PARTY  
PRODUCTION**

**68**

2014: 92  
2015: 90

**INVESTMENT IN  
ENVIRONMENTAL  
IMPROVEMENT**  
(EURO)<sup>2</sup>

**553,323**

2014: 122,000  
2015: 244,124

**ADVERTISER  
NUMBER<sup>3</sup>**

**905**

2014: 897  
2015: 924

**WEB ACCESS  
NUMBER<sup>5,6</sup>**

**1,122,802,912**

2014: 1,121,494,816  
2015: 1,399,201,537

**DAILY WEB USER  
AVERAGE<sup>6,7</sup>**

**2,126,269**

2014: 2,101,914  
2015: 2,529,115

Average user /day				
	TELECINCO.ES	CUATRO.COM	DIVINITY.ES	MITELE
2016	1,800,558	222,275	118,348	500,455
2015	2,157,052	343,500	134,661	500,869
2014	1,768,879	322,771	124,676	447,141

1. Relates to the financial assistance received for film co-production activities from the Instituto de la Cinematografía y de las Artes Audiovisuales (Spain).

2. Sports and news programmes have not been taken into consideration.

3. Mainly relates to investment in air-conditioning and lighting facilities to reduce energy consumption.

4. Only advertisers with investment in any Mediaset España channel have been taken into account.

5. Relates to web access of Telecinco, Cuatro, Divinity and Mitele.

6. Source: Oficina de la Justificación de la Difusión (OJD).

7. Average number of web users a day.



# OTHER PERFORMANCE INDICATORS

## SOCIAL DIMENSION

PROGRAMMES WITH  
A SOCIAL CONTENT  
(BROADCAST NUMBERS)

**2,445**

2014: 2,440  
2015: 2,190

ASSIGNMENT OF ADVERTISING  
SLOTS SUPPORTING SOCIAL  
CAUSES (THOUSAND EURO)<sup>1</sup>

**10,538**

2014: 13,899  
2015: 25,755

INVESTMENT IN TRAINING  
(THOUSAND EURO)

**156**

2014: 227  
2015: 207

HOURS OF TRAINING  
PER EMPLOYEE

**10.38**

2014: 14.02  
2015: 15.67

TRAINING ACTIONS IN  
SKILLS

**18**

2014: 20  
2015: 8

TRANSVERSAL TRAI-  
NING ACTIONS

**18**

2014: 41  
2015: 19

EMPLOYEES WITH  
PERFORMANCE  
ASSESSMENT <sup>2</sup>

**23%**

2014: 24%  
2015: 24%

1. As from the approval of the Sustainable Economy Law in 2011, all NGO advertising which was previously considered as advertising can no longer be regarded as such.

2. Relates to employees with performance assessment of Mediaset España and Publiespaña.



# OTHER PERFORMANCE INDICATORS

## ENVIRONMENTAL DIMENSION

PAPER CONSUMPTION  
(KG)

**19,075**

2014: 22,177  
2015: 18,451

PRINTER TONER  
AND CARTRIDGE  
CONSUMPTION (UNITS)

**941**

2014: 880  
2015: 951

BATTERY  
CONSUMPTION (KG)

**2,561**

2014: 2,936  
2015: 2,757

DISCS CONSUMPTION  
(KG)

**1,325**

2014: 3,556  
2015: 2,622

WASTE GENERATED  
(KG)

**496,462<sup>1</sup>**

2014: 86,531  
2015: 126,417

WATER CONSUMPTION  
(M<sup>3</sup>)

**26,282**

2014: 31,329  
2015: 29,858

ELECTRICITY  
CONSUMPTION (GJ)

**63,256**

2014: 62,617  
2015: 62,711

DIESEL CONSUMPTION  
(GJ)

**79**

2014: 60  
2015: 36

NATURAL GAS  
CONSUMPTION (GJ)

**4,527**

2014: 4,396  
2015: 4,044

GREENHOUSE GAS  
EMISSIONS (TN)  
SCOPE 1

**845**

2014: 834  
2015: 813

GREENHOUSE GAS  
EMISSIONS (TN)  
SCOPE 2

**-**

2014: 5,668  
2015: 5,319

GREENHOUSE GAS  
EMISSIONS (TN)  
SCOPE 3

**265,810<sup>2</sup>**

2014: 2,170  
2015: 2,019

1. Starting in 2016, an estimate of the urban solid waste generated per person is included, taking into account the entire workforce of the Group and the restoration activities carried out at the Fuencarral facilities.

2. In 2016, the Company included in its GGE calculations all Scope 3 related categories related to the Company's activities as well as those produced outside the organization, both upstream and downstream. For more information, see "Environmental Performance" chapter within this Annual Report.



# AUDIOVISUAL BUSINESS

2016 HAS ALSO CORROBORATED MEDIASET ESPAÑA'S LEADERSHIP IN THE SOCIAL MEDIA ENVIRONMENT, WHERE IT ACCUMULATES THE LARGEST ENGAGEMENT WITH ITS USERS, ONCE AGAIN MAKING ITS CONTENT THE MOST TALKED ABOUT ON SOCIAL MEDIA.

In an environment of increasing competition, with audience fragmentation resulting from the appearance of six new local free to air channels, the arrival of new digital content platforms and the growth of pay-TV consumption; Mediaset España has consolidated its leadership position in 2016 for the sixth consecutive year as the most watched television group in Spain, both in traditional and digital television consumption, with its offer of television videos being the most viewed on the Internet and with the television sites having the largest number of unique users.

2016 has also corroborated Mediaset España's leadership in the social media environment, where it accumulates the largest engagement with its users, once again making its content the most talked about on social media.

It has also been a year of great political and social events, both inside and outside Spain, in which Mediaset España has once again been established as a News reference through Atlas, the national news agency which gathers and writes the news for Telecinco and Cuatro.

The company has once again combined its news and entertainment leadership with the responsible management of advertising space in order to promote profitability and efficiency, remaining market leader with the largest investment share of all media in Spain, as one of the most outstanding media companies at a European level.

It also made history with Telecinco Cinema again, whose activity has been established as the most important engine of the film industry, after producing the most viewed and highest grossing film of the year in

Spain for the third year in a row, and leading in market share, revenue and number of viewers again.

Mediaset España has implemented, in all lines of business, a management model recognised in the sector, it recognises shareholder confidence leading to unique results and margins amongst the media companies in Spain, a strong and positive financial position and an exceptional absence of debt.

Mediaset España, has been the television audience leader for the sixth consecutive year with the highest prime time figures in its history.

For the sixth consecutive year, Mediaset España closed 2016 as the most watched television group in Spain, in total individuals (30.2%), with the greatest historical advantage over its immediate competitor (27.1%).

The Group stood out in commercial target (31.7%) and in prime time (30.1%), recording its highest historical record after closing the year as the only group capable of improving in this decisive time slot with respect to 2015, moving away from its immediate competitor by 2.5 points, the largest distance between them since its creation.

Mediaset España has also been the preferred communication group for young people aged from 13 to 24 for the fifth consecutive year with a 37.6% share, 8.1 points higher than its competitor (29.5%).

MEDIASET ESPAÑA, HAS BEEN THE TELEVISION AUDIENCE LEADER FOR THE SIXTH CONSECUTIVE YEAR WITH THE HIGHEST PRIME TIME FIGURES IN ITS HISTORY.

MOST WATCHED TELEVISION GROUP IN SPAIN

30.2%





## Telecinco, five consecutive years of leadership

In 2016, Telecinco has achieved its fifth consecutive and absolute victory in audience, establishing 17 years of leadership among the commercial television channels with an average audience share of 14.4% and 1.6

points ahead of the second television option (12.8%), establishing the largest gap between them since 2011.

The channel also closed the year as the reference channel in commercial target with a 13.8% share, 9 tenths more than Antena 3 (12.9%), increasing its advantage by 0.3 points with regards to the previous year.

The news and entertainment offer, is always close and attentive to the generalist audience tastes, has returned to be placed as the first option in all age targets, except children, with youths from 13 to 24 years old and viewers 25 to 34 years old as the most committed audience with figures that, in both cases, exceed the channel's average (14.8% and 15.1% share, respectively), confirming that Telecinco is excellently in tune with one of most interesting groups of the population at a commercial level because of the high influential power, they are known as millennials.

Telecinco has based this solid victory on its ability to meet the audience during the day time (14%) and especially in prime time, a time slot that for the fifth consecutive year has led with a 15.4% share, the highest figure in the last seven years, compared to 13.3% of its competitor, also increasing its distance by 0.4 points compared to 2015. Telecinco has also been the only television channel that has grown in prime time

with regards to 2015, excelling every night of the week, without exception: Monday (15.2%), Tuesday (16.8%), Wednesday (16.7%), Thursday (18.9%), Friday (17.3%), Saturday (14.1%) and Sunday (15.7%).

This loyalty from its viewers has allowed Telecinco to reach victory in 11 out of the 12 months of the year, being the channel that has led most days with victories on 250 days, or 68.3% of the days disputed. By regional markets, Telecinco has again become the most watched television in Asturias (20.9%), Canary Islands (17.1%), Murcia (15.8%), Andalusia (15.6%), Galicia (15.1%), Euskadi (15.1%), Madrid (14.4%), Aragon (13.1%) and in the 'Rest' (14.8%).

In 2016, the 20 most viewed broadcasts of the year were sporting events, with Telecinco ranking in first place with the EuroCup Croatia-Spain (60.6% and 10.726.000), also placing another 10 football matches among the most watched in these 12 months.

Not including sports events, Telecinco has placed 12 of its broadcasts among the 20 most viewed of the year, its fiction offer being the most successful.

PRIME TIME LEADERSHIP

# 15.4%

BY REGIONAL MARKETS, TELECINCO HAS AGAIN BECOME THE MOST WATCHED TELEVISION IN ASTURIAS (20.9%), CANARY ISLANDS (17.1%), MURCIA (15.8%), ANDALUSIA (15.6%), GALICIA (15.1%), EUSKADI (15.1%), MADRID (14.4%), ARAGON (13.1%) AND IN THE 'REST' (14.8%).



TELECINCO HAS SHONE FOR ANOTHER YEAR WITH ITS IN-HOUSE PRODUCTION THAT IS INTENDED TO KEEP THE VIEWERS COMPANY WITH FAMILY PROGRAMMES THAT PLACE VALUE ON TALENT, SKILLS AND THE PERSONAL AND PROFESSIONAL TRAJECTORY OF WELL-KNOWN ARTISTS UNDER THE IMPECCABLE WORK OF THEIR PRODUCTION TEAMS AND THE ALWAYS EXCELLENT WORK OF THE STAFF, PRESENTERS AND COLLABORATORS.



## Undisputed reference in entertainment

Classic formats, successful adaptations and innovative proposals. In short, pure entertainment. Telecinco has shone for another year with its in-house production that is intended to keep the viewers company with family programmes that place value on talent, skills and the personal and professional trajectory of well-known artists under the impeccable work of their production teams and the always excellent work of the staff, presenters and collaborators. Due to this effort, the channel has returned as the audience's favourite TV channel, which has turned 'Survivor 2016', led by Jorge Javier Vázquez with the collaboration of Lara Álvarez from the paradisiacal islands of Honduras, into the most viewed entertainment programme on Telecinco during the year with a 26.4% share and 3,085,000 viewers. 'Survivor: the debate', moderated by Sandra Barneda, has offered the most competitive edition of the last three years with an 18.9% share and 2,230,000 viewers.

The importance of the participants and the team of coaches, Alejandro Sanz, Malú, Melendi and Manuel Carrasco, and the outstanding professionalism of Jesús Vázquez have made 'La Voz 4' a reference among the programmes of 2016 (24% and 3,061,000), ranking as the second most popular entertainment format of the year. The talent show has grown to 25.2% share in commercial target and has reached its best figures in youngsters from 13 to 24 years old, among which it has surpassed 32% of audience share.

'Big Brother 17' presented by Jorge Javier Vázquez, has led absolutely in all shows, recording a 19.6% share and 2,193,000 viewers, with a



target of 20.5% in commercial target and up to 32% among youngsters aged 13 to 24 years old.

The programme has shown its strength even more with the 'BB VIP 4' edition, presented by Jordi González, also leading its time slot absolutely, recording an average of 23.6% share and 2,943,000 viewers, increasing the result in both, commercial target (22%) and viewers from 13 to 24 years old (27.6%).

Among the new programmes, in 2016 Telecinco's nights have been filled with talent with diverse and breathtaking disciplines on 'Got Talent España', presented by the actor Santi Millán and with the watchful eyes of the jury members Edurne, Jorge Javier Vázquez, Jesús Vázquez and Eva Hache, as well as its faithful followers (2,719,000 viewers and 19% share), which have all made it possible to renew, in Spain, a second season of this international format that Telecinco has just released with excellent audience shares, undoubtedly leading the time slot.

In addition, new in-house production entertainment formats have been added to the channel, which have contributed to Telecinco's prime time success, such as Bertín Osborne's interview show 'Mi casa es la tuya', which leads in its time slot in every episode with an average of 2,868,000 viewers and a 17.5% share.

In 2016, María Teresa Campos and her daughters have become television's new characters of the year thanks to the docureality 'Las Campos', which became the best entertainment premiere of the summer with an average 18% share and 2,301,000 viewers. With just two episodes broadcasted on Telecinco presented by Carlota Corredera, in



MARÍA TERESA CAMPOS AND HER DAUGHTERS HAVE BECOME TELEVISIONS NEW CHARACTERS OF THE YEAR THANKS TO THE DOCUREALITY 'LAS CAMPOS', WHICH BECAME THE BEST ENTERTAINMENT PREMIERE OF THE SUMMER WITH AN AVERAGE 18% SHARE AND 2,301,000 VIEWERS.



which the hostess and her family opened the doors of their homes and their lives to show their routines and some of their most surprising personal features; the success of 'Las Campos' was moved to the Internet and social media with 511,000 unique users on Mediaset España's websites, 1.2 million videos viewed and nearly 50,000 comments were generated. The success was such that at Christmas they returned with a special 'Mama, ya es Navidad', with which Telecinco has started a new series of episodes that will continue to show the day to day of this well-known family from different angles.

Among the talent shows 'Levántate All Stars', presented by Jesús Vázquez and with Alaska and Mario Vaquerizo as judges, has surpassed the two million viewer mark with an average share of 18.3% in Friday's episodes.

In addition to doing extremely well in primetime, Telecinco's in-house production has sustained the most solid daytime of Spanish television with leading proposals from morning to night, beginning with 'El programa de Ana Rosa' (18.5% and 534,000) presented by Ana Rosa Quintana and her team, the leading morning magazine programme for another year ahead of its immediate competitor by 2.2 points, Antena 3's 'Espejo Público' (16.3% and 461,000).

At mid-day, "Mujeres y Hombres y viceversa" (13.3% and 839,000) presented by Emma Garcia, has grown to 17.7% in commercial target and up to 28.2% among viewers aged 13-34, while 'Cambíame', presented by Carlota Corredera replacing Marta Torné, with the stylists Pelayo Díaz, Natalia Ferviú and Cristina Rodríguez, have had their best year leading in their time slot among the national television channels (12.8% and 1.375.000).



In the afternoon, 'Sálvame', the sum of the 'Naranja' and 'Limón' editions, has reached 17.1% share and 1,812,000 viewers, maintaining the hegemony of its slot for the seventh consecutive year. Its particular way of accompanying and amusing the viewer, the profile disparity of the collaborators and the complicity of Jorge Javier Vázquez and Paz Padilla have made it possible for the programme to distance itself, with the largest difference of the last four years, from the second TV choice, with original and surprising programming events surrounding its own universe, such as the two editions of "Sálvame Fashion Week" to promote Spanish fashion, with the collaboration of the artist Javier Mariscal in the last of them. In its prime-time edition on Fridays, 'Sálvame Deluxe' in 2016, it has accumulated an average 17.1% audience share with 1,812,000 viewers.

'Pasapalabra' (18.1% and 2,239,000), presented by Christian Gálvez, has closed the unbeaten duo of Telecinco's in-house production in the afternoon, leading its time slot as the most competitive day time competition for one more year.

On weekends, '¡Qué tiempo tan feliz!', presented by María Teresa Campos, has completed six uninterrupted years on the air in 2016 with an annual average of 11.5% share and 1,320,000 viewers.



ON THE ROAD TO SUCCESS AND LEADERSHIP THAT TELECINCO HAS TRAVELLED WITH ITS ENTERTAINMENT SLOTS, THE CHANNELS IN-HOUSE PRODUCTION OFFER IN FICTIONAL PRODUCTIONS HAS ALSO PLAYED AN IMPORTANT ROLE, WITH TITLES THAT HAVE MARKED MILESTONES IN THE HISTORY OF THIS GENRE.

## The most successful fiction series

On the road to success and leadership that Telecinco has travelled with its entertainment slots, the channels in-house production offer in fictional productions has also played an important role, with titles that have marked milestones in the history of this genre such as 'El Principe'; with references of comedy turned classics, like 'La que se Avecina'; with the awaited endings, such as that of 'Chiringuito de Pepe'; and with new proposals of narrative formats with a contrasting acceptance among the viewers, miniseries', with the broadcast of 'El padre de Caín' and 'Lo que escondían sus ojos'.

After entering into the history books of fictional TV, becoming one of the most followed series of the last decade and generating a social phenomenon around itself that transcended the screen and flooded the social media, 'El Principe', with its long awaited final episode, ended its run as the most watched series of 2016 and the last three seasons with an average of 4,368,000 viewers and a 24.4% share. The fiction set in the troubled Ceuta neighbourhood of the same name and starring Jose Coronado, Alex Gonzalez, Hiba Abouk, Stany Coppet and Rubén Cortada, achieved 5,213,000 viewers (29.2%) in its last episode, ranking as the most watched non-sports broadcast of the year.



'La que se avecina' has been the most watched comedy of the year (22.4% and 3.682.000), a reference in the genre for one more year and with best commercial target (25.9%). It also ranks first in the ranking of deferred broadcasts in the history of this type of measurement, with 536,000 viewers in the April 5th broadcast. It should be noted that, except for sporting events, the broadcast of this episode ranks second in the ranking of the most watched broadcasts of the year on all channels (4,996,000 and 27,2% on the day of its broadcast). With its characteristic distinct, irreverent and surrealistic humour, 'La que se avecina' has again conquered the young audience, as shown by the outstanding 44.9% share achieved among viewers from 13 to 24 years old.

Regarding miniseries', the two broadcasted by Telecinco throughout 2016 - 'Lo que escondían sus ojos', starring Rubén Cortada and Blanca Suárez; and "El padre de Cain," with Quim Gutiérrez, Aura Garrido and Patxi Freytez in the lead roles - have also positioned themselves among the ten most watched fiction products of the year with an 18.9% share and 3,200,000 viewers, and a 16.6% audience share and 2,842,000 followers, respectively.



## Cuatro, a reference for the millenials and third commercial television for the under 55's, closes the year as the channel with **the best commercial target conversion**

Cuatro closed 2016 with a 6.5% share in total individuals and a growth of 1.1 points to 7.6% in commercial target, being established as the national television that best converts its results in the audience group most sought after by the advertising sector.

Mediaset España's second channel has reached a 7.4% audience share among viewers under 55 years old, consolidating itself as the third commercial channel in the audience group which is commercially in demand, after Telecinco and Antena 3, distancing itself by 0, 7 points from La Sexta (6.7%).

Once again, Cuatro has shown an excellent relationship with the well-known millennials, urban youngsters, digital natives, between 16 and 34 years old, among which the channel has achieved a 7.6% share, beating La Sexta (6.2%).

### The channel with the highest number of in-house production entertainment formats

Cuatro was the national channel that released the most in-house production formats in 2016, a varied entertainment offering that has dived into all genres, from comedy's to dating shows, docu-realities, adventures, reports and research, standing out for the good reviews and the audience's reception of formats like 'First Dates'. The dating show, one of television's new programmes of the year, consolidating Cuatro's gamble of broadcasting this international format on a daily basis; engaging an average of 1,319,000 viewers and an 8.3% share in the intensely competitive access prime time slot. 'First Dates' has excelled in particularly attractive parameters such as the commercial target (10.8%), young viewers aged 25-34 (12.4%) and adults aged 35-54 (11.1%), corroborating the success of the programme presented by Carlos Sobera.

In 2016, and with the national stamp 'El Xef' arrived at Cuatro, a risky and innovative 'docu-xow' focussing on the cook with three Michelin

TOTAL SHARE

# 6.5%

ONCE AGAIN, CUATRO HAS SHOWN AN EXCELLENT RELATIONSHIP WITH THE WELL-KNOWN MILLENNIALS, URBAN YOUNGSTERS, DIGITAL NATIVES, BETWEEN 16 AND 34 YEARS OLD, AMONG WHICH THE CHANNEL HAS ACHIEVED A 7.6% SHARE



THE DATING SHOW  
GENRE ONCE  
AGAIN BECAME  
EXCLUSIVELY  
CUATRO'S IN  
TERMS OF QUALITY  
AND AUDIENCE  
SUCCESS.



Stars David Muñoz, who has had a life of challenges and has a passion for his profession; achieving an average of 1.940.000 viewers and 9.5% of audience share, leading the channel's commercial target with a 13.6% audience share.

Without leaving the docu-factual genre, '9 meses con Samanta' has been the most watched programme of the year on Cuatro. Samanta Villar shared her pregnancy, and all the experiences that she went through during that time and the birth of her twins, with more than 2 million viewers, a vital experience never before shown like that on television which gained 11.1% of share in total individuals and 13.3% in commercial target.

Cuatro has also released the second season of 'Los Gipsy Kings', a factual programme that shows the day to day of five gypsy 'dynasties' in Spain, improving on the previous edition: 10.2% share and 2,031,000 viewers with 12.1% in commercial target and an excellent 18.5% in young people of 13 to 34 years old.

The dating show genre once again became exclusively Cuatro's in terms of quality and audience success. 'Un príncipe para tres princesas' averaged 7.2% share and 1,188,000 viewers, almost half a million more than its second season and 1.8 points ahead. In commercial target a 9.9% audience share was reached.

Additionally, another of Cuatro's big formats, 'Granjero busca esposa', has returned in 2016 with its particular search for love, always full of humour with, Carlos Lozano as presenter and scoring an average of 8.2% share and 1,144,000 viewers.

In the reporting, criticism and investigation offer, Cuatro has strengthened its commitment to the genre with the label 'Reporteros Cuatro', which has brought programmes to its grid, such as 'Fuera de Cobertura' (6.6% and 1,155,000) with the journalist Alejandra Andrade; 'A pie de calle' (6.4% and 1,119,000) with Jesús Cintora and 'En el punto de mira' (7.9% and 1,078,000) with a multidisciplinary team of reporters.

Additionally, 2016 has been a great year for large formats already consolidated on the channel, which have already shown that they are in tune with the audience, evolving and experimenting in its genre, in other slots and with other formulas. This has been the case with the brand 'Cuarto Milenio', which has had editions in prime time through 'Zoom' (5.6% and 1.025.000), maintaining the weekly run of Iker Jiménez and Carmen Porter's incombustible ship of mystery in the late night slot, where it has amassed 11 seasons and nearly one million faithful viewers (7.5% and 906,000); 'Hermano Mayor' presented by Jero Garcia who is a coach for young people with conflicting behaviours, improved its figures recording an average of 7.1% share and 855,000 viewers; Or '21 días' with Meritxell Martorell, which brought together an average of 914,000 viewers, increasing the programme's figures compared to its last edition.

Among the riskiest formats of the year, Cuatro has had everyone talking with 'Quiero ser monja', a closer look at the concerns of five young people with doubts about their possible religious vocation (5.3% and 963,000) and 'Feis tu feis' (6% and 918,000), a twist on the interview genre with the comedian Joaquín Reyes.

Cuatro has also demonstrated its social commitment with two in-house production formats aimed at raising the viewer's awareness of serious problems such as trafficking women for sexual exploitation and bullying.





The first of them was 'Esclavas', a documentary narrated by the journalist Roberto Arce that recreates real cases of women who have managed to denounce and leave the slavery to which they were submitted by different mafias. The second, ' Proyecto Bullying ', a special programme presented by Jesús Vázquez with which Cuatro has opened the public debate on school bullying after going through an obstacle race to address this social problem, a format that will finally be released in 2017 backed by the 12 Meses campaign 'Brave people, Wanted'.

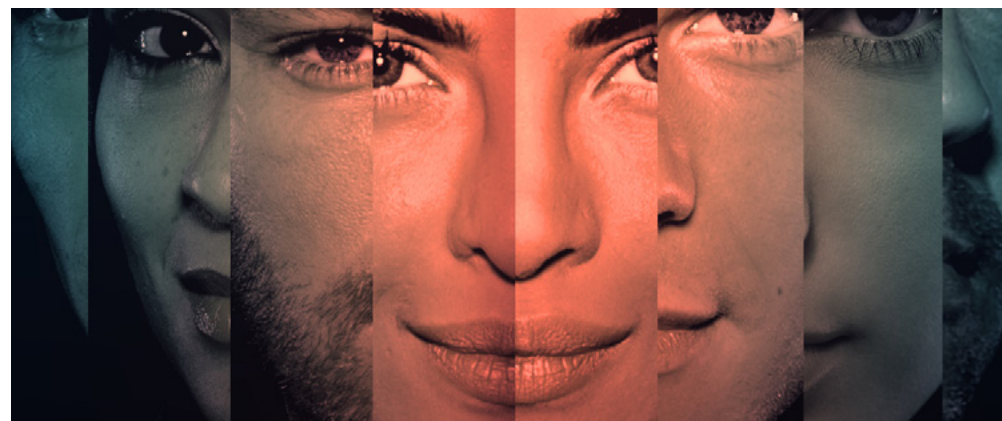
## International fiction and cinema, an emblem of Cuatro

In a year in which it said good bye to two of its iconic series: 'Castle' (7.9% and 1,538,000) and 'CSI' which obtained 9.3% and 1,323,000 viewers in its final episode, Cuatro's international fiction shone with data above its average in younger audiences: "Quántico" stood out amongst the new releases of 2016, recording a 7.2% share and 976,000 viewers in its first season, a figure that has grown to 9.3% in commercial target.

As for cinema, 'El Blockbuster' (8.1% and 1,216,000) has become the prime time cinematic reference block, placing 'Star Wars Episode 6: Return of the Jedi' as the most watched film of the year on the channel. "Home Cinema", Cuatro's double cinema session on the weekends and banks holidays, has obtained an average of 8% share and 994,000 viewers in its first show and 6.7% and 767,000 in the second.



Beyond the effort, talent and enthusiasm invested to maintain the entertainment and fiction leadership, Mediaset España works every year to reinforce its commitment to independent, rigorous and truthful information, one of its indisputable values. In 2016, a year of exceptional political and social relevance, marked by major events such as the second General Elections, the crisis of the PSOE party and the investiture of Mariano Rajoy, the Autonomous Regions Elections in Galicia and the Basque Country, presidential elections in the US, Brexit, the war in Syria and the refugee crisis, the attacks in Brussels, Nice and Berlin, the death of Fidel Castro, the Colombian peace agreement with FARC and the Olympic Games in Brazil, among others, the work carried out by the unified newsroom of Mediaset España, directed by Juan Pedro Valentín has been successful once again, once again confirming the groups position as a reference for the viewers when it comes to the News.





## Factoría de Ficción celebrates its first five years as the most viewed thematic channel

In 2016, Factoría de Ficción has concluded the year as the leading thematic channel for the fifth consecutive year with a 3.2% share, also surfacing as the third national television channel for youngsters aged 13 to 24 years old with an 8.9% share, a target in which it has, for another year, gained on generalist channels such as La Sexta.

The consolidated programme offering, consisting of iconic national comedies, successful American fiction and comedy spaces, has cemented the undisputed leadership of Mediaset España's film and series channel, in a year in which it has strengthened the international fiction with the premiere of the comedy 'Mixology' and new seasons of the acclaimed espionage thriller 'Homeland', the dramedy 'Shameless', the sitcom 'Baby Daddy' and the medical drama 'Royal Pains'. These titles have shared the programming grid with first-order procedural series such as 'Cold Case', and the 'C.S.I.' and 'Criminal Minds' sagas, among others.

Science fiction and animation have been some of the prevailing cinematic genres on Factoría de Ficción's programming grid, in which blockbusters like 'Guardians of the Galaxy', 'Wolverine', 'Z World War', 'Finding Nemo' 'Toy Story' and the 'Madagascar' films have garnered excellent results.

With 6 episodes in the ranking of the 20 most watched broadcasts of 2016 on thematic televisions, 'La que se avecina', a reference for national comedy, leads the channel's comedy offer, underpinned by the fictional programmes: 'Aída', 'Los Serrano' and 'Chiringuito de Pepe' and the comic strip spaces 'Gym Tony', 'Camera Café', 'LOL;' and 'The Stunt Comedy'.



TOTAL SHARE  
**3.2%**





## New formats, in-house productions and fictional releases make Divinity the third most viewed thematic channel of the year

Continuous innovation, the incorporation of new trends and pioneering character have marked Divinity's television model in 2016, the year in which it has become the third most viewed thematic channel and the leading female channel with 2.3% of share in total individuals, 2.9% in commercial target and 3.5% in its target audience (women aged 16-44 years old). The search for new horizons, based on a 360° expansion strategy, has led itself to expand and strengthen its in-house production offer.

Transformed into a 'love mark' recognized by viewers, internet users and advertisers, Divinity has continued to build its brand image thanks to the articulation of its contents through differentiated thematic labels, its fictional and factual releases and the creation of special events programming. In the fiction section, formats such as 'Por fin es lunes' stand out, and to mark the occasion of the premiere of 'How to get away with murder' the channel brought together Shonda Rhimes' most outstanding series; events such as 'Sufro como Meredith', 'De cita con Meredith' and 'Anatomía te necesito', were offered during the broadcast of the twelfth season of 'Grey's Anatomy'; the incorporation of two new procedural series to the 'Divinity Crime' label: 'Motive' and 'Murder in the First'; and the anticipated premiere of 'Jane The Virgin', the best new American television series.

Regarding docu-realities, the women's channel has opted for the architectural and social movement of the 'tiny houses' with the premiere of 'Tiny House Nation', 'Tiny House Hunters', 'Tiny House, Big Living' on 'Divinity Home', a label to which new titles have been added, such as 'The Unsellables', 'Love it or list it UK' and 'Love It or List It Vacation Homes'. In addition, the labels 'Delicious!' and 'Divinity Style' have

strengthened their content with premieres of the culinary talent-show 'My kitchen rules' and the fashion emergency 'Trinny and Susannah', respectively.

Cazamariposas, a reference in the in-house production thematic spaces, has consolidated itself in access prime time, in a year in which it celebrated its third anniversary with a special programming week and has again broadcasted the New Year's Eve special programme with '30D#Queteden2016'. The in-house production offer has been completed with 'Quiero ser', a fashion talent show which has incorporated new participant profiles and new workings in its second season; The youth series 'Yo quisiera', was renewed for a second season; and 'Luce tu pueblo', a branded content format led by Ana García-Siñeriz, who set out on the search for the 'best and most beautiful village in Spain'.

The most prestigious musical events in the national music scene have been part of the channel's programming, which under the Divinity Music Festival label has hosted the live broadcast of 'LOS40 Music Awards', 'La noche de CADENA 100', the charity concert Cadena 100' Por ellas' and the Cadena Dial Awards.

In its institutional campaigns, Divinity has insisted on breaking stereotypes by re-releasing the campaign 'Who says pink is a girl colour?', in which male artists associated with Mediaset España such as Jesús Vázquez, Paco León, Alex García, Antonio Pagudo and Stany Coppet have paid tribute to the greatest pop and rock icons of the 20th century, promoting the channel's brand values; and the launch of 'Love is Divinity', a cross-cutting cause which during the celebration of Gay Pride Week in Madrid, advocated respect across all its medias - television, internet and social media - in a new 360° initiative.

TOTAL SHARE  
**2.3%**







## Boing, the leading children's television channel for the fourth consecutive year

Mediaset España has again managed to unite children and their families in front of the television, with Boing situating itself as the leading television channel in this demanding audience group for the fourth consecutive year among commercial channels with a 12.6% audience share, establishing a distance of 2.8 points compared to the Disney Channel (9.8%), the largest in its history. In absolute terms, in the world of total viewers, Boing has scored a 1.5% share, contributing to the magnificent figures obtained by the thematic channels of the group.

The exclusive premiere of excellent series', recognized by their originality and commitment to in-house production contents with positive feedback in the digital world are the main reasons for Boing success. Regarding in-house production, 2016 has been the year of 'Hora de aventuras: Misión ¡Zuzumba!', The first competition for the channel recorded in natural settings presented by Laura Artolachipi, reinforces family values and teamwork, and has led to the start of 'Wooala!', a magic and comedy programme that recoups the spirit of 'Selfie Show', one of the channel's great successes, with the talent and experience of Borja Montón, professional illusionist and Guinness World Record for Magic, holder, and Mariano Lavida, a magician who specializes in card tricks.

As for the animated series, the following premieres have excelled this year: 'Yo Kai Watch', new Japanese animation phenomenon having great success among children aged 4 to 12 years old, 'Supernenas', update of the famous series premiered in 1996 starring three girls with superpowers in charge of saving the world; 'Supernovatos' and 'Dinofroz' for preschoolers, along with Boing's long-running series such as 'Tito Yayo', 'Lego Ninjago' and 'Steven Universe' or the channel's classic ones 'Time of adventures' and 'Doraemon', two of Boing's most watched broadcasts.

During 2016, the channel has generated programming around indicated events, such as the specials dedicated to Christmas, Valentine's Day, Halloween or Father's Day, with an always ad hoc film offer, among which the films' that have been successful are 'The Flintstone in Viva Rock Vegas' (3.7% and 646,000) and 'Turbo' (3.6% and 588,000) were the channel's most viewed broadcasts.

## Energy, the thematic channel with the largest growth compared to the previous year

Energy's commitment to international fiction aimed at a male audience has made it the most popular thematic channel in 2016 with almost half a share point more, registering a 1.9% share, which is the best figure in its history both in total day and prime time, where it has also risen to 2.1% share.

The 'C.S.I.' series' (with the Las Vegas, Miami and New York sagas); the action series 'NCIS Los Angeles', 'Hawaii 5.0', 'Rex, Special Unit', 'Without a Trace'; the science fiction genre with 'Marvel: Agents of SHIELD', 'Sleepy Hollow' and 'Supernatural' and the horror 'AHS: Hotel' and 'AHS: Coven', among others, as well as action film titles such as 'Rocky', have formed the channel's main fictional offer during this year.

The men's channel has created special themed programming events such as 'Crossover', an initiative which included a marathon of episodes and crossovers from the 'C.S.I.' and 'Without a Trace' series'. In addition, it has celebrated important dates such as Father's Day, with the exclusive broadcast of 'Marvel: Agents of S.H.I.E.L.D.' second season; Valentine's Day with the event #QuieroMásAMiPerro which included the preview of 'Rex, Special Unit' and on February 29, with new episodes of 'Supernatural'.





## Be Mad is launched, the first HD broadcast channel on free to air Television

Last April, Mediaset España opened a new window, with the launching of Be Mad, to the urban and commercial audience aged 16 to 44 years old, one of the most attractive and sought after targets by advertisers, with this new brand it complements its general and thematic channels' offer, becoming the first broadcast free to air TV channel exclusively broadcasting in high definition.

The decisive commitment to in-house production, the factual programmes and docu-realities aimed at the most restless minds, lovers of surprising gastronomy, technology, music, social media and those addicted to the latest apps have been the hallmarks of a channel that began with more than 20 new formats gathered under the thematic labels of Be Mad Extreme, Be Mad Nature, Be Mad Mystery, Be Mad Science, Be Mad History, Be Mad Mechanic, Be Mad Planet, Be Mad Investigation, Be Mad Travel, Be Mad Movies and Be Mad Food.

In its commitment to introduce new television languages, it has carried out experimental initiatives around the premiere of 'ConvénZeme', the first literary format recorded and made with 4G mobiles fronted by the journalist Mercedes Milá, for the premiere, the channel offered a four-hour marathon of uninterrupted live reading with more than 100 participants.

The channel has been pioneering by the introducing the slow tv concept to free to air televisions in Spain with the premiere of the in-house production 'Un paseo por el bosque de Guisando', with real images throughout a forest walk with binaural sound or in 3D, giving the viewer

the sensation of experiencing it for real. This innovative initiative accompanied the premiere of 'Rio Salvaje', an in-house produced fishing programme presented by Kike Calleja.

'Sin Filtros', a series of investigative journalism documentaries presented by Roberto Arce and 'Be the best', a sports programme fronted by Rafa Lomana which shows the effort, dedication and routine of Olympic medallists and world leaders in their sports, have also been part of the wide in-house production offer that, since September, makes up the programming grid of Mediaset España's newest channel.

Be Mad has also counted on music as one of its distinctive labels, becoming the Mad Cool Festival's official channel in Spain, an event that brought together great rock, indie and electronic music groups in Madrid and inaugurating the label 'Be Mad Shuffle' Shuffle', with the broadcast of a summary of Paul McCartney's PcCartney's historical concert in New York's Citi Field, among other contents.

In its short life, the channel has created programming events like 'Madisaster', with the premiere of new documentaries and films titles dedicated to great natural disasters or 'Be Mad in USA', with the celebration of the commemorative week of the North American Independence Day.





THE 21:00 EDITION PRESENTED BY PEDRO PIQUERAS WAS, DURING 2016, THE MOST WATCHED NEWS SPACE OF ALL CHANNELS WITH 2,559,000 VIEWERS AND A 17.9% SHARE.

## Informativos Telecinco, indisputable leaders

For the fourth consecutive year, Informativos Telecinco has been a leading player in all its major editions with a 15% share - its best record since 2008 - and 1,983,000 viewers in 2016, establishing a gap of 3.5 points from Antena 3 News (12.5% and 1,624,000), which closed the year behind TVE 1 (12.9% and 1,787,000 viewers). The 21:00 edition presented by Pedro Piqueras was, during 2016, the most watched news space of all channels with 2,559,000 viewers and a 17.9% share, its best share in the last eight years and an increase of 0.4 points over the result obtained in 2015. It was the most watched broadcast of the day on 67 occasions throughout the year, marking a distance of 6.3 points and 1 million viewers over Antena 3 Noticias 2 (11.6% and 1,607,000).

The relevance and scope of this news space led to the main Presidential candidates, Mariano Rajoy, Pedro Sánchez, Pablo Iglesias and Albert Rivera, in the month prior to the second Elections being interviewed on the set of Informativos Telecinco 21:00. The rigor and transparency of the space presented and directed by Pedro Piqueras was the reason why he received the Journalism Prize from the Spanish Association of Large Consumption Companies (AECOC) in November.

Also the 15:00 edition of Informativos Telecinco's led by David Cantero and Isabel Jiménez from Monday to Friday has reached a 14.2% share and 1,776,000 viewers, 0.4 points more than the previous year and a record share of the last six years. It has finished the year as the most followed news offering of the year in its time slot among all commercial channels after beating, by 1.2 points, Antena 3 Noticias 1 (13.0% and 1,620,000). With regard to the weekend editions, presented by José Ribagorda and Carme Chaparro, it achieved the leadership in prime time with a 12.8% share and 1,763,000 viewers, beating, by 1.2 points, Antena 3 Noticias 2 (11.6% and 1,604,000).

## Noticias Cuatro, editions achieving historical highs

Noticias Cuatro 1 presented by Marta Fernández closed 2016 with an 11.2% audience share and 1,102,000 viewers and a commercial target of 11.1% share, while Noticias Cuatro 2, with its offer of signature News presented by Miguel Ángel Oliver, has reached an average of 4.9% of share and 551,000 viewers.

Noticias Cuatro Fin de Semana, presented by Marta Reyero and Roberto Arce, has closed the year with a record in the afternoon slot, reaching a 10.1% audience share and 882,000 viewers, its best historical record, and in prime time, with a 5.8 % share and 694,000 viewers. The Sports edition has once again offered full coverage from Juanma Castaño and Luis García.

In addition, Deportes Cuatro, with Manu Carreño and Nico Abad, has consolidated its hegemony in the afternoon slot edition with an 8.5% share, 1,047,000 viewers and a 10.3% commercial target, obtaining a prominent 14.2 % in young people aged 13 to 24 years old and 13.2% in 25-34 year olds.

And 'Las Mañanas de Cuatro' presented by Javier Ruíz, closed 2016 with a historical record: 693,000 viewers and an 11.3% share.

NOTICIAS CUATRO 1 PRESENTED BY MARTA FERNÁNDEZ CLOSED 2016 WITH AN 11.2% AUDIENCE SHARE AND 1,102,000 VIEWERS AND A COMMERCIAL TARGET OF 11.1% SHARE.

## THE GREAT SPORTING EVENTS OF THE YEAR HAVE AGAIN BEEN BROADCASTED ON MEDIASET ESPAÑA.

### The great sporting events of the year, also on Mediaset España

The great sporting events of the year have again been broadcasted on Mediaset España. The French Eurocup, the Spanish National Team's friendly matches, the qualifying matches of the Under 21 National Team for the 2017 European Championship, the Spanish Super Cup and, the Kings Cup final between F.C. Barcelona and Sevilla, the Spanish Women's National Team's matches and the MotoGP World Championship make up the sports offer for 2016.

The French Eurocup was followed by an average audience of 5,552,000 viewers and 37.7% of the audience, exceeding, in both share and number of viewers, the previous championship won by Spain in 2012 (36.4% and 5,293,000). The tournament accumulated 39.2% in commercial target and led absolutely in all its time slots and all sociodemographic and geographic markets. The Croatia-Spain match became the most viewed broadcast of 2016 with a 60.6% share and 10,726,000 viewers and the final between Portugal and France had a 54.5% share and 8.123.000 viewers, becoming the most viewed Eurocup final without Spain's participation.

In addition to the Eurocup, the Copa del Rey matches were placed among the 20 most viewed broadcasts in 2016, with the extra time in the Barcelona-Sevilla match being the third most followed space of the year with a 53.8% share and 10,465,000 viewers. And in motorcycling, Telecinco had 25.5% and 2,462,000 average viewers for the MotoGP World Championship live races.

### Mediaset España, the leading thematic channel offer

Mediaset España has completed its thematic offer in 2016 with the launch of BeMad, the first high definition broadcast channel in Spain, forming the broadest offer with the biggest breakdown of profiles of free air TV in Spain, with complimentary contents to those of the general channels, Telecinco and Cuatro, especially programmed to satisfy any viewers TV entertainment demand.

With the channels Factoría de Ficción, Divinity, Energy, Boing and since April, BeMad, in 2016, Mediaset España has accumulated a 9.2% audience share, an historical record that has, once again, placed it as a reference among the groups of thematic televisions on free air TV at a national level.





MEDIASET ESPAÑA HAS BEEN A LEADER IN TERMS OF USER LOYALTY, WITH A MONTHLY AVERAGE OF 3 HOURS AND 48 MINUTES OF VIDEO VIEWED PER MONTH PER USER.

## Mediaset España, leader in internet video consumption

Apart from leading the audience in off line consumption, Mediaset España has positioned itself, for another year as the first TV group in terms of digital TV consumption, according to comScore data. Its websites, including Telecinco.es, Cuatro.com, Divinity.es and Mitele.es, have surfaced, for the second consecutive year, in first position in terms of minutes of videos viewed throughout the year, with a monthly average of 489 million minutes and 95 million videos viewed.

Mediaset España has been a leader in terms of user loyalty, with a monthly average of 3 hours and 48 minutes of video viewed per month per user, figures that show the strength of its content in the digital environment. In addition, Mediaset España's websites have also been at the forefront of content videos viewed by users with a monthly average of 43 videos viewed per viewer. Telecinco.es website has been consolidated as the site with the television channel plus videos, with 121 million pages and videos viewed per month.



## Mtmad is launched, exclusive digital contents channel within a renovated Mitele

In this solid scenario, Mediaset España has gone a step further in its objective of keeping the public company, in line with the growing demand for native digital content and new Internet entertainment formulas. To achieve this, mtmad was launched in 2016, a new video channel hosted on Mitele with 40 different formats designed and produced for the digital environment, with which the company has inaugurated the development of new experimental formulas of in-house production online.

Fashion, beauty, music, television, sex, technology, comedy, couples, family, lifestyle, gaming, cooking, sports, travel and cinema all form part of mtmad's in-house production content and they have counted on the influence of the most significant characters in the digital environment.

The mtmad catalogue is available in HD through the web [www.mtmad.es](http://www.mtmad.es), hosted by Mitele, which has recently renovated a responsive web system for PCs and mobile devices, apps and Smart TV, with the latest multibirate multi-bitrate technology that ensures the quality of the content with the adaptation to the bandwidth of each user, including a personal list of contents, parental control and cross-device summary, among other improvements.

With these new functions, the channel faces the challenge of maintaining itself as the leading national live and on demand television content platform among the video consumption channels, offering more than 20,000 hours of on-demand content related to programmes, series, documentaries, films and sporting events, and with more than 60 hours of live content, daily from Telecinco, Cuatro, Be Mad and exclusive events like film premieres, presentations or press conferences, among others.



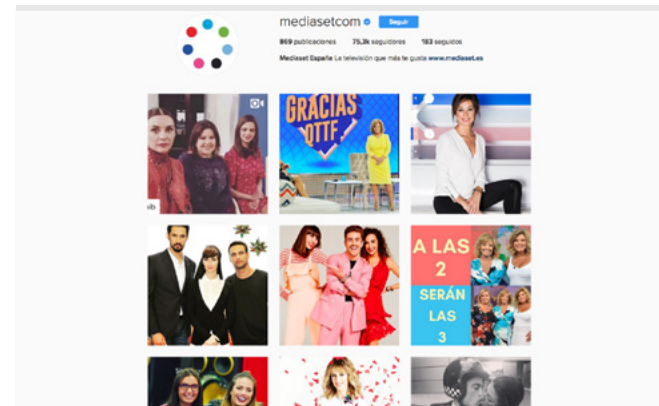
MEDIASET ESPAÑA ENDED ANOTHER YEAR AS THE GROUP OF CHANNELS WITH THE HIGHEST USER PARTICIPATION IN SOCIAL MEDIA.

## Mediaset España, unrivaled on social media with the greatest active participation of users in its contents

Mediaset España ended another year as the group of channels with the highest user participation in social media. The company manages almost 600 generic and official corporate accounts on Facebook, Twitter, Instagram, Snapchat, Telegram, Google+, LinkedIn and Pinterest, with nearly 37 million followers between them all. Some of these accounts -Telecinco, Cuatro, "The Voice", "La que se acerca", "Big Brother" and "Mujeres y Hombres y Viceversa") have more than a million followers each.

Mediaset España leads in social impact every month of the year, accumulating 55% of the social impact surrounding television on social media, with nearly 50 million comments, virtually twice the Atresmedia figure (26.5 million comments, the 29% of the total), according to figures from Megamedia.

Regarding generalist channels, Telecinco excelled again in social media with 43.9 million comments in 2016 compared to Antena 3's 13.1 million. These figures were boosted by some of the entertainment programmes and sports events broadcasted by Mediaset España, particularly 'Big Brother', 'Survivor' and the Football Eurocup.



TELECINCO CINEMA, LEADERSHIP OF THE NATIONAL BOX OFFICE WITH A CUMULATIVE AUDIENCE SHARE OF 42.8%, TOTAL BOX OFFICE TAKINGS OF €39.4 MILLION AND 6.8 MILLION VIEWERS.

## Telecinco Cinema, leader of Spanish cinema in 2016

'A monster calls', 'Cien años de perdón' and 'Kiki, el amor se hace': three film premieres - a fantastic drama, a thriller and a comedy - to which the musical documentary 'Omega' has been added, Have re-positioned Telecinco Cinema as an absolute reference for Spanish cinema in 2016, catapulting, for the third consecutive year, the subsidiary of Mediaset España to the leadership of the national box office with a cumulative audience share of 42.8%, total box office takings of €39.4 million and 6.8 million viewers.

With these figures, which have once again demonstrated the ability of their productions to connect massively with viewers and Mediaset España's potential to create events related to its premieres, Telecinco Cinema has achieved an advantage of more than 10 points compared to the second film production company in Spain, which, despite having a much higher volume of titles (13 releases in 2016), came in second with a market share of 32.5%, €29.9 million box office takings and 4.9 million viewers.

### 'Un monstruo viene a verme', el fenómeno cinematográfico del año

With box office takings of €26.5m and 4.6 million viewers, 'A monster calls', by J.A. Bayona, has been confirmed as the 2016 cinema phenomenon. The fantasy based drama starring Sigourney Weaver, Felicity Jones, Lewis McDowgall, Toby Kebbell and Liam Neeson has become the highest grossing film of the year in Spain and as the only Spanish representative in The Top 10, a ranking completed by eight American productions and one from the United Kingdom. In addition to the re-sounding success in cinemas and receiving good critiques, the film,

which has participated in San Sebastian and Toronto's film festivals, achieved recognition in the sector, winning 9 awards in the major film awards at a national level.



	Viewers	Share (%)	Box office takings	Share (%)
Telecinco Cinema	6,759,007	43.6%	39,381,869	42.8%
Atresmedia Cine	4,911,757	31.7%	29,866,457	32.5%
Rest	3,833,852	24.7%	22,712,672	24.7%

\*Source: ICAA





THROUGH THE SUPPORT FOR FILM PRODUCTIONS, WHILE IT IS THE RESULT OF A REQUIREMENT ESTABLISHED IN SPANISH LAW, MEDIASET ESPAÑA CONTRIBUTES TO BOOST THE LOCAL FILM INDUSTRY.

## ‘Cien años de perdón’ and ‘Kiki, el amor se hace’, in the Top 5, achieved over one million viewers

The success of Telecinco Cinema in 2016 has also been because of two other productions in very different genres to ‘A monster calls’: the thriller ‘Cien años de perdón’ and the comedy ‘Kiki, el amor se hace’, films which have managed to surpass the million viewer mark and €6m box office takings, both being placed in the Top 5 national premieres of the year.

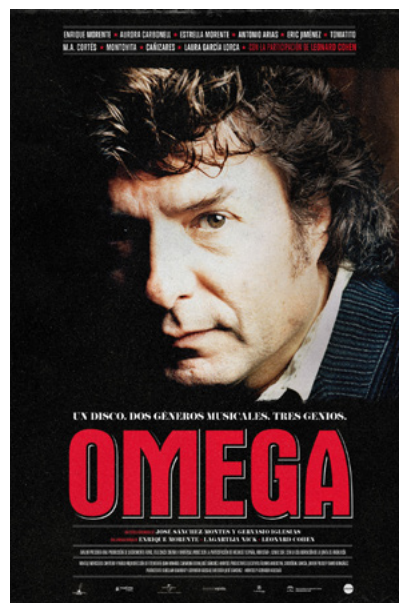
Directed by Daniel Calparsoro and starring Luis Tosar, Rodrigo de la Serna, Raúl Arévalo, Patricia Vico, Marian Álvarez and Luis Callejo, ‘Cien años de perdón’ has been placed as the third best Spanish premiere of the year with a box office takings of €6,7m and 1,073,000 viewers. The film has been nominated for 2 Goya awards.

‘Kiki, el amor se hace’, Paco León’s third film project, with a cast including Álex García, Natalia de Molina, Belén Cuesta, Candela Peña and Alexandra Jiménez, among others, is in fifth position in the ran-

king of Spanish premieres with a total box office takings of €6.2m and 1,062,000 viewers. The comedy has been recognized as the Best Comedy Film in the Feroz Awards granted by the Association of Spanish Film Reporters and was nominated for 4 Goya Awards.

Finally, Telecinco Cinema includes in its list of film premieres, the launch of ‘Omega’, a documentary format directed by Gervasio Sánchez and José Sánchez-Montes on the preparation process for Enrique Morente and Nick Lagartija’s homonymous disc that revolutionized the flamenco genre following its fusion with rock. The documentary, nominated for best documentary at the Goya Awards, has gone from a short window of theatrical exhibition in cinemas, with takings of nearly €31,000 to being sold in different special packs (CD + DVD and / or vinyl).

Through the support for film productions, while it is the result of a requirement established in Spanish law, Mediaset España contributes to boost the local film industry.



## Telecinco Cinema: 12 of the 20 most watched Spanish films in history

At the end of 2016, Telecinco Cinema has managed to place 12 of its productions in the Top 20 of the highest grossing Spanish films in Spanish history, a ranking to which 'A monster calls' has been added this year:

Additionally, Mediaset España's cinema subsidiary has five of its films among the 20 (national and international) with the highest box office takings in Spanish history with '8 Apellidos Vascos', 'The Impossible' and '8 Apellidos Catalanes' in the second, third and fifth position of a ranking led by the Hollywood blockbuster 'Avatar'. The phenomenon of 'A monster calls' has led to J.A. Bayona's film to be placed in fifth position, just ahead of 'El Orfanato'.

	Film	Premier	Box office takings	Viewers
1	8 APELLIDOS VASCOS	2014	55,358,350.12 €	9,394,307
2	LO IMPOSIBLE	2012	42,408,546.61 €	6,129,025
3	8 APELLIDOS CATALANES	2015	36,173,273.00 €	5,769,385
4	LOS OTROS	2001	27,254,163.38 €	6,410,561
5	UN MONSTRUO VIENE A VERME	2016	26,478,940.00 €	4,618,065
6	EL ORFANATO	2007	25,061,449.98 €	4,420,636
7	GRAN AVENTURA DE MORTADELO Y FILEMON, LA	2003	22,847,733.13 €	4,985,983
8	TORRENTE 2	2001	22,142,173.13 €	5,321,969
9	AGORA	2009	21,391,197.61 €	3,492,572
10	MAR ADENTRO	2004	19,837,472.83 €	4,099,442
11	TORRENTE 4	2011	19,356,588.23 €	2,632,922
12	LAS AVENTURAS DE TADEO JONES	2012	18,211,373.53 €	2,761,509
13	TORRENTE 3, El Protector	2005	18,168,924.78 €	3,575,759
14	PALMERAS EN LA NIEVE	2015	17,048,738.61 €	2,698,417
15	ALATRISTE	2006	16,715,741.56 €	3,182,491
16	EL NIÑO	2014	16,203,713.45 €	2,757,138
17	CELDA 211	2009	13,145,423.48 €	2,129,571
18	EL OTRO LADO DE LA CAMA	2002	12,616,656.38 €	2,826,156
19	DIAS DE FUTBOL	2003	12,212,123.98 €	2,562,132
20	TENGO GANAS DE TI	2012	12,142,858.78 €	1,984,559

\*Source: ICAA



For more information on the prizes awarded to Telecinco Cinema films, see the section "Main awards received by Mediaset España in 2016" in this document (model: include link to that section of the report)



## Four new projects will see the light in 2017 supported by Álex de la Iglesia, Enrique Gato, Sergio G. Sánchez and Carlos Therón

'Es por tu bien', 'Tadeo Jones 2: el secreto del Rey Midas', 'Perfectos desconocidos' and 'Marrowbone' are the films that Telecinco Cinema will premiere throughout 2017.

'Es por tu bien', a family comedy directed by Carlos starring Javier Cámara, Jose Coronado and Roberto Álamo.

Fans of the popular Spanish animated character, Tadeo Jones, will be able to enjoy his adventures in the second film of the saga, 'Tadeo Jones 2: el secreto del Rey Midas' directed by Enrique Gato and David Alonso, which will arrive on the big screen on August 25th, 2017.

During 2017, "Perfectos desconocidos" will be released, the new project from Álex de la Iglesia starring Ernesto Alterio, Juana Acosta, Eduard Fernández, Dafne Fernández, Eduardo Noriega, Belén Rueda and Pepón Nieto.

Finally, 'Marrowbone' will be premiered, Sergio G. Sánchez's debut film, the script writer of 'The Impossible' and 'El Orfanato' with, J.A. Bayona as executive producer.







IN A YEAR OF ENORMOUS NEWS INTENSITY, ATLAS HAS BEEN THE REFERENCE IN SPAIN REGARDING AUDIO-VISUAL NEWS AGENCIES, WITH A PRODUCTION THAT HAS SURPASSED 40,000 PIECES OF NEWS.

## Atlas, the leading audiovisual news agency in Spain, producing more than 40,000 news and more than 10,000 live connections in 2016

In a year of enormous news intensity, ATLAS has been the reference in Spain regarding audio-visual news agencies, with a production that has surpassed 40,000 pieces of news. The Mediaset España agency has been present in the main events of 2016: the terrorist attacks in Brussels and Nice, the Syrian War, the North American electoral process, the General Elections in Spain, the Autonomous Elections in Galicia and the Basque Country, the investiture of Mariano Rajoy as President and the start of his new term, Pedro Sánchez' resignation and the PSOE's internal crisis, the black credit cards trials, the Gürtel case, Noos case, the death of Rita Barberá, Barack Obama's visit to Rota and Madrid, among many other issues.

During 2016, there has also been important news in the sporting environment. ATLAS has covered the main sporting events of the year: the Eurocup Football held in France, the Rio de Janeiro Olympic Games, the Champions League with special follow-up of the final between Real Madrid and Atletico de Madrid, the Kings Cup final, the Spanish Super Cup, the qualifying matches of the Spanish National Team and the FIFA Club World Cup; as well as the main news from the world of sport.

ATLAS has managed to consolidate itself as the market-leader audio-visual news service in Spain with more than 120 subscribers who daily access a complete monitoring of Spanish current affairs, international and sports news. National, international, regional and local TV channels, producers and online media choose ATLAS agency every day to prepare their news, current affairs and web news video. In this regard, ATLAS agency has added new clients to their news service such as 13 TV, Canal Extremadura, El Español, Vozpópuli, El Nacional, among others.

On an international level, the ATLAS agency has maintained its growth through the Spanish Video Reports service, a Spanish-language news service in collaboration with Reuters, the international news agency aimed at on line Spanish-language news media, particularly La Nación (Argentina), El Mercurio (Chile), Globovisión (Venezuela) or Turkey Radio and Television - TRT.

ATLAS has once again established itself as one of the main references for technical services and audio-visual production in Spain. Through its Broadcast Services area, it has made more than 10,000 live connections in 2016, providing services to the main local and international television stations who rely year after year on ATLAS to cover a large part of the breaking news inside and outside of Spain.

To respond to this demand, ATLAS has the best recording, producing, editing and live feed and production equipment of the moment. From large productions in high definition to simple and agile live recordings and broadcast operators with LTE 4G equipment for news live.

Inside Mediaset España, ATLAS has continued with its key activity: the production of Informativos Telecinco and Noticias Cuatro; the programme 'Las mañanas de Cuatro'; and collaborating with the company and programme producers for the provision of production and transmission services: live shows, image transfers, ENG equipment, editing and many other outdoor production services, providing considerable territorial coverage through its correspondent network and the agreements with the main Spanish and international producers. News and entertainment spaces such as 'El programa de Ana Rosa', 'Salvame', 'Salvame Deluxe', 'Qué tiempo tan feliz!', 'Cazamariposas', 'Hable con ellas' or 'El programa del verano' have relied on ATLAS for such services. Likewise, it collaborates with Publiespaña for the production, recording, editing and postproduction of advertising and commercial campaigns.

ATLAS agency continues relying heavily on providing audio-visual media services aimed at companies and institutions. The main services offered in this area are the production and distribution of video news releases, the creation of corporate videos and the production of live broadcasts or broadcasts of events through streaming, among others.



ONE OF THE MILESTONES IN THIS AREA HAS BEEN THE CREATION AND LAUNCH OF THE BRAND LATIN FIT, A NEW FITNESS DISCIPLINE THAT HAS A DAILY PROGRAMME ON TELECINCO.

## The value of the Mediaset brand

Mediaset España's brands, managed by the Commercial Publishing management, have once again been ranked as the most valuable in the audio-visual market, with exploitation of its own brands through licenses, merchandising and derivatives; interaction with viewers through polls, castings, reviews and contests; the firm commitment to their own music with the editing business and working together with the record industry and concert promoters; as well as marketing their content in other markets and on other devices.

### Licenses, merchandising and products

In 2016, one of the milestones in this area has been the creation and launch of the brand Latin Fit, a new fitness discipline that has a daily programme on Telecinco directed by Marbelys Zamora, Juan Magán and the singer Krisha. Numerous licenses associated with the brand have been developed, such as the first issue of the magazine Latin Fit, the official collection of clothing and the CD / DVD with all the choreography and training.

The launch of board games associated to programmes allow the audience to continue enjoying them beyond television, such as the game 'La Voz' (with the adults and children's versions) and the launch of the 'Mujeres y Hombres y Viceversa' game.

With regards to video games, the 'La Voz' game stands out, with more than 140,000 units sold, as well as 'Fútbol Cuatro', which has sold more than 112,000 with more than 35,000 active users each day. Once again and for the third consecutive year, 'Big Brother' has reached collaboration agreements with brands and licensees to put different products on the market, from original costumes to a bingo game or home products such as cushions, cups, glasses, blankets, all available in the Big Brother Store on the web site.

Accordingly, Mi Tienda Mediaset has continued to expand its catalogue with all the newly created official products, such as those associated with the programme 'Mi Casa es la Tuya' and for BeMad's literary space, 'Convénzeme'.

Not only brands linked to programmes have a place in marketing, but also the channel itself. An example of this is the successful launch of Telecinco Pastimes, which combines the entertainment of the traditional pastimes with the characters and programmes of the leading audience channel.

Another essential is Divinity, which has closed 2016 maintaining its level of income thanks to the consolidation of the great spin off products such as the monthly magazine: Divinity Collection Fashion. With 33 editions published, an average circulation of 100,000 copies each and more than 400,000 monthly readers, it continues to be placed as a reference among the Spanish feminine publications. Also, the private shopping website DivinityCollection.es, that continues its commitment to offer big fashion names, beauty, cosmetics and decoration with very appealing discounts. Or, the latest label to join this wide product portfolio, Divinity Muack Box: gift packs with plans and experiences dedicated to the most daring.

The Divinity Books collection has also continued to grow with the inclusion of new titles, bringing the total number of novels composed by this label to five.

In the publishing area, it has renovated the agenda that was created for Cuatro "MIL PALABRAS & +", which makes the main recent publications of the sector known, following the respective agreements with Penguin Random House and Planeta publishing houses. In addition, Boing magazine has become one of the industry's longest-running children's magazine after five years in kiosks.

In addition, the exploitation of the brand 'Cuarto milenio' has been consolidated with the exhibition and Noches del Misterio, celebrated in twelve cities with more than 175,000 visitors, who have enjoyed this unique experience with personal encounters of Iker Jimenez and Carmen Porter with their followers.

The close relationship between Commercial Publishing management and Publiespaña's Commercial Area has led to new licensing agreements with advertisers such as those carried out by Costa Cruises, Max Factor and Viceroy linked to 'The Voice' or Danone and 'Got Talent'.



THE COMPANY HAS ONCE AGAIN BECOME THE COMMUNICATION GROUP THAT HAS IMPLEMENTED THE MOST INTERACTIVE CAMPAIGNS WITH THE AUDIENCE.

## Interactivity with viewers through contests, polls and castings

The company has once again become the communication group that has implemented the most interactive campaigns with the audience and has received magnificent feedback from viewers, who have increased their participation in their preferred programmes by 54% with 1.6 million unique users between all the campaigns. This excellent result has rested on the attractiveness of the cash prizes awarded, with almost one million euros; the successful combination of the competitive formula derived from the programmes and transversal entertainment themselves, including campaigns such as 'The month of Love', 'Mother's Day', 'Summer in Telecinco', 'Magic Autumn' and 'Merry Christmas', as well as the creativity of the campaigns, proposing clear, concise and friendly participation mechanisms. In 2016, a new way of participating has been launched, allowing viewers to access interactive contents through a new app called "Mi Concurso Mediaset", being the first television in Spain to offer this type of service to the audience.

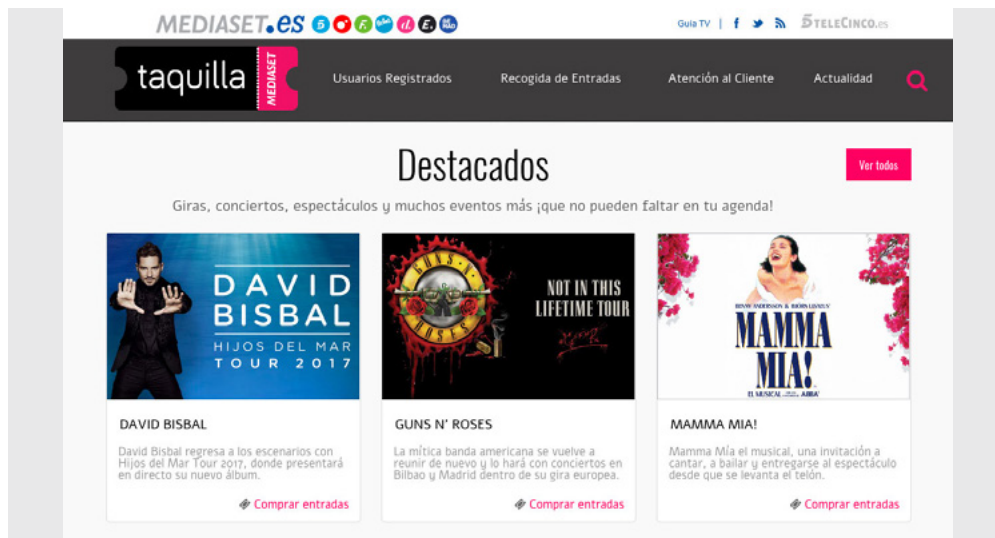
## The music publishing business, an important part of the Mediaset España's strategy

Music is vital in television contents, in order to transmit the programming values to the audience, a job for which Mediaset España has a fundamental tool, Grupo Editorial Tele 5 (GET), whose main task is the selection, acquisition, exploitation and management of music rights included in all programmes, channels and devices that make up the company, as well as the launch and support of new artists.

In 2016, composers and artists such as Juan Magan, David Summers, Morat, Pablo López, Niña Pastori, José Mercé, Adrián Martín and Antonio Orozco, among others, have composed and interpreted themes for GET that, as a novelty in 2016, have been added to compilation CDs, for example, the 'Mi casa es la tuya' CD. The music from Telecinco Cinema's films is also an important pillar, with outstanding success of the 'A monster calls' soundtrack, and the song "Mr. K Kiki" "from the movie 'Kiki, el amor se hace", for which GET carried out the global exploitation; together with themes such as the song for Cazamariposas by the singer Rebecca; The song from El Langui for the 12 Months campaign "Brave people wanted"; or the song from the young singer Laura Durand as the closing song for the programme "Mi casa es la tuya".

Mediaset España is constantly searching for quality, and is working intensively on the expansion and improvement of its music library, which in 2016 has reached around 22,000 pieces.

In this regard, the most important activity in terms of the music area's income, has continued to be the musical placement: the integration of music in different programmes which, in addition to renewing the agreements with record companies for 'La Voz', "¡Qué tiempo tan feliz!", 'Salvame', 'Mujeres y Hombres y Viceversa', 'Big Brother', 'Moto GP' or 'Survivors', in 2016: "First Dates" and "Mi casa es la tuya", have also successfully been included as well as the promotion of Manuel Carrasco, Malú, Il Volo, El Gusto es Nuestro, Adrián Martín and Miguel Poveda's albums and DVDs, whose concerts or documentaries have been broadcast on Mediaset España's channels.





A special mention should be made regarding the release of 'Omega' together with Universal Music, a new edition of Enrique Morente's legendary disc with Lagartija Nick and accompanied by the documentary produced by Telecinco Cinema.

The musical agendas and programmes such as Mitele Música, Puro Cuatro and Divinity Jukebox have also been this year's showcase for the record companies to announce their big releases. 2016 has also seen the definitive consolidation of Mediaset Taquilla, which has become the reference events agenda in Spanish television, thanks to its close collaboration with major music promoters and companies in the entertainment sector that have allowed it to actively participate in great musical artists' tours and the most outstanding national theatrical shows.



## Source of content for the main VOD platforms in Spain

In Spain in 2016, Mediaset's contents have enjoyed a significant presence and visibility in SVOD platforms such as Movistar + and Vodafone-ONO, in addition to the agreement with HBO to include series such as 'El Príncipe', 'Lo que escondían sus ojos' "Se quién eres" in its offer, as well as a wide variety of film titles from Telecinco Cinema.

Regarding pay-TV thematic channels, Paramount Comedy has again offered 'La que se acerca' and Telecinco Cinema's comedies, the same as Movistar + film channels, which have broadcasted premieres and virtual library formats of many of Mediaset's films in special screenings. In this regard, "Ocho apellidos catalanes", "Regresión" and "Cien años de perdón" by Telecinco Cinema are in high demand once again by video on demand (TVOD) users through payment platforms in Spain such as Movistar +, Vodafone-Ono, Filmin, Wuaki, Amazon Google Play.

Airlines have also opted for our content, agreements have been reached with Iberia for varied products such as 'Chiringuito de Pepe', 'El Xef', 'Got Talent' or 'La que se acerca'; with Air Europa for formats such as 'Planeta Calleja' or with Renfe for the film screening of 'Capture the Flag'.



IN SPAIN IN 2016, MEDIASET'S CONTENTS HAVE ENJOYED A SIGNIFICANT PRESENCE AND VISIBILITY IN SVOD PLATFORMS SUCH AS MOVISTAR + AND VODAFONE-ONO.





## Mediaset España crosses borders

The international content's sale has experienced a significant growth during 2016, especially marked by Mediaset España's arrival in the US market through the giant Univision, a major media company aimed at the Spanish-speaking community, which broadcasted the original version of the series "El Príncipe", making it the first Spanish fiction broadcasted by UniMás' channel. This important alliance amplifies the international projection of the series, which continues adding territories to its list, having been sold in more than 20 Latin American countries, in addition to the United States, Italy, Portugal, Croatia, Slovenia, Poland and Brazil, where Mediaset España reached the first agreement with Globosat, the giant of the Brazilian pay-TV.

Furthermore, two large content agreements for video on demand (VOD) platforms in Latin America and Mexico, reached with Claro Video and Blim, a Televisa group's SVOD platform, have stood out this year, including in each agreement more than 160 episodes from series' and TV Movies of Mediaset España. One of the main clients in the Latin American territory, DirecTV, has continued its commitment to Mediaset España's contents through its online platform OnDirecTV. Whilst, the important agreements were reached with the Italian group RTI, for the broadcast' rights of the series "Yo quisiera" and "Lo que escondían sus ojos" on Canale 5.

With reference to the international marketing of formats, agreements regarding "Escenas de Matrimonio" were reached in Greece, Mexico, Bulgaria, France, Croatia, Slovenia, Serbia and Italy, as well as with "Chiringuito de Pepe", whose adaptation has been chosen for territories such as the United States, Italy and Greece. Regarding the entertainment formats' adaptation, the great interest received by the international market on "Cámbiame" has been excellent this year, its international movement started with the first adaptation in Mexico for Cadena 3.

THE INTERNATIONAL CONTENT'S SALE HAS EXPERIENCED A SIGNIFICANT GROWTH DURING 2016, ESPECIALLY MARKED BY MEDIASET ESPAÑA'S ARRIVAL IN THE US MARKET THROUGH THE GIANT UNIVISION.



## Film and fiction sales

Mediaset España has launched products and marketed licenses linked to films and series. DVDs of 'El Príncipe', 'Ocho apellidos catalanes', 'Kiki, el amor se hace' and 'Cien años de perdón', as well as the recently released 'A monster calls', which, Mediaset España additionally promotes the homonymous novel by Patrick Ness, based on an agreement with Penguin Random House.

With regard to the series, the step taken by television to reality with "Chiringuito de Pepe" has been significant, with the opening of the first restaurant, a franchise model that foresees new openings in 2017,.

Regarding product placement in cinema, in 2016, the bases of significant agreements have been laid down with regards to two important Telecinco Cinema's films due for release in 2017: 'Tadeo Jones. El secreto del Rey Midas' and 'Perfectos desconocidos'.



## AWARDS RECEIVED BY MEDIASET ESPAÑA IN 2016

### • Goya Awards to 'A monster calls':

Best Director to Juan A. Bayona  
 Best Original Score to Fernando Vázquez  
 Best Production Supervision to Sandra Hermida  
 Best Cinematography to Óscar Faura  
 Best Editing to Bernat Vilaplana and Jaume Martí  
 Best Art Direction to Eugenio Cabrero  
 Best Makeup and Hairstyles to Marese Langan and David Martí  
 Best Sound to Peter Glossop, Oriol Tarragó and Marc Orts  
 Best Special Effects to Pau Costa and Félix Bergés

### • Goya Awards to 'Capture the flag' for the Best Animated Film

• Forqué Award to "Capture the flag" in the Values category granted by The Support Against Drug Addiction Federation.

• II LGTB Awards Andalucía 2016 to Mediaset España for the campaign "Contra cualquier violencia, el fanatismo y la homofobia"

• Diversa Global Award to Mediaset España for its implication and visibility in different programmes, presenters, campaigns, series, etc. and recognition for their effort and work on the value of diversity.

• Kids Advertising Festival El Chupete. Award in the Media category for the Campaign: Managing Values.

• Honorary Award in the Smile Festival to Mediaset for its contribution to awaken smiles with our comic fictional offer.

• Special Award to the Arts, Culture and Sport to 'La que se avecina' in the XX edition of the Cadena Dial Awards.

• Award for the Best Technical Execution, granted by the professional magazine PANORAMA AUDIOVISUAL to 'Capture the flag'.

• Ondas Award to "the Voice" for the Best Entertainment Programme.

• Iris Award for the coverage of the refugee crisis to 'Noticias Cuatro'

• Award for the Region's Public Figure who Best Communicates - to Jesús Calleja granted by the European University Miguel de Cervantes (UEMC) in Valladolid.

• Mens Health Award to Jesús Calleja in the category Man of the year.

• Award to Male Commitment granted by Mujer Hoy and the Autonomous Community of Madrid to Roberto Arce for his programme 'Amores que duelen'.

• RH Forum 2016 Award to Luis Expósito, Mediaset España Human Resources and Services Director, awarded in the framework of the XII Annual Meeting of the Human Resources and Services Forum that rewards the trajectory of the most outstanding professionals of our country.

• "Andalucía Diversidad" Award granted by LGBT, Andalusian Federation of Lesbian, Gay, Bisexual and Transgender Associations, with regards to the celebration of the International LGBT Pride Day, which recognizes the work of promoting solidarity, Human Rights and respect for Sexual Diversity, to the film director Paco León, to the presenter Jorge Javier Vázquez and to Mediaset España campaign "Me gusta la tolerancia".

• Silver Antenna Award to Ane Ibarzábal, presenter of Informativos Telecinco.

• Eisenhower First Amendment Award for Freedom of Expression to Ana Rosa Quintana.

• 2016 Defense Award in the Televisión category to José Antonio Vallés Choclán, Pilar Bernal Hernández, Jesús Martínez Torrero, Bernabé Domínguez López, Antonio Palomares Millina and Bernardo Vila Villalta, from Informativos Telecinco for the work titled "Los Nuestros en Acción"

• Gold Antenna Award to

Pedro Piqueras  
 Samanta Villar

• San Sebastián Film Festival Award to J.A. Bayona

• Cosmopolitan Award for TV Presenter to Christian Gálvez

• Aecoc Award to Pedro Piqueras for his professional career

### • MIM Awards:

To 'La que se avecina' for the Best Comedy  
 To Nathalie Seseña for the Best Comedy Actress

• Exxpopress Honorífico Award granted to Ana Rosa Quintana by the Galician Journalist Exxpopress Club in recognition of her professional career for almost four decades of work in the world of communication.

• Mujerhoy Award to Ana Rosa Quintana in recognition of the most outstanding women in Spain.

• Talento 2016 Award by the Television Academy to Juan Pedro Valentín in recognition of the professional excellence behind the cameras.

### • Cineinforme Award

To 'A monster calls' for the largest box office film of the year  
 To Mediaset España for the promotion of Spanish cinema

### • Feroz Awards

To 'Kiki, el amor se hace' for the Best Comedy Film  
 To 'Kiki, el amor se hace' for the Best Trailer  
 To Fernando Velasco 'Un monstruo viene a verme' for the Best Original Song

MEDIASET ESPAÑA'S CHANNELS CONTINUE, YEAR AFTER YEAR, PARTICIPATING IN THE DISTRIBUTION OF THE MAIN SOCIAL, ETHICAL OR ENVIRONMENTAL CAUSES OF ITS SURROUNDINGS

## Entertainment, news and social commitment

In addition to the "12 meses" social initiative indicated in the section "Value for Society" of this Report, Mediaset España's channels continue, year after year, participating in the distribution of the main social, ethical or environmental causes of its surroundings, taking advantage of its influence and reach to transmit the values and social principles with which the company identifies.

### • Ana Rosa Quintana

Supports the following NGOs and Foundations:

- Talita calendar, the inclusion of children and young people with intellectual disabilities;
- Supports the Stroke Prevention Foundation;
- Supports the Healthy Skin Foundation;
- Supports the Association Messengers of Peace initiative:
  - Refugee Assistance Campaign
  - Help them to return to school Campaign
  - San Antón centre
  - Start up of Social Restaurant "Robin Hood"
  - Awareness surrounding "energy poverty" in Spain
  - Solidarity Action "For Women's Smiles", supports the sale of solidarity bracelets
  - 24H Ford Solidarity Race
  - Supports Father Ángel's candidacy for the Nobel Peace Prize
  - Supports different social resources for families affected by the crisis "Family and Children's Dining Rooms and Solidarity Bank"



Interviews and assistance in the social content program that covers different topics that have been carried out during 2016:

- Bullying.
- Long term unemployment.
- Domestic Violence.
- Surrogacy.
- Solidarity auction for the Orphanage Africa NGO, to obtain education scholarships and books for the children of Ghana.
- "El Contador del Amor" theater production, organized by the Voices Foundation that collects toys for the children living in Cañada Real.
- Climate change, in collaboration with the Women for Africa Foundation and the Green Voices of Tanzania.
- Evictions.
- Energy poverty.
- Promotion of "The History of Jan" documentary, a child with Down syndrome and how his life with his parents has been.
- A challenge carried out by five women who have overcome cancer and decide to cross the Atlantic on a sailboat over 14 days, spreading a message of motivation to the women who are diagnosed with this disease.
- Solidarity Bracelet Campaign and the Charity Gala to raise funds for the Research on Muscular Dystrophy Syndrome or Duchenne Syndrome.
- World Cancer Day and the solidarity race that was held to raise funds.







## • Pasapalabra

Supports the following NGOs and Foundations:  
Bobath Foundation;  
Villaviciosa Firefighters;  
Gaudem Foundation;  
Stop San Filippo Foundation;  
Holystic Pro África.

## • Qué tiempo tan feliz

Supports the following NGOs and Foundations:  
Quercus School Solidarity Bracelets;  
Nzuri Daima Foundation;  
24 hour Ford Solidarity Race.

## • Levántate All Stars

Supports the following NGOs and Foundations:  
Aladina Foundation, working with children in oncology;  
Rainfer Foundation, primates protection centre;  
Messengers of Peace, Soup kitchen;  
Spanish Federation of rare illness;  
Spanish Foundation against cancer;  
Red Cross;  
Small Wish Foundation (to grant wishes to ill children);  
ACNUR.



## Research and Complaint Programmes dealing with social, environmental, human rights, health, education, animal protection

En el Punto de Mira: Poisons in food, lion hunting, medication addicts, altar mafias, illegal fishing, dog traffickers, fraudsters, vaccines, low-cost seasonal workers, the olive cartel, the dangers of natural living, express kidnappings, new drugs, dangerous rubbish, cardboard lords, living in black, damn homework, work and pay, Spain for sale, are pensions finished?, experience and regeneration, Spain on the couch.

Fuera de Cobertura: The last of Guantanamo, I traffic, a trip to homophobia, armed by the law, hounded in Cairo, exploitation, the narrow revolving door, millionaires from the crisis.

Hermano Mayor  
Minors and adolescent's educational values.





Be Mad Extreme, Be Mad Nature, Be Mad Science, Be Mad History, Be Mad Planet, Be Mad Investigation, Be Mad Travel, Be Mad Movies and Be Mad Food

Convénzeme  
Culture and reading promotion

Sin Filtros  
Investigative journalism spot

Medioambiente  
Environmental awareness  
World Environmental Education Day: Broadcast of "The climate that changed the world" documentary and "Climate change".



Organisation and sponsorship of the V Race for the responsible adoption and possession of pets, Perrotón Madrid 2016

Circulation of social advice:  
Regarding good nutrition  
Collaborating at home  
Hygiene  
Good Manners  
Looking after pets.



Culture and Historic Heritage:  
"Luce tu pueblo": A program that rewards the village with the most votes from the audience, valuing architecture, monuments, traditions, promoting solidarity actions, sustainable and based on values.

Supports music and culture  
It has become the official channel in charge of bringing the main symphonic music recitals closer to the audience-:  
It offers the Cadena Dial prizes solidarity concert for the fourth consecutive year, in which part of the revenue derived from the sale of tickets is destined to Proyecto Hombre de Santa Cruz de Tenerife, an educational and therapeutic program that was launched at the end of the 1980s for the prevention and care of drug dependence.  
Support the fight against cancer: Live broadcast of the IV Edition of the solidarity concert Cadena 100 "For her".  
"The night of Cadena 100" solidarity gala to benefit of Hands United.  
Los 40 Music Awards, solidarity gala in the World Fight against Aids Day.  
Support and circulation of the Teatro Real Opera Week, both on the air and on the web.



## From Mediaset España News

### (i) Innovation and new technologies

Video channel with 40 different formats produced online for a digital environment. The user can access the entire catalogue in mtmad HD through the web [www.mtmad.es](http://www.mtmad.es), also on Mitele, platform renewed in 2016 with a responsive system for the web from PC and mobile devices, app and Smart TV. With the latest multirate technology that assures the quality of the content with each user adapting to the bandwidth, including a personal list of contents, parental control and cross-device resume, among other improvements.

“Geek Out” Weekly format of technology and video games.

“que no salga de aquí” videoblog showing the TV from the inside.



Current affairs  
 Gender violence  
 People Trafficking  
 Fight against cancer  
 Refugees and Immigration  
 Environmental causes:

- **Promoting Earth Hour:** “The moment to act is now. Change for the climate”. Video about the world celebration of Earth Hour that introduces the origin of the celebration, the countries and their cities that participate, climate change impacts on the planet, the Paris Summit, etc.

- **Promoting World Environment Day:** the struggle for wildlife. With campaigns such as this, flagged by the United Nations, among others, a call is made against organized crime that deals with the death of species in danger of extinction and with natural resources, which is estimated to move more than 27,000 million euros each year; Promoting “Madrid joins world environment day”, “And from the asphalt, to the Sea, in Galicia, in the Cíes Islands also look after the environment “, “Green Consciousness from a young age”, etc.”

Causes supported from news websites and social networks

- **International Preservation of the Ozone Layer Day:**

The ozone layer or how men learned to respect Earth.

Ten questions and answers about the ozone layer.

- **Climate Change:**

The ten most contaminated cities in the world.

Climate change and the worldwide blah, blah, blah.

UN Conference on Climate Change. Climate change the pending subject in Spain



THROUGH ITS INTERNET PORTALS, MEDIASET REINFORCES ITS SOCIAL COMMITMENT BEYOND TV SCREENS, GIVING PUBLICITY TO VARIOUS SOCIAL ACTION CAMPAIGNS THROUGH THEIR WEBSITES.



You can find more information about the causes promoted by Telecinco News and Cuatro's websites in the previous section.

## A platform for social promotion

Through its internet portals, Mediaset reinforces its social commitment beyond TV screens, giving publicity to various social action campaigns through their websites. Thus, taking advantage of its great online success to collaborate and raise awareness of social and environmental topics of great social relevance.

Among the social content initiatives promoted during 2016 from these platforms the following are the most notable:

- Coverage of the International Ozone Layer Day on Telecinco's News website. Publication of environmental news and visibility in the main homes of the group (telecinco.es, cuatro.com...)

 [http://www.telecinco.es/informativos/preguntas-respuestas-capadeozono-Dia\\_Internacional\\_de\\_la\\_Preservacion\\_de\\_la\\_Capa\\_de\\_Ozono\\_0\\_2243325470.html](http://www.telecinco.es/informativos/preguntas-respuestas-capadeozono-Dia_Internacional_de_la_Preservacion_de_la_Capa_de_Ozono_0_2243325470.html)

- Coverage of environmental issues, awareness surrounding the importance of sustainable initiatives and healthy habits on eltiempohoy's website and app.

 <http://www.eltiempohoy.es/>

- In Radioset there is information on the simple actions that can be carried out every day to help prevent climate change.

 [http://www.radioset.es/morninglory/secciones/la\\_otra\\_noticia/pequeños-detalles-puedes-cambio-climatico\\_27\\_2274180014.html](http://www.radioset.es/morninglory/secciones/la_otra_noticia/pequeños-detalles-puedes-cambio-climatico_27_2274180014.html)

- Creation of the channel 'Dando la talla que es gerundio' by Tania Llasera, on mtmad.es about real women who do not have to follow any stipulated beauty standards.

 <http://www.mitele.es/mtmad/dando-la-talla-que-es-gerundio/1477401624448/>

- Visibility and standardization of homosexual couples in the first documentary of a gay couple, starring Nacho Montes and Roger Gosálbez: 'Muchamie', on mtmad.

 <http://www.mitele.es/mtmad/muchamie/1477403542415/>

- Broadcast educational sexual content for young audiences in the video series 'Hackers del sexo', on mtmad

 <http://www.mitele.es/mtmad/hackers-del-sexo/1477400769595/>

- Visibility and standardization of the habits and customs of the gypsy ethnic group in the 'Gipsy Queens' videos, on mtmad.

 <http://www.mitele.es/mtmad/gipsy-queens/1477400568203/>

- Scientific broadcasting in 'Quantum fracture', the video channel that didactically explains the laws of physics, on mtmad.

 <http://www.mitele.es/mtmad/quantum-fracture/1478168904737/>

- Web coverage on Women of Divinity.es with news about successful women in different sectors that are traditionally masculine sectors, and breaking taboos surrounding femininity and the masculinity.

 <http://www.divinity.es/mujeres/>

- Contributing to the promotion of reading, on the Convénzeme website, the users send a photo of their favorite bookstores.

 [http://www.telecinco.es/convenzeme/libreria-favorita-Queremos-conocerla-Participa\\_13\\_2270295001.html](http://www.telecinco.es/convenzeme/libreria-favorita-Queremos-conocerla-Participa_13_2270295001.html)



With the particular aim of promoting the normalization of people with disabilities in audiovisual content, in 2016 the following activities were promoted:

- Broadcasting motivational stories of overcoming on the web and social networks, such as the performance of a young man who practices parkour with an amputated leg on Got talent

 [http://www.telecinco.es/gottalent/temporada-01/programas/programa-1/Ruben-superacion-escenario-Got-Talent\\_2\\_2131530086.html](http://www.telecinco.es/gottalent/temporada-01/programas/programa-1/Ruben-superacion-escenario-Got-Talent_2_2131530086.html)

- A Divinity.es report giving visibility to cases of famous people with disabled relatives with messages of struggle and overcoming

 [http://www.divinity.es/blogs/oteradas/Bertin-Samantha-Gemio-Padres-diferentes\\_6\\_2269140007.html](http://www.divinity.es/blogs/oteradas/Bertin-Samantha-Gemio-Padres-diferentes_6_2269140007.html)

- The coverage of Rio's Paralympic games and its medal in Deportes Cuatro's web:

 [http://www.cuatro.com/deportes/juegos-olimpicos/Consulta-delegacion-Juegos-Paralimpicos-Rio\\_0\\_2243325134.html](http://www.cuatro.com/deportes/juegos-olimpicos/Consulta-delegacion-Juegos-Paralimpicos-Rio_0_2243325134.html)

- Coverage of athlete's with disabilities achievements, such as the spectacular goal of a blind soccer player from Iran:

 [http://www.cuatro.com/deportes/futbol/goles/Soberbio-futbolista-invidente-Zadaliasghari-Iran\\_2\\_2243355108.html](http://www.cuatro.com/deportes/futbol/goles/Soberbio-futbolista-invidente-Zadaliasghari-Iran_2_2243355108.html)

- Integration of artists with disabilities in Mediaset's star content and its subsequent broadcast on the web and social networks, as has been the participation of El Langui in the series Chiringuito de Pepe.

 <http://www.telecinco.es/chiringuitodepepe/>

- Coverage of the cause fronted by El Langui on the web in favor of allowing motorized wheel chairs on the buses




 [http://www.telecinco.es/informativos/sociedad/motorizadas-Langui-podran-semana-autobus\\_0\\_2137800515.html](http://www.telecinco.es/informativos/sociedad/motorizadas-Langui-podran-semana-autobus_0_2137800515.html)

- In addition, constant coverage from the Informativos Telecinco and Noticias Cuatro webpages of information on disability.:

 <http://www.telecinco.es/buscador/?text=discapacidad&page=1>  
<http://www.cuatro.com/buscador/?text=discapacidad>



## Internet traffic

				Mitele.es	Radioset.es	Total
Total 2016 *	179,935,861	45,420,877	19,168,740	42,197,066	12,678,945	227,205,964
Monthly average	21,750,525	4,771,148	2,185,051	5,340,707	1,513,028	27,098,066

Source: OJD (audited data)


(\*) Calculated through Omniture. OJD only provide monthly data.

## Sites with the most traffic By Unique Users (2016)

		Mitele.es
Informativos	Noticias Cuatro	La que se avecina
Mujeres y hombres y viceversa	Deportes	Mujeres y hombres y viceversa
Sálvame	First dates	El príncipe
Gran Hermano	Callejeros	Cuarto milenio
Sálvame Deluxe	Cuarto milenio	Sálvame Deluxe
La que se avecina	Las mañanas de Cuatro	Chiringuito de Pepe
Gran Hermano VIP	Hazte un selfi	Gran Hermano VIP 4
El programa de Ana Rosa	21 días	Un príncipe para tres princesas
La Voz	Un príncipe para tres princesas	Cámbiame
Supervivientes	Granjero busca esposa	First dates

Source: Omniture

## Sites with the most traffic By videos streamed (2016)

		Mitele.es
Mujeres y hombres y viceversa	Deportes	Mujeres y hombres y viceversa
Telecinco	Noticias Cuatro	La que se avecina
Gran Hermano	First dates	Quiero ser
Sálvame	Cuarto Milenio	El Príncipe
Gran Hermano VIP	Callejeros	Cuarto milenio
Informativos	Las mañanas de Cuatro	First dates
La Voz	21 días	Sálvame Deluxe
Sálvame Deluxe	9 meses con Samanta	Sálvame
Supervivientes	Hazte un selfi	Chiringuito de Pepe
La Que Se Avecina	Hermano Mayor	Supervivientes

Source: Omniture



# ADVERTISING BUSINESS

THE ADVERTISING BROADCASTED ON MEDIASET ESPAÑA'S CHANNELS WAS AGAIN RANKED AS THE MOST VIEWED BY THE VIEWERS AFTER OFFERING 81% OF SPOTS WITH THE HIGHEST AUDIENCE.

Once again, the commercial exploitation of Mediaset España's advertising space for its different devices has placed the company as the leader of advertising investment in the national media sector with a market share of 43.3%, according to Infoadex. This leading market position has once again been accompanied by the leadership in recall and awareness levels of its clients' campaigns, thus endorsing the success of the strategy developed by Publiespaña in recent years.

With a wealth of unique targets at a national level, a flexible purchasing system tailored to the needs of its clients and a module strategy capable of guaranteeing segmentation, coverage and efficiency, Mediaset España has once again demonstrated its firm commitment to advertising self-regulation, through its commercial policy of short blocks in prime time, which in 2016 has been a unique model in the market for six years.

In 2016, as well as the organizational changes mentioned in the section "Advertising Management" of this document, the direct relationship with all the agents in the sector has been strengthened, aiming to capture their demands in a direct and personalized way. To this end, new mass events have been held in Madrid and Barcelona in which advertisers, media agencies and centres have participated, including a large representation of presenters, actors and collaborators of the different spaces and series. The events have built a highly-applauded initiative by the attendees because of the power to connect clients and advisors in the different media.

In 2016, the advertising broadcasted on Mediaset España's channels was again ranked as the most viewed by the viewers after offering 81% of spots with the highest audience, almost 10 points above the level recorded in 2015 (72%) and quadrupling the percentage of the most viewed ads broadcasted by its immediate competitor (19%).

Some of the spots offered during the broadcast of the Eurocup and King Cup's football matches, competitions broadcasted by Telecinco, have again captured those percentages, followed by those integrated into the Champions League's matches. Telecinco has specifically offered 8 of the 10 most viewed spots. The spots in the King Cup's final held in May had the highest advertising rating of the year with 23.5%, finishing for another year as the television leader of the advertising rating in prime time by scoring 4.3% in Adults, almost 20% more than Antena 3 (3.6%).

% OF THE 100 MOST VIEWED SPOTS OF THE YEAR BY CHANNEL

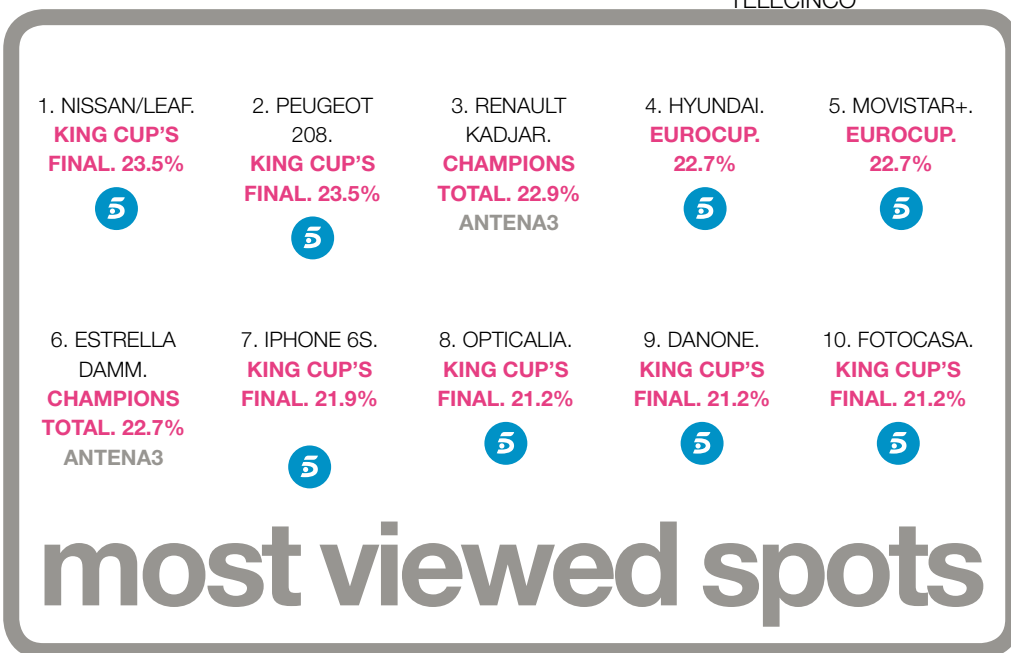
**81%**

BROADCASTED BY TELECINCO

% OF THE 3 BROADCASTS WITH THE MOST VIEWED SPOTS OF THE YEAR

**59%**

BROADCASTED BY TELECINCO





SPOTS WITH THE HIGHEST AUDIENCE AMONG THEMATIC CHANNELS

**88%**  
MEDIASET ESPAÑA.

Regarding thematic channels, Factoría de Ficción has broadcasted the 10 of the most viewed spots of the year. It also broadcasted 87 of the 100 ads that make up this ranking. Divinity has also joined this ranking with one of its spots, showing the effectiveness of Mediaset España's multichannel thematic strategy, which has offered 88% of the spots with the highest audience.

## Fifth consecutive year of leadership in advertising recall with a successful strategy of short blocks

2016 has again highlighted the advertising strategy's success undertaken by the company almost six years ago. Based on the exclusive commitment to reduce the duration of its advertising blocks in prime time in exchange for giving the advertisers the highest possible recall rates, improving the integration of advertising in programmes and moderating their viewers advertising saturation, this year Mediaset España has reissued its position as an absolute reference in advertising recall after broadcasting 100% of the spots in prime time in all of its channels blocks, with a duration of less than 6 minutes, doubling the 45% achieved by its main competitor.

This commitment to self-regulatory advertising has generated recall levels 55% higher than those of the longer blocks, according to the results obtained from the annual accumulation from the ad awareness study in prime time elaborated by CIMEC, which shows that the duration of the block is the most determining variable in terms of recall, ahead of even the duration of the advertisement itself or its positioning.

Telecinco, Cuatro and Factoría de Ficción have managed to position themselves as the channels with the highest recall percentages, with 14%, 28% and 49%, respectively, above the average, compared to Antena 3 and La Sexta, which are below this. Regarding the recall rate by genres and programmes, in-house production, which is part of the company's 'DNA' and Telecinco's programming especially, has been confirmed as the space which gives the advertiser the most awareness, exactly 41% above average. 'The Voice' and 'Big Brother', placed in the top positions of the ranking, with percentages that double the recall average.

## Superspot, the most successful commercial product of the season

A product capable of capturing the highest ratings of audience and generating high recall and awareness levels. These are the main features of the "Superspot", a new product kick off that Mediaset España officially released in September and has become the most successful commercial product of the season, by gathering 5 of the 10 spots most viewed in the last quarter of the year, among which is the spot with the highest audience (Special raffle prize of the Loterías y Apuestas del Estado) broadcasted during this period.

This exclusive hi-Quality format, based on a block with a single advert broadcasted in simulcast in prime time across all the company's channels (except Boing), offers exclusivity, high coverage and outstanding positioning in a minimum duration break during Informativos Telecinco, during 'First Dates' on Cuatro and on the thematic channels varied offer, achieving average recall levels superior to those of the conventional spot.

Superspot's success has been confirmed, and Mediaset España has subsequently extended the levels of follow-up and coverage of its clients' campaigns with the launch of 'Superspot total', adding to the broadcasting of the spot on television, the simultaneous inclusion in the live signal from Telecinco.es, Cuatro.com, Mitele.es and the Mitele app.





MEDIASET ESPAÑA HAS LAUNCHED THE FIRST MULTISCREEN ADVERTISING OFFER (TV, SMART TV, PC, MOBILE PHONES AND TABLETS).

## First multiscreen offer in the market in 'The Voice', 'Big Brother' and 'Mujeres y Hombres y Viceversa'

Mediaset España has launched the first multiscreen advertising offer (TV, Smart TV, PC, mobile phones and tablets), with the aim of amplifying the impact and awareness of its customers' campaigns, allowing Mediaset to access, in an integrated way, a series of products with a global impact on the followers of three of its most successful formats on television and the internet: 'The Voice', 'Big Brother' and 'Mujeres y Hombres y Viceversa'.








## A new commercial target, adapted to the new socioeconomic reality

With the purpose of adapting to the new definition of social classes derived from the current socio-economic reality and introduced by Kantar Media, Mediaset España has adjusted the commercial target and extended it up to the age of 59, maintaining young people over 16 years old or millennials, with a high power of influence. The new distribution of social classes, which includes up to seven different classes, definitively replaces the traditional upper, middle and lower classes in terms of audience measurement.

Thus, the new commercial target applied by Publispaña on all the company's channels is composed of individuals between 16 and 59 years of age residing in populations of more than 10,000 inhabitants and belonging to all economic groups except for the section with the lower spending power. The new breaks determine the individual's income index through a combination of a number of variables such as the level of education, profession and occupation of the main breadwinner,

household size and number of members with income in each. This new commercial target, in which Mediaset España - historical leader in this audience segment - is also the absolute reference, represents a television universe of 20.6 million individuals, 53% of the population over 16 years old.

The following table reflects the general distribution of advertising business among the various channels which make up the Group in 2016:

	TOTAL BLOCKS (000's) <sup>(1)</sup>	AVERAGE BLOCKS PER DAY <sup>(2)</sup>	AVERAGE BLOCKS PER HOUR <sup>(3)</sup>	MINUTES BETWEEN BLOCKS <sup>(4)</sup>	TOTAL ADVERTISING MINUTES
	12	34	2	29	67,893
	11	30	2	33	69,064
	14	38	2	26	58,491
	10	28	2	36	64,873
	10	29	2	36	65,180
	13	35	2	29	39,925
	12	32	2	26	35,053

Source: KANTAR MEDIA

1 Refers to Total Advertising Minutes broadcast per hour.

2 Refers to Average Advertising Blocks per day.

3. Refers to Average Advertising Blocks per hour.

4. Refers to Average Minutes Difference between the broadcasting of one Advertising Block and the next.









5. BEMAD channel began broadcasting on May 1, 2016.



MEDIASET ESPAÑA HAS MAINTAINED ITS COMMITMENT TO THE DIFFUSION OF VALUES ASSOCIATED WITH CERTAIN PROJECTS OR NON-PROFIT INSTITUTIONS WITH WHICH IT COLLABORATES

Mediaset España has maintained its commitment to the diffusion of values associated with certain projects or non-profit institutions with which it collaborates, not only through the programming broadcasted, as detailed in the section “Entertainment, information and social commitment” of this document, but also by the assignment of advertising space.

During 2016, the Group has collaborated with the following projects or non-profit institutions, giving away their advertising space free of charge:

Organization/Channel		  			 	Total general
12 Meses #DOY LA CARA con la trata no hay trato	1,179,080	687,920			378,855	2,245,855
12 Meses #DOY LA CARA eres perfecto para otros	401,250	253,125		119,250		773,625
12 Meses Gestionando hijos			97,000			97,000
12 Meses Ayúdanos a acabar con el sida	313,400	177,305		77,165		567,870
ACNUR España	83,750				29,625	113,375
ALDEAS INFANTILES SOS de España	210,525	114,800			43,400	368,725
Campaña contra el dopaje-Agencia Española de Protección de la Salud en el Deporte	185,250	82,500		3,375	20,025	291,150
Cáritas Española	133,500	46,100		12,000	14,750	206,350
12 Meses #SIMEIMPORTA la cooperación internacional	28,700	17,100				45,800
Fundación Ayuda Contra la Drogadicción	2,073,150	1,125,400		187,800	406,400	3,792,750
Fundación Cris contra el Cáncer	48,000					48,000
Dirección General de Políticas Sociales del Gobierno de Canarias <sup>1</sup>	3,600					3,600
Fundació Josep Carreras	123,000	64,650			20,475	208,125
12 Meses Los Comprometidos	656,748	235,133			89,430	981,310
Federación Española de Síndrome de Down Madrid	182,700	29,700		38,550		250,950
Wings for life world run	97,900	29,400		19,000		146,300
X solidaria en tu declaración de la renta	254,500	115,500		12,000	14,750	396,750
<b>Total general</b>	<b>5,975,053€</b>	<b>2,978,633€</b>	<b>97,000€</b>	<b>469,140€</b>	<b>1,017,710€</b>	<b>10,537,535€</b>

Note: valuation in euros of the advertising spots given free of charge.

(1) Broadcast on Telecinco channel disconnection in Canary Islands.



For more information refer to the “Advertising Management” section of this report.



# WORKFORCE

WE HAVE TO HIGHLIGHT THE STABILITY OF THE EMPLOYMENT RELATIONS PROVIDED BY BOTH THE COLLECTIVE AGREEMENTS AND THE FLUID RELATIONSHIP WITH THE WORKERS' REPRESENTATIVES.

From the Human Resources Management point of view, in 2016 an effort has been made to adapt to the new social security contribution system (Siltra) and adapting to the reduced working hours introduced by the Collective Agreement applicable to Publiespaña (from 39 to 37.5 hours per week).

At the same time, the challenge of the increasing digitalization of our Groups activities has required special dedication to the selection of numerous "digital" professionals (around 30), for commercial, marketing and systems areas, for which we collaborated with the External Relations and Communication Department, in order to circulate the offers on social networks. Likewise, an ambitious Training Plan has been developed in these areas and an App has been selected to support the Human Resources and Communication management, which will be launched in 2017.

By supporting the Master's Degree in Audiovisual Content Creation and Management, and through collaboration agreements with Universities and Business Schools, or with its Employer Branding policy, the Group guarantees the access to and recruitment of young talent, fundamental for the continuity of a dynamic and highly competitive business.

Last but not least, we have to highlight the stability of the employment relations provided by both the Collective Agreements and the fluid relationship with the workers' representatives, which provide the appropriate environment to avoid conflicts.

- HUMAN RESOURCES MANAGEMENT OF NETSONIC ESPAÑA, USA AND LATIN AMERICA (SINCE JANUARY 2016).
- ADAPTING TO THE NEW SOCIAL SECURITY CONTRIBUTION SYSTEM (SILTRA).
- AUDIT OF JOIN RISK PREVENTION SERVICE.
- COORDINATING ACTIVITIES PROCEDURE (FOR OCCUPATIONAL HAZARDS)
- REORGANIZATION PROCESS OF PUBLIESPAÑA AND PUBLIMEDIA (JULY 2016).
- PUBLIESPAÑA'S ADAPTION TO THE NEW CONDITIONS OF THE ADVERTISING SECTOR'S COLLECTIVE AGREEMENT.
- DIGITAL TEAM SELECTION PROCESS:
  - MEDIASET SYSTEMS
  - COMMERCIAL AND MARKETING PUBLIESPAÑA
- SELECTING AN APP FOR HR COMMUNICATION MANAGEMENT (TO BE IMPLEMENTED IN 2017).

## MILESTONES 2016

## Main data

AVERAGE WORKFORCE (NO. PERSONS) (1)

**1,275**

2014: 1,274  
2015: 1,266

WORKFORCE AT YEAR END  
(NO. PERSONS) (2)

**1,274**

2014: 1,260  
2015: 1,274

INTERNS (Nº DE PERSONS) (3)

**137**

2014: 188  
2015: 236

WORK EXPERIENCE STUDENTS (Nº DE PERSONS) (4)

**54**

2014: 102  
2015: 47

AVERAGE AGE OF THE WORKFORCE (YEARS) (5)

**45.67**

2014: 43.45  
2015: 45.04

PROPORTION OF FEMALE EMPLOYEES (%) (5)

**50.04**

2014: 50%  
2015: 49.45

PROPORTION OF EMPLOYEES WITH INDEFINITE  
CONTRACTS (%) (7)

**97.96**

2014: 98.98  
2015: 98.7

NEW RECRUITS (8)

**72**

2014: 8  
2015: 60

TURNOVER RATE (9)

**2.43**

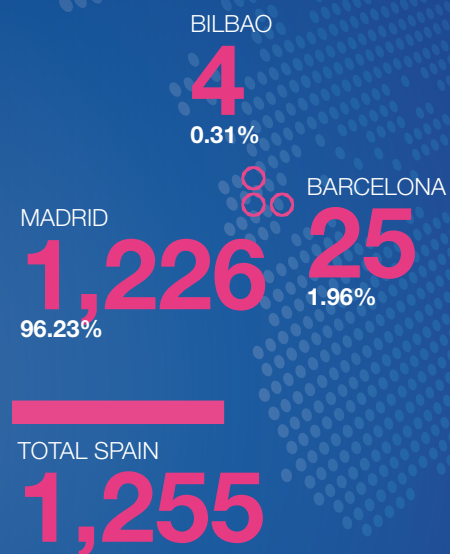
2014: 0.31  
2015: 0.79

AVERAGE LENGTH OF SERVICE IN THE  
WORKFORCE (YEARS)

**16.99**

2014: 14.78  
2015: 0.79

## Geographic distribution



### Other offices outside Spain (1)

MEXICO	11
USA	2
COLOMBIA	5
PERU	1

Scope: Mediaset Group. Data at 31st of December 2016.

(1) The workforce outside of Spain carries out commercialization activities of advertising on the internet and is all local staff, except one person in the USA who has moved there from Spain.

(1) It includes permanent and temporary employees annual average for 2016. It does not include workers hired through Temporary Employment Agencies, internships or work experience placements. Permanent personnel are those with an indefinite employment contract or are interns whose posts are considered to be permanent; temporary personnel are those with employment contracts for a specific project or specific duration. Work experience contract differs from Students work experience; and refers to professionals hired by the company under an employment contract.

(2) Refers to the permanent and temporary personnel, at 31/12/2016.

(3) Total annual data. All Mediaset's Group of companies collaborated with interns during the year.

(4) Total annual data. Student work experience are exclusive to the company Mediaset España.

(5) Annual average data.

(6) Calculated at 31st December each year.

(7) Refers to permanent employees with an indefinite contract. Data calculated on the average annual workforce.

(8) Refers to recruits with indefinite and temporary contracts.

(9) Unwanted leave (voluntary redundancies + voluntary leave of absence) / Average headcount \* 100.

## Workforce by Group Company, job category and gender

Permanent Personnel	HEAD OF DPT.		JOURNALISTS		EMPLOYEES		OPERATORS		MANAGERS		Total	Total
Mediaset España	30	32	52	83	390	354	18		54	26	544	495
Publiespaña	6	8			40	97	2	2	14	12	62	119
Telecinco Cinema		1				3			3	1	3	5
Conecta 5		1		1	1	3			1	1	2	6
Premiere Megaplex	1				1	2			1		3	2
Netsonic		1			9	8	1		5		15	9
Personal coyuntural	HEAD OF DPT.		JOURNALISTS		EMPLOYEES		OPERATORS		MANAGERS		Total	Total
Mediaset España				1	5	2				1	5	4
<b>TOTALES</b>	<b>37</b>	<b>43</b>	<b>52</b>	<b>85</b>	<b>446</b>	<b>469</b>	<b>21</b>	<b>2</b>	<b>78</b>	<b>41</b>	<b>634</b>	<b>640</b>

Scope: Mediaset Group. Data at 31st of December 2016.

## Workforce distribution by contract type and professional category

	N° PERSONS IN SPAIN		N° PERSONS OUTSIDE SPAIN
	PERMANENT	TEMPORARY	PERMANENT
Managers	114	1	4
Head of dpt.	80	0	0
Journalists	136	1	0
Technicians	720	19	13
Employees and operators	180	4	2
<b>Total</b>	<b>1,230</b>	<b>25</b>	<b>19</b>
		<b>1,274</b>	

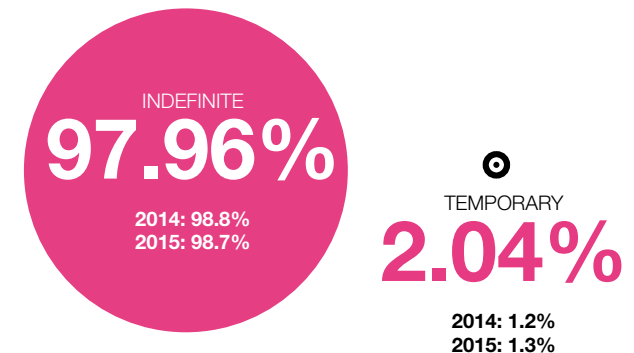
Scope: Mediaset Group. Data at 31st of December 2016.

## Workforce distribution by age

	YEARS OLD	
> 60	14	2
56 a 60	45	19
51 a 55	136	88
46 a 50	174	175
41 a 45	129	150
36 a 40	93	114
31 a 35	31	60
26 a 30	11	25
< 25	1	7
<b>TOTAL</b>	<b>634</b>	<b>640</b>

Scope: Mediaset Group. Data at 31st of December 2016.

## Workforce distribution by contract type



Scope: Mediaset Group.  
Data calculated from annual average workforce.

## Turnover by age group and gender

Age Groups	Turnover rate 2014		Turnover rate 2015		Turnover rate 2016	
	Male	Female	Male	Female	Male	Female
25-30				0.08	0.31	0.31
31-35		0.08	0.08	0.16	0.47	0.24
36-40	0.08	0.08	0.16	0.16	0.63	
41-45			0.08		0.16	0.08
46-50	0.08		0.08			
51-55					0.08	
56-65					0.16	
<b>TOTAL</b>	<b>0.16</b>	<b>0.16</b>	<b>0.32</b>	<b>0.47</b>	<b>1.80</b>	<b>0.63</b>

Scope: Mediaset Group

Note: The turnover rate (T.R.) has been calculated using the following formula: unwanted leave / annual average workforce \*100.

Unwanted leave includes voluntary redundancies and voluntary leave of absence, not including death, incapacity or retirement.

## Distribution of part-time workforce

Breakdown by categories	Part time personnel	
	Male	Female
Managers		2
Head of dpt.	1	5
Journalists	2	27
Employees	11	112
Operators		
<b>Total</b>	<b>14</b>	<b>146</b>

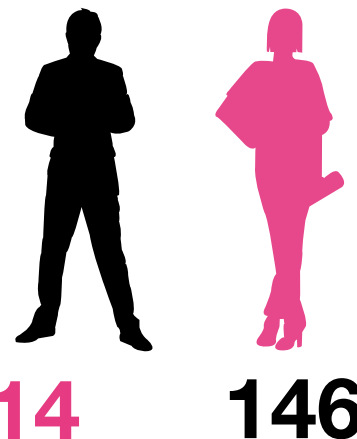
Scope: Mediaset Group. Data at 31st of December 2016.

## Distribution of new recruits by age group and gender

	Male	Female
	less than 25	
25-30	7	12
31-35	10	7
36-40	7	6
41-45	3	4
46-50	3	5
51-55	1	
<b>Totals</b>	<b>31</b>	<b>41</b>
	<b>72</b>	

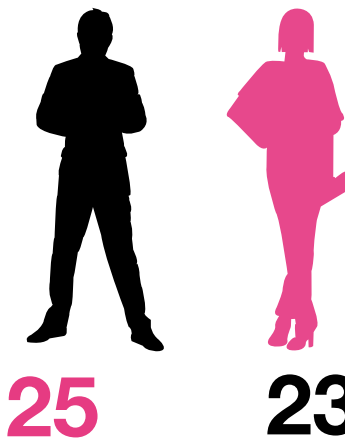
Scope: Mediaset Group. Data at 31st of December 2016.

## Workforce with reduced working hours



Scope: Mediaset Group. Data at 31st of December 2016.

## Rate of return to work following parental leave



**2014: 22**  
**2015: 16**

**2014: 44**  
**2015: 36**

Scope: Mediaset Group. Data at 31st December of each year.

In all cases where parental leave was granted, the employee returned to work and retained his/her post.

## Mediaset España's gains recognition in Human Resources

- DISTINCTION SPAIN'S MOST ATTRACTIVE EMPLOYERS IN THE BUSINESS MEDIA AND ADVERTISING SECTOR. INDUSTRY BEST 2016 TO MEDIASET ESPAÑA, GRANTED BY UNIVERSUM.
- FINALISTS IN THE RANDSTAD AWARD-2016 JOB ATTRACTIVENESS
- DISTINCTION HR FORUM 2016 TO THE HR MANAGEMENT OF MEDIASET ESPAÑA, GRANTED BY THE HUMAN RESOURCES FORUM

# MILESTONES 2016





COLLECTIVE AGREEMENTS SEEK TO MAINTAIN GOOD WORKING CONDITIONS AND SALARY CONTROLS, IN ORDER TO ENSURE THE COMPETITIVENESS OF THE COMPANY IN THE AUDIO-VISUAL MARKET AND MAINTAINING AN OPTIMAL SOCIAL CLIMATE.

## EMPLOYEE RELATIONS

The relationship between the company and its employees is guaranteed and defined in the collective agreements applicable to the Group's companies. These agreements seek to maintain good working conditions and salary controls, to ensure the competitiveness of the company in the audio-visual market and maintaining an optimal social climate.

The following collective agreements have governed the Mediaset Group's activities during 2016:

<b>Mediaset España</b>	XI Mediaset España Collective Agreement. In force 2014 -2017.
<b>Publiespaña</b>	Advertising Sector Collective Agreement. In force 2015-2016.
<b>Telecinco Cinema</b>	Madrid's Regional Collective Agreement for Office Workers, however, employees will benefit from any improvements provided for in the Mediaset España Collective Agreement in force at the time.
<b>Conecta 5</b>	Madrid Regional Collective Agreement for Office Workers.
<b>Premiere Megaplex</b>	Madrid Regional Collective Agreement for Office Workers.
<b>Netsonic</b>	Advertising Sector Collective Agreement. In force 2015-2016.

Mediaset España's Collective Agreement includes all of the company's personnel located in Spain, with the exception of those people carrying out Senior Executive or Senior Management functions, such as Directors of Division's Area's and Departments and Subdirectors, highly qualified media professionals hired for the production or broadcast of programmes, series or specific content determined by Mediaset España, and artistic personnel whose services are contracted for specific events. These parties are expressly excluded because they have conditions in their contracts which are superior to those laid down in the Collective Agreement, or because the terms provided do not fall under

the type of relationship in question because their employment relationship is defined as special by the employment regulations.

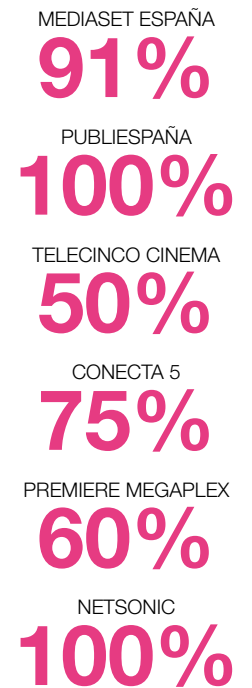
In turn, Madrid's Regional Collective Agreement for Office Workers, which applies to staff at Telecinco Cinema, Conecta 5 and Premiere Megaplex, expressly excludes those holding executive positions or positions classed as level 1 for the purposes of Social Security contributions, that is, engineers, university graduates and senior management personnel not covered by Article 1.3.c) of the Workers' Statute. Usually, this excepted group of employees have better conditions than the employees included in the Collective Agreement, which are established in their own contracts and/or specific agreements.

Moreover, freedom of association and trade union freedom are both fundamental rights that have always been recognized and respected by the company. This is reflected in the unitary representation from employee and trade union representatives who perform their duties through the Works Committee. In this regard, during 2016, there were no situations detected in Spain in which these workers' rights have been jeopardised.

Meanwhile, the staff located in a work place outside of Spain have their fundamental rights recognised by strict compliance with the legal provisions established in the country where they provide their services.<sup>1</sup>

<sup>1</sup>: The workforce is active in countries that have ratified the International Labor Organization's core Conventions, with the exception of the United States of America. Mediaset España considers that these rights are guaranteed by the legislation in force in each country, although the company does not have its own analysis that allows it to assess in depth the work environment outside Spain. In the case of the two persons who carry out their activity in the United States, one of them is considered as a displaced worker, thus maintaining the Spanish employment legislation.

## Percentage of employees covered by a Collective Agreement in each company



Scope: Mediaset Group. Data at 31 December 2016.

THE EQUALITY PLANS IN FORCE OVER THE YEARS HAVE ALLOWED FOR THE EFFECTIVE APPLICATION OF THE RIGHT TO BALANCE WORK AND LIFE.

## Equal opportunities

Equal opportunities are guaranteed by applying Mediaset España's existing Code of Ethics, the current Collective Agreements, Equality Plans renewed by each Group company, and the psychosocial and workplace harassment risk management procedures.

The Collective Agreements in force ensure that the conditions of employment, assignment of work positions, remuneration, disciplinary regime or termination of the contractual relationship, among other matters, are based on objective factors and never linked to personal conditions of the workers such as gender, race or religion, among others.

The equality plans in force over the years have allowed for the effective application of the right to balance work and life while encouraging a culture of equality and work life balance across the entire organisation, guaranteeing the distribution of the measures implemented by the Group through internal communication.

In 2016, the Equality Agent has advised the workforce on the application of the rules contained in the Equality Plan and the Collective Agreement, as well as elaborating and delivering the annual report on the equality in the Company to the employees' representatives. This report addresses the representation of women in the organisation, the percentage of women in positions of responsibility, the distribution of staff by level and professional specialty, measures taken to promote equality and reconciliation or access to employment, among other matters.

In 2016, there were no incidents in terms of discrimination, reflecting the effectiveness of the applicable procedures and measures in place. In turn, the diagnosis performed of the situation prior to the preparation of the equality plans did not detect any situations that could be considered as discriminatory by reason of gender inequality in the workplace.

Company	Policy	Validity									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	
Mediaset España	V Equality Plan										
	Equality Plan Annex										
	Psychosocial and workplace harassment risk management procedures										
Publiespaña y Publimespaña Gestión	VI Equality Plan										
	Psychosocial and workplace harassment risk management procedures										
Telecinco Cinema	Psychosocial and workplace harassment risk management procedures										
Conecta 5	VI Equality Plan										
	Psychosocial and workplace harassment risk management procedures										
Premiere Megaplex	III Equality Plan										
	Psychosocial and workplace harassment risk management procedures										

THE DIAGNOSIS PERFORMED OF THE SITUATION PRIOR TO THE PREPARATION OF THE EQUALITY PLANS DID NOT DETECT ANY SITUATIONS THAT COULD BE CLASSED AS DISCRIMINATORY OR GENDER INEQUALITY IN THE WORKPLACE.

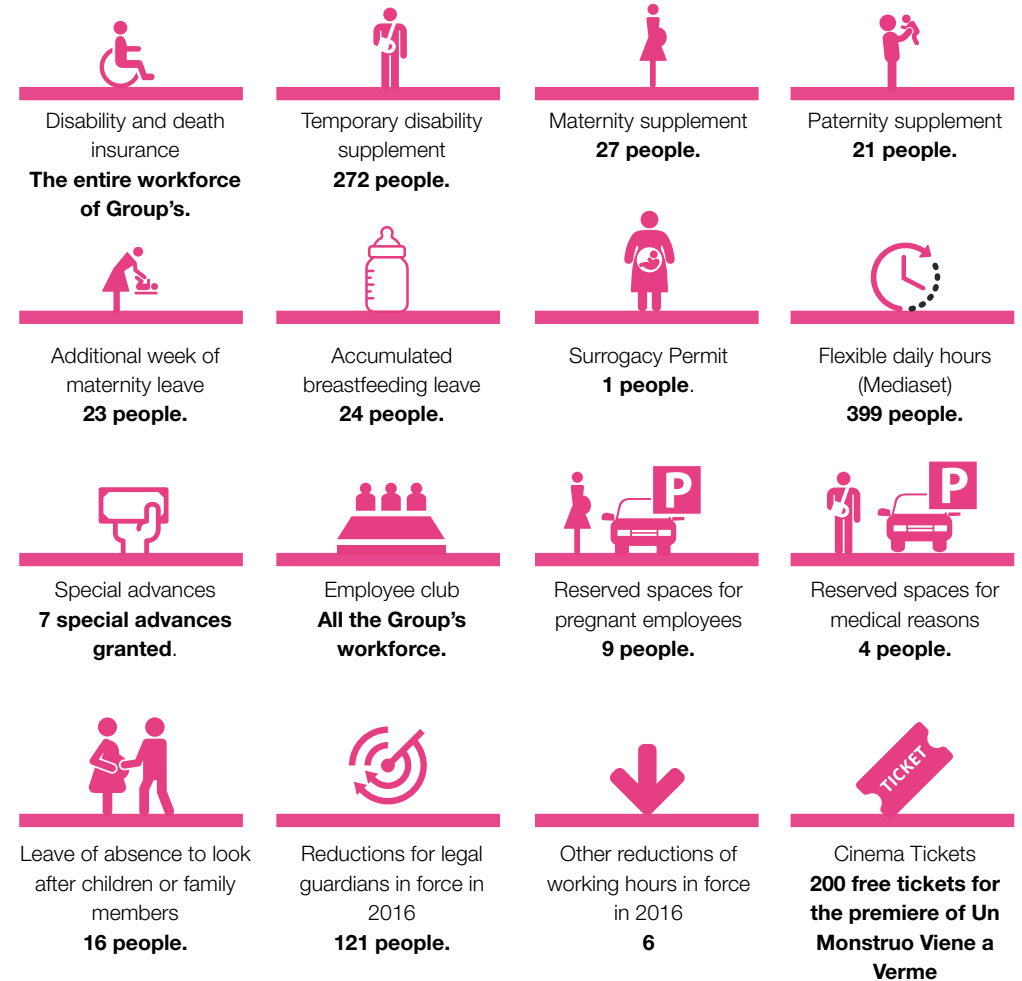
Although in 2016 there have been no reports of harassment that triggered the procedure for the management of psychosocial risk, monitoring and control actions have been carried out throughout the year resulting from the assessment of possible psychosocial risks in the areas of Broadcast and Materials and Voice over.

These actions, specifically in the Broadcast area, involved a new evaluation of psychosocial risks and the subsequent implementation of corrective measures aimed at correcting improvements in management. These measures include the following:

- Conducting specific training courses on stress management for all workers;
- Holding regular briefings at different shifts, with the aim of improving internal communication;
- Incorporation of a worker with variable shift that provides the necessary support in the different parts of the area;
- Review of work processes and adoption of technical measures and improvement of internal management applications;
- Holding regular department meetings with Management, responsible for supervising the measures taken.

## Fringe benefits and work - life balance measures

In 2016 the following fringe benefits and work - life balance measures have been enjoyed:





## Fringe benefits and work - life balance measures



### Workplace parking

All employees have access to a car park with approximately

**500** spaces at the Fuencarral facilities, plus **107** underground spaces, **50** spaces in the nearby army barracks and **18** in the service road.

Cost: **No associated cost.**



### Health insurance

**152** people are beneficiaries of health insurance paid for by the Company.

In addition, **342** health insurance policies for spouses and children (up to 25 years) are paid.

Cost: **€ 247,974.84**



### Exceptional bonus

Due to the good results obtained in 2015, workers of Mediaset España, Telecinco Cinema, Premiere and Conecta 5 who had been in the company more than 180 days during 2015 and in registered as working on 03/31/2016, benefited from an exceptional voluntary reward.

**996** beneficiaries

Cost: **€ 1,040,000**



### Transport Service

Since workers are not required to reserve seats on the bus, an estimate is made of the number of workers using the bus route based on the level of occupancy of the bus at the different times in which the service is provided. Therefore, it is estimated that in 2016 579 people have used the service.

Cost **€ 41,106**



### Free canteen (Madrid) / Lunch vouchers (Other offices)

**144,359** set menus were paid in Fuencarral and Villaviciosa;

**11.830** lunch vouchers distributed in other offices.

Cost: **€ 603,796.23**



### Gym subsidy (necessary groups)

**15** people.

Cost: **€ 7,623.66**



### Christmas hamper

**1,265** hampers distributed.  
Cost: **€ 244,853.40**



### Toys at Christmas

**1,153** toys were given to the children of the Group's employees.

Cost: **€ 69,733.44**



IN 2016, IT SHOULD BE NOTED THAT 53% OF THE TRAINING CARRIED OUT HAS BEEN IN SKILLS FOR EMPLOYEES.

## Training and recruitment of new talent

Training people is a critical element in Mediaset España's business strategy, together with the appropriate talent management strategy, as it allows the rapid adaptation to the dynamic requirements of the environment in which it operates, as well as introducing the necessary innovation to maintain their leadership.

Therefore, in 2016 and despite a cost containment environment, the Group has continued its commitment to the training of its staff, having invested more than 155,000 euros in training activities.

In 2016, the Training Plan has focused on the company's Digital Transformation, which has accounted for 14% of the total training, dedicating more than 1700 hours to it. Among the issues addressed, those highlighted are Google Analytics and Adwords, Programmatic, Big Data or the conclusion of the Talent Management Masters in the digital age.

### ADAPTATION TO THE POSITION (INDUCTION PLAN)

**334 h.**

**3%**  
total respect

### SPECIFIC POSITION TRAINING<sup>1</sup>

**1,272 h.**

**10%**  
total respect

### OCCUPATIONAL HEALTH AND SAFETY (OHS)

**1,964 h.**

**15%**  
total respect

### DIGITAL TRANSFORMATION

**1,791 h.**

**14%**  
total respect

### TRAINING IN SOFTWARE/ IT

**1,873 h.**

**14%**  
total respect

### IDIOMATIC TRAINING

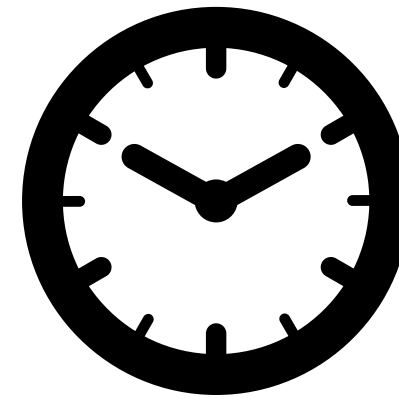
**3,579 h.**

**27%**  
total respect

### DEVELOPMENT OF MANAGEMENT SKILLS

**2,412 h.**

**18%**  
total respect



**Training given  
in 2016**

- <sup>1</sup>:
- Operation of technical equipment acquired for technological renovation.
  - Money Laundering and Terrorism Financing Prevention
  - Accounting and tax update
  - Personal Data Protection
  - Self-regulation of advertising, etc



## Participants per type of training









	2014			2015			2016		
	Attendance	Participants	N° hours	Attendance	Participants	N° hours	Attendance	Participants	N° hours
Languages (attendance based)	119	51	4281	78	26	1,419	27	20	223
Training in groups	979	431	10,268	1,773	780	14,858	624	412	4,971
Seminars and congresses	15	15	235	31	31	269	28	24	335
Master's degree programmes	9	9	3076	3	3	1500	4	4	2,000
Online Training	230	192	4,683	101	101	1,794	468	428	5,696
Study grants awarded		77			97			90	

Scope: Mediaset's Group and Temporary Employment Agency employees.

Note 1: Figures in the column "Attendance" correspond to all people who took the training, without differentiating whether or not they repeated.

Note 2: Figures in the column "Participants" correspond to the non-repeated assistance in the same training category (for example, Languages), however the assistance can be repeated between the different training categories.

## Training hours by professional category and gender

	2014		2015		2016		Hours of training ratio	
								
Managers	1,642	1,152	595	970	483	746	6.19	18.2
Heads of Department	246	634	216	880	282	822	7.62	19.12
Journalists	60	60	48	188	160	130	3.08	1.53
Employees and Operators	7,431	5,437	9,674	6,046	4,893	5,425	10.48	11.52
Temporary employment Agencies	646	552	719	504	220	64		
<b>TOTAL</b>	<b>10,025</b>	<b>7,835</b>	<b>11,252</b>	<b>8,588</b>	<b>6,038</b>	<b>7,187</b>	<b>9.52</b>	<b>11.23</b>
	<b>17,860</b>		<b>19,840</b>		<b>13,225</b>			

Scope: Mediaset Group

\* With respect to the training offered to employees contracted through the Temporary Employment Agency, the hourly ratio per person is not calculated given that the recording system registers the number of contracts signed and not the number of people hired through temporary employment companies. Therefore, the information would be distorted, indicating hours per contract and not per person, with some people having more than one contract.





## Skills training programmes

2014			2015			2016		
N° of actions	Hours	Attendance	N° of actions	Hours	Attendance	N° of actions	Hours	Attendance
20	3,897	64	8	2,694	65	18	7,052	139

Scope: Mediaset Group

Note: Total number of training actions refers to different training actions; training actions repeated in different companies of the group are included once.

## Transversal skills training programmes

2014			2015			2016		
N° of actions	Hours	Attendance	N° of actions	Hours	Attendance	N° of actions	Hours	Attendance
41	9,816	237	19	4,233	203	18	4,176	149

Scope: Mediaset Group

Note: Total number of training actions refers to different training actions; training actions repeated in different companies are included once.

Mediaset España has maintained its contribution to the creation of knowledge in the audio-visual industry, through The University Master's Degree in Audio-Visual Content Creation and Management, launched in 2009 in association with Universidad Europea de Madrid, which finished the VI edition in 2016 and began the next one.

The Master's Degree, focuses on learning all aspects of the television business, including in-depth analysis of all the strategic areas involved in business development, including visits to Mediaset España's facilities, where the students can inspect sets and witness recordings, as well as participate in conferences with highly-appreciated professionals in the industry. The VI edition had 28 students, 3 of them belong to the companies of the Group. A total of 166 Master's Degree students from different countries have participated in the course since it was launched. The recruitment of work experience students from the Audio-Visual Production area in the University has also been maintained.

In 2016, Mediaset Group has continued increasing its collaboration agreements with Public and Private Universities, as well as with Business Schools, for their students to carry out work experience placements in the company, with 185 agreements in force in this period. Thus, the Management of the Company promotes the acquisition of technical and human skills of young people, enabling them to make their way in the employment market. In this context, Mediaset España has welcomed 54 work experience students and 152 interns during 2016, of which 8 were subsequently hired as full time employees and 93 were hired through Temporary Employment Agencies to perform their activities in the various companies of the Group.

## THE CURRENT PERFORMANCE EVALUATION SYSTEM COVERS 23% OF PERSONNEL FROM THE GROUP'S COMPANIES'.



Likewise, in 2016 two initiatives were maintained, in order to recruit and incorporate young talent in the company: including the agreement with Universidad Politécnica de Madrid whereby the company may hire students who have recently completed their studies and do not have the opportunity to obtain a placement. This led to the incorporation of 2 students as interns in 2016. The company also took part in the Jumping Talent project, organised by Universia, which allows the participating companies to access a selection of Spain's top 100 university students for inclusion in the company's training programmes or first-job programmes for a period of three to nine months. In 2016, 96 candidates participated in this event, although no subsequent recruitment has taken place.

### Performance evaluation

The current Performance Evaluation System covers 23% of personnel from the Group's companies'.

As a result of this target-based performance analysis and review process, in 2016 there were 4 promotions and 5 salary increases of employees subscribed to this system.

## Employees included in the Performance Evaluation System

			% of total workforce
<b>Mediaset España(1)</b>			
Executives	58	26	
Middle management	6	4	
Account executive	4	11	
Technicians	1	3	
Porter	-	-	
Secretaries	-	-	
Receptionists	-	-	
<b>Total Mediaset España</b>	<b>113</b>		<b>10%</b>
<b>Publiespaña</b>			
Executives	12	12	
Middle management	6	9	
Account executive	25	33	
Technicians	15	48	
Porter	2	-	
Secretaries	-	15	
Receptionists	-	2	
<b>Total Publiespaña</b>	<b>179</b>		<b>99%</b>
<b>Total Mediaset Group</b>	<b>129</b>	<b>163</b>	
	<b>292</b>		<b>23.08%</b>



IN 2016, AN AUDIT WAS COMPLETED ON OHSAS 18.001 CERTIFICATION, WHICH OBTAINED THE RENEWAL CERTIFICATION UNTIL 2020 FOR THE FUENCARRAL SITE.

## Occupational health & safety risk prevention

The Occupational Risk Prevention Plan 2015-2018 establishes the framework in which Mediaset España defines its Annual Preventive Activity Plan.

In this regard, during 2016 the following occupational risk prevention activities have been carried out:

- OCCUPATIONAL HEALTH AND SAFETY INDUCTION PLAN;
- MANAGEMENT SYSTEM FOR A HEALTHY COMPANY;
- SURVIVAL TECHNIQUES IN AREAS OF RISK OR CONFLICT;
- ANNUAL EVACUATION DRILL;
- NEW COORDINATION OF BUSINESS ACTIVITIES PROCEDURE IN TERMS OF PREVENTIVE MATTERS;
- CAMPAIGN FOR EARLY DETECTION OF NOISE INJURIES IN SOUND TECHNICIANS.

In order to avoid or mitigate risk situations that employees may be involved in when covering events, there is a procedure for those sent to areas of risk or conflict. This procedure jointly involves the Joint Prevention Service, Medical Service, the Human Resources Department and the insurance area of the Purchasing and General Services Department.

In turn, as part of the periodic training courses for the News editors that, at any given moment, may go to risk or conflict areas, a specific action was carried out so that this group had the appropriate information and Occupational Health and Safety (OHS) training in case they have to cover a news of this type.

Meanwhile, Mediaset España has joined the Ministry of Employment and Social Security's Healthy Companies Network and has expressed its commitment to the Luxembourg Declaration. Recognition as a Healthy Company implies that, in addition to legal compliance in terms of occupational risk prevention, the company manages the health of workers from a comprehensive and integrated approach and considers health in all company policies. The commitment assumed as a Healthy Company is materialized through the Integral System Manual of Healthy Company Management, approved by the company in October 2016 for the Fuencarral site in Madrid.

In 2016, an audit was completed on OHSAs 18,001 certification, which obtained the renewal certification until 2020 for the Fuencarral site. This certification guarantees that the health and safety at work measures implemented by the company are developed within a structured management system that is effectively integrated into the organisation. Compliance with the policy defined on the matter, is assured given that the necessary control mechanisms have been implemented and the employees responsible for carrying them out have been designated.

As part of the preventive culture and annual control of water quality, in 2016 six measurements of the drinking quality of the water were carried out at Fuencarral and one in Villaviciosa. There were also treatments for the control of Legionella in all of the water tanks at both facilities, as well as assessments of these, without the need to carry out subsequent corrective actions.

The Health and Safety Committee addressed the following matters during the year: preventive activity planning and the 2016 Training Plan, furniture requirements, the extension of the gym subsidy to

## IN ORDER TO MITIGATE THE RISK SITUATIONS IN WHICH ITS WORKERS MAY BE INVOLVED, TRAINING COURSES ARE FACILITATED.

other affected groups, temperature regulation, request for postural studies of crane operators, the emergency exits, rooftop safety, blood pressure review of the broadcasting staff, updating the assessment of psychosocial risks in areas subjected to high stress, conducting a study of the stage managers hearing levels, the Audit result and conclusions of the Occupational Risk Prevention Management System, among others.

In order to mitigate the risk situations in which its workers may be involved, training courses are facilitated; Information on jobs, associated risks and preventive measures is made available to workers on the corporate intranet; In coordination with the Programme Production area, specific prevention is carried out in the programmes special events; the coordination of preventive business activities with the collaborating companies is carried out; Preventive Resources are guaranteed in the assembling / disassembling of the programmes sets; or Authorised Personnel are designated in jobs that may pose some specific risk, among other actions.

In 2016, the prevention training program has focused, on the one hand, on courses for group specific risks and on the other, on the courses for general risks that affect most workers, such as stress management, nutrition or working with data display screens.

The distribution of such activities was carried out through the corporate Intranet, for the voluntary attendance courses, meanwhile in the case of courses considered to be mandatory for job performance, they were directly offered to recipients.

## Occupational risk prevention Training in 2016

TRAINING PROGRAMME	No. of participants	Hours taught
Electric stackers	4	16
Basic occupational risk prevention course	4	200
Innovation PRL (occupational risk prevention) course	1	13
Healthy Company (mentor Dr.)	17	187
Scaffolding training	13	78
Electrical risk training	4	24
Stress Management	11	88
Locution	5	100
Fire Fighting	19	152
Manual load handling	86	344
Skid-steer loader operators	12	72
Risk prevention in office positions	384	384
First aids	35	140
Health Progress in the Company	1	5
Operation of elevated platforms safety	1	4
Safety for Jobs performed at heights	2	16
Survival in conflict zones	4	148
Load holding	3	9
<b>TOTAL</b>	<b>606</b>	<b>1980</b>

Scope: Mediaset Group (includes both regular staff and workers contracted via temporary employment agencies)



IN 2016, THE MEDICAL SERVICE LOCATED ON THE FUENCARRAL SITE PROVIDED 4,897 PERSONNEL ASSISTANCE.

With respect to health and safety, in 2016 Mediaset España continued to encourage employees to adopt healthy lifestyles at no cost to them. These campaigns have been aimed at early detection of melanomas and skin cancer, the prevention of colon cancer for people over 50, prevention of sleep disorders, nutrition and stress management, genetic cardiovascular risk assessment, early detection Neo lung disease by low radiation level CT scan, as well as giving up smoking.

Likewise, a healthy breakfast program has been promoted in the canteen and dining room for employees, making fruit, dairy products, fresh tomatoes, olive oil, skimmed milk and decaffeinated coffee available, among others. On the other hand, for the lunch and dinners service, gastronomic information and nutritional recommendations has been provided and the option of "Wellness" dishes is made available.

Even having in place a comprehensive occupational risk prevention system, in 2016 there were a number of undesired incidents related to health and safety in the workplace, as shown below:

ACCIDENT AT WORK WITH SICK LEAVE

7

2014: 8  
2015: 5

ACCIDENT ON WAY TO/FROM WORK

5

2014: 10  
2015: 4

COMMON ILLNESS

261

2014: 299  
2015: 259

ACCIDENTS NOT AT WORK

6

2014: 2  
2015: 2

TOTAL DAYS LOST

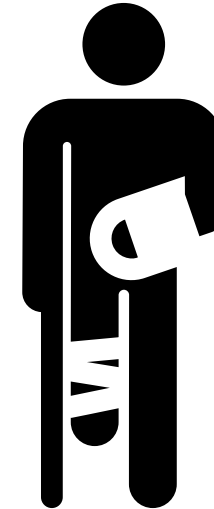
11,158

2014: 12,885  
2015: 12,145

TOTAL DAYS LOST EXCLUDING MATERNITY AND PATERNITY LEAVE

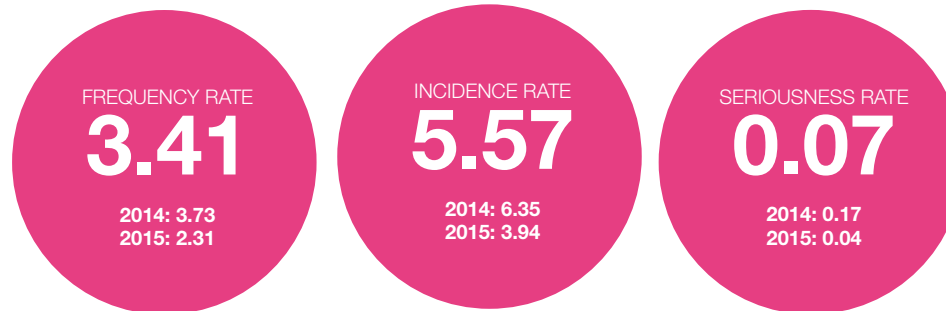
7,660

2014: S.D.  
2015: 8,970



Alcance: Grupo Mediaset

Accident rates



Scope: Mediaset Group

R. Frequency= n° ALCB x 1,000,000 / Hours worked of average employees

R. Incidence = n° ALCB x 1,000 / average employees

R. Seriousness = Days lost due to ALCB x 1,000 / Hours worked

Note: To calculate accident rates, the number of employees contributing to Social Security during the month is used on a monthly basis. This differs from the average number of employees because it only covers the number of workers under contract in each Group company at the end of the month.



# SHAREHOLDERS VALUE

AT THE END OF THE YEAR, THE MAJOR GLOBAL INDICES SHOWED A POSITIVE EVOLUTION.

In 2016, political uncertainty has driven the stock market's performance. In the first half of the year, the uk decided to abandon the european union (brexit). In the second half, after a long electoral campaign, the american people elected donald j. Trump as their 45th president. The stock market's reaction to these two milestones has been disparate; after the united kingdom referendum result the stock markets sank, after the us election the investors positioned themselves buying equity.

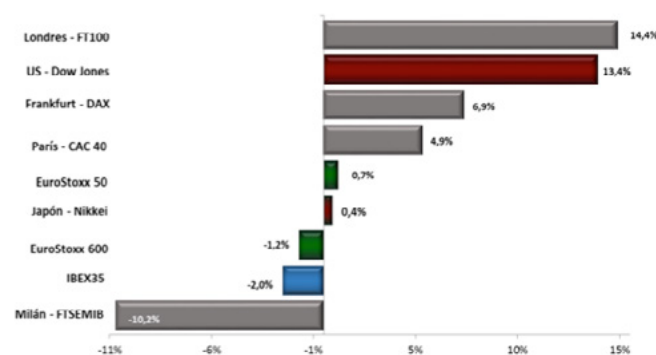
At the end of the year, the major global indices showed a positive evolution. The eurostoxx 50, the benchmark index in europe, rose by 0.7%. Among the sectors of the companies that make up the selective index, with the best results for oil (+ 16%), materials (+ 9%) and chemicals + 5%), while the sectors with the largest decrease in profitability were the food industry (-8%), telecommunications (-8%) and banking (-8%).

## Performance of the major stock markets in 2016

The ft100, benchmark index in the uk, was the best among european markets with a growth of + 14%. The german dax closed with an increase of 7%, recording the annual maximum in the last trading session of the year. The french cac40, third best european index in the year, saw an increase of + 5%. By contrast, the worst european stock indices were the spanish and italian. The italian selective index (ftsemib) closed with an annual decline of 10%, despite a rally of + 14% in the last month of the year, weighed down by the banking sector.

As for the other major global indices, the japanese nikkei marked its fifth consecutive year of growth, with an increase of 0.4%; The accumulated increase in the nikkei's streak is 126%.

The us markets had a very positive year, closing at levels close to its historical maximums, pushed by the president-elect's plans for infrastructure and protection of the us economy. The dow jones recorded a 13% increase, the s & p500 + 10% and nasdaq + 8% technology at the end of the year.



Source: bloomberg





The euro / dollar exchange rate had a negative performance in 2016 (-3.2% Closing at \$ 1,052); after the election of the new president, the american currency had a strong rally that brought the exchange rate closer to parity.

The spanish risk premium had a flat annual evolution, although it showed a disparate evolution between the first and second part of the year. In the first half of the year, there were increases that led the risk premium to reach its highest at 167 points on june 24 (the day of the results of the british referendum). In the second half of the year, the risk premium benefit from the spanish general elections' result, that showed a situation of greater political stability, leading the risk premium to reach its annual minimum on october 10, at 97 points. In the last months of the year there was a slight rebound, due to the international political uncertainty, generated by the results of the american presidential elections and the negative result of the constitutional referendum, held in italy in early december.

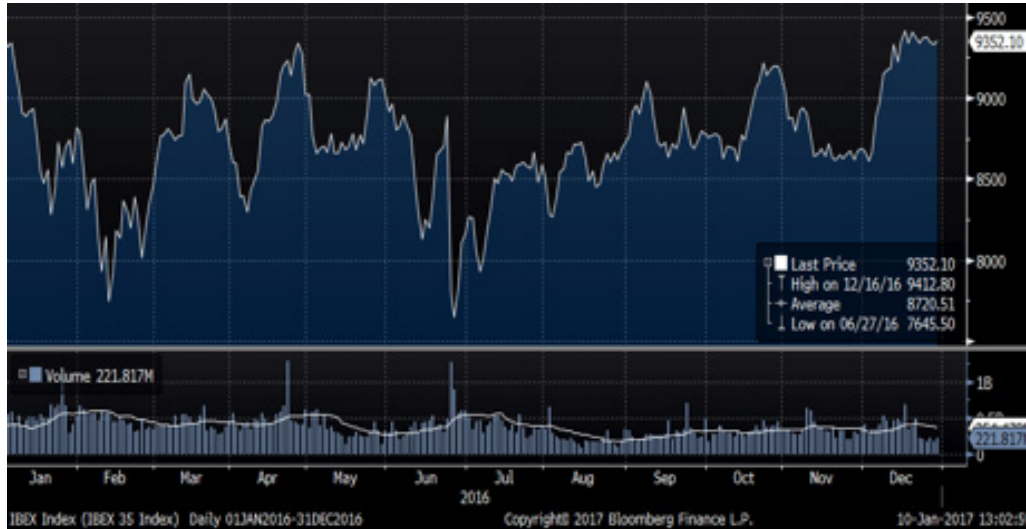
## Performance of spanish risk premium in 2015



Source: bloomberg

The ibex35, the benchmark index of the spanish stock market, was the second worst among the european indices with a decline of 2%. The annual closing was 9,352.1 Points; the annual maximum was reached on december 16th (9,412.8 Points) while the lowest was on june 27th at 7,645.5 Points. The ibex did not manage to present "green numbers" during the year, although the worst moment was after the british referendum result.

## Ibex35 performance in 2016



Source: bloomberg

The Spanish political uncertainty was one of the main factors that affected the evolution of the Spanish selective index. The annual minimum coincided with the results of the votes of the repeated general elections on June 26th. Since then, the revaluation of the index was 22%. In any case, the evolution of the index has been difficult during the year due to many external factors: British and Italian referendums, decisions of European and North American central banks, evolution of currencies and also the price of oil. It is necessary to show how the dividend yield of the Spanish stock market has been the highest among the major global stock markets (4.5%); Taking into account the dividends paid in the year, the IDEX grew 2.6% in 2016.

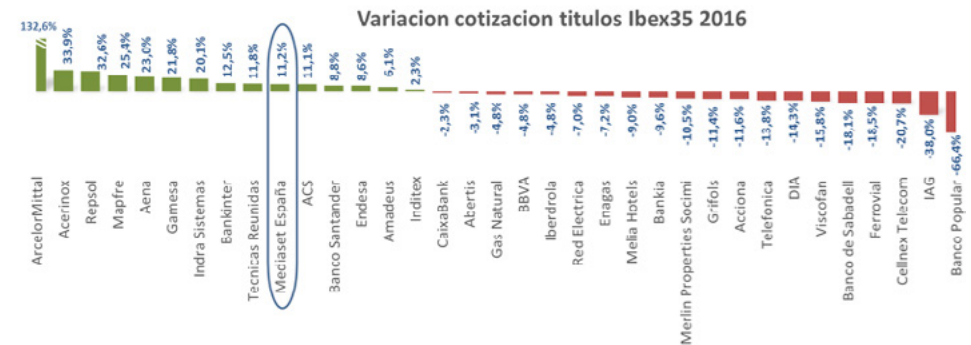
The 35 largest stocks of the Spanish stock market closed 2016 with a capitalization of 580,888 million euros, 20,687 million more than in the previous year. The IDEX35 trading volume in 2016 was 578,027 million euros, which represents a decline of one third (-32%) compared to the previous year. The most traded stocks were Santander, BBVA and Telefonica, which together accounted for 40% of the total volume of the year.

## Ibex35 volume in 2016



At the end of the year, 15 selective index stocks had a positive annual performance, the best being ArcelorMittal (+133%), thanks to the increase in raw materials, Acerinox (+40%) and Repsol (+33%), benefit from the increase of the crude oil price. While the three worst stocks were Banco Popular (-66%), IAG (-38%) and Cellnex (-21%), with the banking sector penalized the most.

## Ibex35 share price variation 2016



Source: bloomberg

Mediaset España closed the year at €11.15, representing an annual increase of 11% and ranking among the top ten IDEX35 companies in 2016. The annual minimum was reached on February 11th at €8.26. While the maximum value of the share price was on June 7th at €12.01; A variation of more than 45% between the annual minimum and maximum.

## Mediaset españa's share price performance in 2016



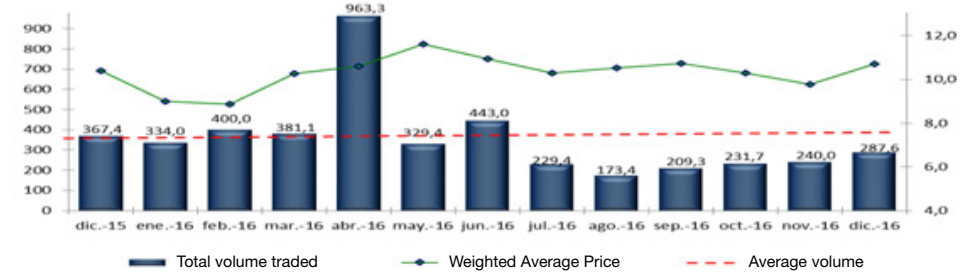
Source: bloomberg

The average daily shares traded were 1,600,620, representing a 25% decrease with respect to the previous year, while in euros, the daily average traded was € 16,428,399.

The total volume traded by mediaset españa in 2016 was € 4,222.1 Million, with a variation of € 1,625 million (-28%) compared to the previous year. The total volume of shares traded in 2016 was 411.5 Million, compared to 527.8 In 2015. The variation is explained by the capital reduction approved on april 13th, 2016 and the consequent lower number of shares present in the market.

## Mediaset españa's volumes in 2016

Mediaset España; Total volume traded (€m) and Weighted Average Price Dec 2015-Dec 2016

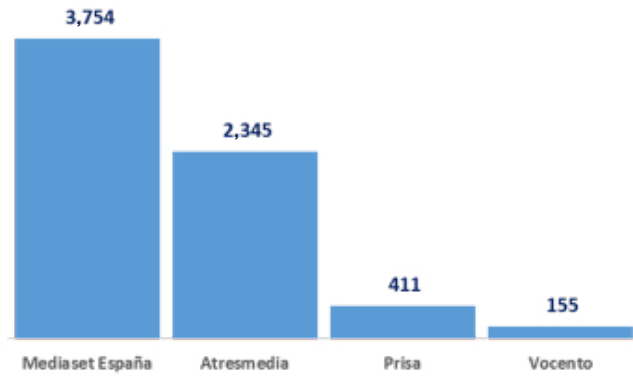


Source: bloomberg

Mediaset españa's market capitalisation, at 31st december, was € 3,754.4 Million, an increase of 2.2%. The difference between the share growth (+ 11%) and the share price is mainly justified by the 8% reduction of the company's capital approved at the shareholders general meeting.

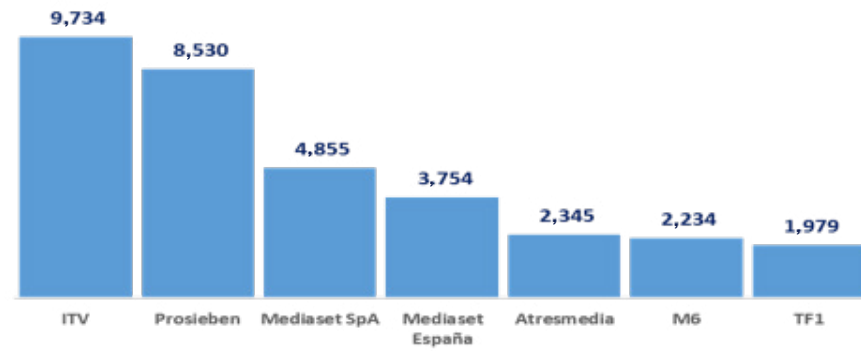
In the market capitalisation ranking, mediaset españa leads among the media companies in the spanish market, with a difference of more than €1,400 million compared to its closest competitor (atresmedia) and 29% higher than the sum of all the companies in the sector.

### Capitalisation of companies' in the media sector in Spain in 2016



Source: bloomberg

### Capitalisation of companies' in the media sector in Europe in 2016



Source: bloomberg

Mediaset España ranks fourth in the European broadcasters' ranking for another year, behind ITV, Prosieben and Mediaset SpA.



**DURING THE YEAR,  
221 MEETINGS  
WERE HELD WITH  
INSTITUTIONAL  
INVESTORS, EITHER  
IN PERSON OR VIA  
CONFERENCE CALL,  
WHICH ALLOWED  
DIRECT CONTACT  
WITH OVER 663  
INVESTMENT  
COMPANIES.**

## Investor relations and shareholder office

Mediaset españa has been listed on the stock market since 2004 and during this period has been able to gain the trust of investors thanks to the credibility of the communication maintained.

The evolution of the advertising market in 2016 has been very volatile, although positive, and together with the national and international political uncertainty, have had an impact on the performance of the company's shares in the stock market. This has represented a period of continuity of the activity carried out by the investor relations department, which reflects the important interest by investors as well as a great opening for the company to communicate with one of its main groups of interests.

Thus, in 2016, mediaset españa has taken part in 21 conferences (3 more than in 2015) held in Spain, the UK, France, Switzerland and the USA, devoted to media groups and companies in Spain and Portugal. Additionally, the company has organised 6 working breakfasts with Spanish investors and 10 roadshows with potential investors in Europe, (London, Paris and Frankfurt) and in the US (Chicago).

During the year, 221 meetings were held with institutional investors, either in person or via conference call, which allowed direct contact with over 663 investment companies.

Likewise, numerous meetings and conference calls have been held with analysts from the various brokers that cover the company.

The company has also regularly updated its website with specific areas dedicated to offering relevant information for shareholders and investors, and an effort has been made to widen the variety of services and information offered to the public.

With regard to the attention offered by mediaset españa to minority shareholders, it is worth noting that communication has been solidly maintained with these shareholders during the year either by telephone or by email. In quantitative terms, every month an average of 100 emails and 100 telephone calls were received, which are dealt with by the shareholders office. Most of the questions raised by minority shareholders concern the payment of dividends, holding of general meetings and the company's share price.

# Main questions raised by investors

## What level of costs will we have in 2017?

Regarding next year's costs, we will give guidance with a specific number once the Board of Directors have approved the annual budgets. As a preliminary idea, we can anticipate that costs are expected to be in line with those of the previous year. While it is true that in 2017 there will be no major sporting events, and therefore we will save the investment made in the EURO16, we must consider that we will have to reinvest some of the savings to replace the 2016 sports programming.

In addition, we will have a full year of the new channel BeMad (compared to the 8 months of 2016, since the channel was launched at the end of April) and we hope to make more investments in content for that channel. We will have an increase in variable costs, assuming that the advertising market continues to grow and also some level of inflation for the other costs. Therefore, in 2017, we expect the costs to be in line with those of the previous year.

## What is the evolution of the market in 2016 and what market share will the television market have among the conventional media?

Regarding conventional advertising investment, we are seeing how television evolving very well, we can say that television is stronger than ever. Its strength is demonstrated across all rankings: coverage, penetration, speed in the distribution of the messages between the most relevant and differential qualities with other media. We think TV will continue gaining market share and will be stronger over time.

The TV advertising market of very volatile and very short-term and therefore it is difficult to make annual forecasts. For the year 2016, we expect a positive evolution since advertising investment has a strong correlation with the evolution of private consumption and the disposable income of families, and the forecasts for both indicators are positive.

## What is the market share target for Mediaset España in 2016?

Our goal, every year, is always the same: to be leaders of the television market. Although our competitors have strengthened their offer of sports rights, we are convinced that we will be able to confirm our leadership once again. We have been leaders in the TV market since 2004 and we aim to remain so.

The cyclicity of advertising investment means that in the first quarter our market share is very level with that of our main competitor. However, in the other quarters we have a consolidated advantage which means that at the end of the year we are first.

## How has the movie "A Monster Calls" performed at the box office and how much of the takings goes into our accounts?

The film "A Monster Calls" achieved the highest box office takings of 2016 in Spain, among Spanish films, and is among the top 5 blockbuster films in history. Because of these great figures, we expect a profit from this film.

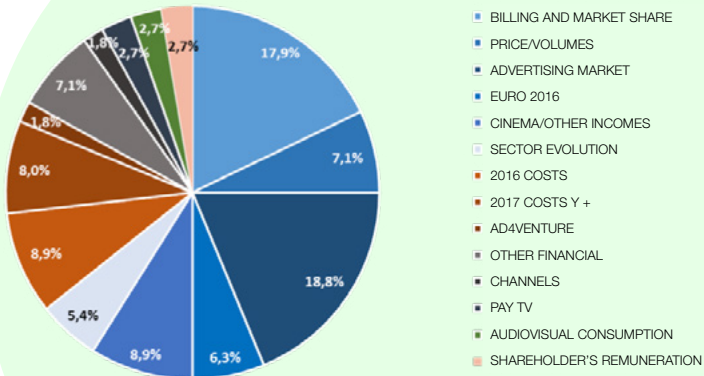
The distribution costs and cinemas commissions should be deducted from the gross box office takings. About 17% of the film's top line growth, after costs and commissions are deducted, is transferred to our income statements.

## ¿What is the priority in the costs management: the maintenance of the margins or the level of expenses?

The priority is always the maximization of operating margins. So, if the market was so good that with an increase in investment we thought we would get more advertising revenue and a market share increase, we would do it. If, on the other hand, we evaluated that there would be no increase in billing, we would not increase the investment.

When we give costs guidance at the beginning of the year, it must be considered as the best estimate, and within the number published there are a mixture of different factors that we hope will occur throughout the year.

Main questions raised by investors







# ECONOMIC AND FINANCIAL RESULTS

## Consolidated financial statements (thousand euros)

	2014	2015	2016
Current Assets	523,449	469,285	432,268
Non-Current Assets	962,970	916,860	865,772
<b>Total Assets</b>	<b>1,486,419</b>	<b>1,386,145</b>	<b>1,298,040</b>

	2014	2015	2016
Equity	1,189,406	1,069,903	987,954
Current Liabilities	265,753	289,836	286,694
Non-Current Liabilities	31,260	26,406	23,392
<b>Total Liabilities</b>	<b>1,486,419</b>	<b>1,386,145</b>	<b>1,298,040</b>

## Summary of Separate Consolidated Income Statement (€ million)

	2014	2015	2016
Total net operating income	932.09	971.93	991.98
Operating costs	787.33	766.74	767.55
Operating profits	144.75	205.18	224.44
Profit/(loss) before taxes and minority interests	85.55	219.14	225.82
<b>Net profit/(loss), group<sup>1</sup></b>	<b>59.49</b>	<b>166.16</b>	<b>175.66</b>

<sup>1</sup> Attributable to the Parent Company's shareholders

## Operating income and expenses (thousand euros)

	2014	2015	2016
<b>Income</b>			
Group advertising revenues	855,682	897,973	926,916
Other advertising revenues	2,424	3,815	2,515
Provision of services	53,011	48,824	47,578
Other	8,283	7,279	8,029
Other operating income	12,687	14,040	6,945
<b>Total</b>	<b>932,087</b>	<b>971,931</b>	<b>991,983</b>

	2014	2015	2016
<b>Operating expenses</b>			
Decrease in inventories of finished goods and work in progress	3,076	(4,832)	(164)
Procurements	260,855	236,276	240,917
Staff costs	106,186	105,041	105,872
Amortisation of audio-visual rights	199,220	205,156	205,455
Depreciation/amortisation	17,268	17,099	17,924
Change in operating provisions	1,850	388	(5,999)
Other expenses	198,878	207,619	203,543
<b>Total operating charges</b>	<b>787,333</b>	<b>766,747</b>	<b>767,548</b>

## Generated and distributed economic value (€ million)

	2014	2015	2016
Generated economic value	932.1	971.9	992.0
Distributed economic value			
a. Operating costs	787.3	766.7	767.5
b. Taxes and minority interests	26.1	53.0	50.2
c. Donations and community investments <sup>1</sup>	14.2	25.8	10.7
Total distributed economic value	827.6	845.5	828.4
Retained economic value <sup>2</sup>	104.5	126.4	163.6

<sup>1</sup> Refers to donations made to non-governmental organizations and advertising spots given to NGOs free of charge.

<sup>2</sup> Retained economic value = generated economic value - distributed economic value.





# TAX TRANSPARENCY

THE FINAL RESULTS OF THE TAX INSPECTION ATTEST THAT THE GROUP HAS DULY COMPLIED WITH THE TAX REGULATIONS IN FORCE AT ALL TIMES.

During the fiscal year of 2016 the Group was subject to a tax inspection made by the Spanish High Income Tax Payers Central Department of the Spanish Tax Agency. Said inspection covered the period of time between 2011 and 2014 and included the most important taxes of which the Group was a taxpayer (VAT, Corporate tax, Personal Income Tax and Tax for non-residents). At the end of the process, --signed and approved-- records of € 1.1 million were created, a very small quantity in comparison to the business volume of the Group during the period of time that was subject to inspection, and therefore, to the amount of taxes accrued for all of the tax concepts that were subject to verification.

It should also be taken into account that during the period of time that was subject to inspection, some quite complicated transactions were made (purchase of both Spanish and non-Spanish companies with subsequent merger and/or sale and purchase transactions, fulfilment of goodwill, and losses in said engagements), that were also subject to the amount of legal modifications and limitations established during those years and that were created in order to increase the tax collection.

Therefore, the final results of the tax inspection attest that the Group has duly complied with the tax regulations in force at all times, respecting and adjusting to all of the changes that were taking place and documenting accordingly all of the economical transactions involving taxes. It should be taken into account that given the good quality of all the information that was provided by the Group and the swiftness to comply with all of the Inspection requirements, this was completed in a period of just

7 months—a very short period of time considering the depth and complexity of these kind of inspections.

Regarding the activity of the Group outside of Spain, it should be pointed out that the only real economic activity that the Group Mediaset is carrying out in other countries is the one being performed at Netsonic S.L. (a company established in Spain which is part of the scope of consolidation of the Group) through its investee companies located in Latin America, more specifically in Mexico, Colombia, USA and Peru.

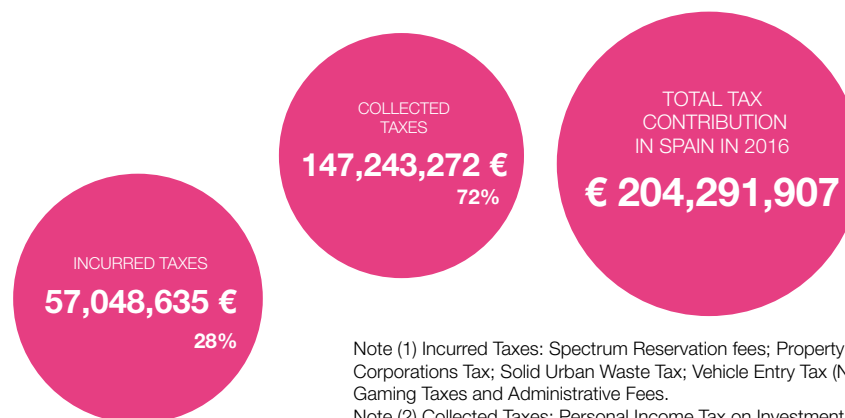
The activity consists solely on selling programmatic advertising in several media outlets in these countries. This business is strictly connected to the main activity of the Group in Spain, which is selling advertising in an extensive manner. On the other hand, the group owns an equity stake in Pegaso TV, which, at the same time, and through the company CaribeVision --of which it is a shareholder--, takes part in a free-to-air TV business established in Miami. In this case, however, the Group is not performing the activity directly, neither it is part of it through a global consolidation. The activity consists mainly in a minority shareholding in a company of which it doesn't own the majority and it doesn't control its management and which results are shown in the financial statements of the Group through the equity method.



## Tax paid by Mediaset Group (euros)

	<b>2016</b>
Spectrum Reservation fees	764,807
Property Tax	312,246
Business Activities Tax	90,033
Personal Income Tax on Investment Income	3,603,335
Value Added Tax (VAT)	104,936,372
Non-resident income tax	13,719,950
Personal Income Tax on Lease Income	10,321
Personal Income Tax on Earned Income, Economic Activities, Awards	24,914,332
Personal Income Tax on Earned Income, Economic Activities, Awards (Basque Country)	58,961
Corporations Tax Instalment payments	36,260,012
Corporations Tax	(6,677,032)
Solid Urban Waste Tax	43,362
Vehicle Entry Tax (No Parking)	16,565
RTVE Finance Contribution	24,107,578
CNMV Fees	50,000
Gaming Taxes and Administrative Fees	2,081,064
<b>TOTAL</b>	<b>204,291,907</b>

Note: Corresponding to the tax paid by the Group's companies in Spain (Mediaset España, Publiespaña, Publimedia Gestión, Telecinco Cinema, Premiere Megaplex, Conecta 5, Grupo Editorial, Netsonic, Mediacinco Cartera, Advertisement 4 Adventure, Sogecable Editorial and Integración Transmedia), which are managed by Mediaset España.



Note (1) Incurred Taxes: Spectrum Reservation fees; Property tax; Business Activities Tax; Value Added Tax (VAT); Corporations Tax; Solid Urban Waste Tax; Vehicle Entry Tax (No Parking); RTVE Finance Contribution; CNMV Fees; Gaming Taxes and Administrative Fees.

Note (2) Collected Taxes: Personal Income Tax on Investment Income; Non-resident income tax; Personal Income Tax on lease income; Personal Income Tax on earned income, economic activities, awards; Value Added Tax (VAT)

IN 2016, THE MEDIASET GROUP'S TAX CONTRIBUTION IN SPAIN AMOUNTED TO

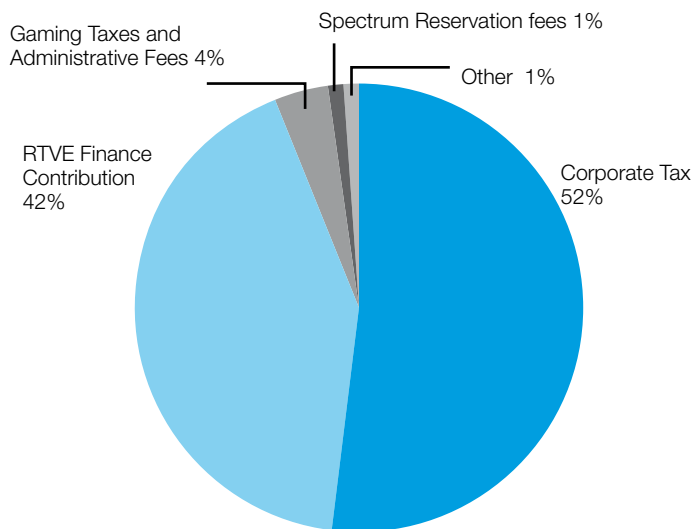
**204**  
MILLION EUROS.

72% CORRESPONDS TO TAXES COLLECTED BY THE COMPANIES OF THE GROUP, SUCH AS VAT, INCOME TAX OR NON-RESIDENT INCOME TAX.



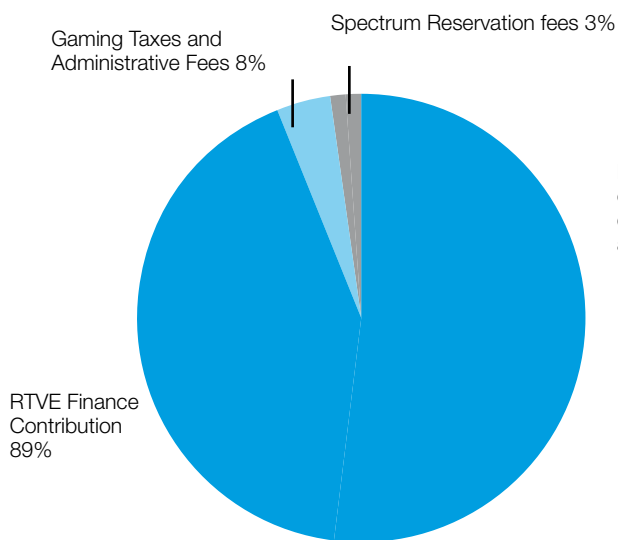
## Mediaset Group Incurred Taxes 2016

The taxes incurred by the Mediaset Group in 2016 amounted to 57 million euros, where almost 52% corresponds to Corporate Income Tax and almost 43% to RTVE Finance Contribution.



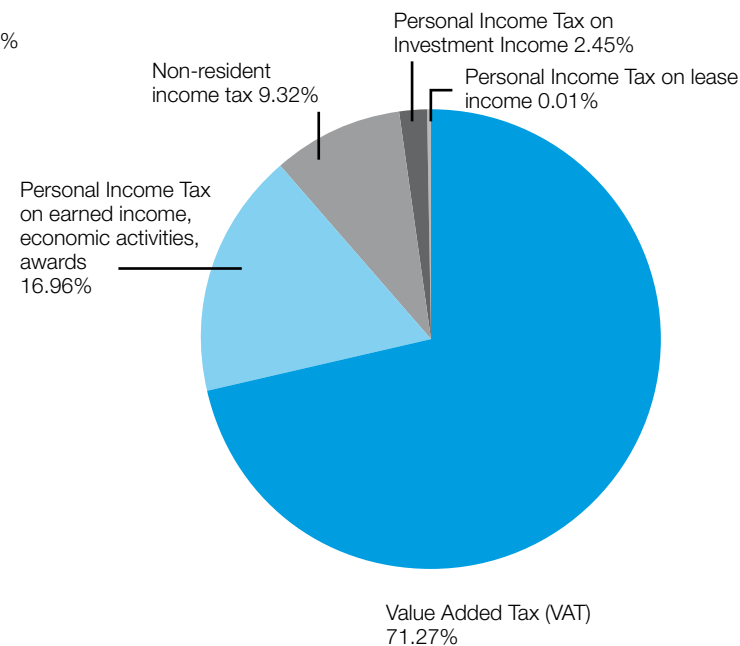
## Sector specific taxes/fees

The incurred fees or taxes of specific activities in 2016 amounted to 27 million euros, where 89% corresponded to the RTVE finance contribution.



## Collected Taxes

The taxes collected by the Mediaset Group during 2016 amounted to more than 147 million euros, where more than 70% of the tax contribution corresponds to value added tax (VAT) and almost 17% to the Personal Income Tax on Earned Income, Economic Activities and Awards.





## Mediaset Group's Tax Contribution with regards to the revenues in 2016.

21% of the Mediaset Group's turnover is used to pay taxes, of which 6% corresponds to incurred taxes and 15% are collected taxes.

## Total Tax Contribution Ratio in 2016

In 2016, the ratio of the Mediaset Group's Total Tax Contribution in Spain amounted to 25%. The incurred taxes represent 25% of the total consolidated profit before taxes.

## Reconciliation between the Profit for the year before tax and Corporate Tax.

Profit and Loss account	2016
Consolidated profit for the year before tax	225,816
Permanent differences	20,763
Temporary differences	(31,549)
Taxable income (tax result)	215,030

Corporate Tax	2016
Taxable income	215,030
Tax payable (25%)	53,758
Offsetting negative taxable incomes	(13,439)
Deductions and rebates	(10,703)
Withholdings	(36,292)
Corporate Tax	(6,677)

DEDUCTIONS AND REBATES: CORRESPOND TO AUDIOVISUAL PRODUCTIONS' DEDUCTIONS (94%), DOUBLE TAXATION AND OTHERS.

WITHHOLDINGS: CORRESPONDS TO ADVANCED CORPORATE TAX PAYMENTS (99,9%) AND WITHHOLDINGS OF INVESTMENT INCOME IN 2016.

Note: Effective tax rate (24,40%) deferred nominal tax rate (25%) due to the audio-visual production's deductions.

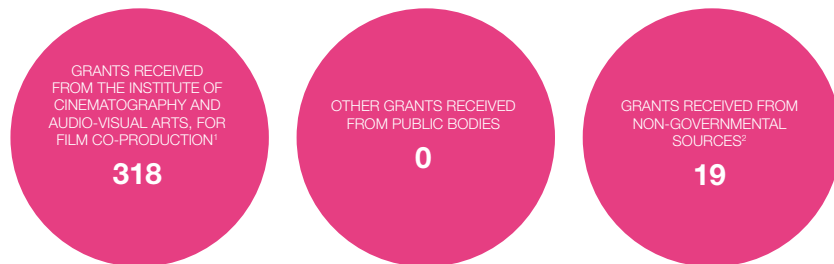
## Taxes Collected in the United States

	DOLLARS	EUROS
Mediaset España	69,440 (1)	62,701 (1)
Telecinco Cinema	6,400 (1)	5,774 (1)
Netsonic Corporation (2)	385	365
Total	76,225	68,839

(1) Corresponding to the withholdings incurred in the charging of US customers.

(2) Nestonic Corporation has not paid Corporate Tax, as it is in losses.

## Grants received (thousands euros)



1 Corresponds to the grants received by Telecinco Cinema, within the framework of the grants for the amortization of cinematographic feature films.

2 Corresponds to the grants received from The Bio-diversity Foundation, within the framework of the Official Announcement of Grants for the Promotion of Environmental Information.

## Negative Taxable Income (thousands euros)

CONECTA 5	6,703 €	MEDIACINCO CARTERA	206,579 €
PREMIERE MEGAPLEX	1,977 €	NETSONIC	861 €

## Other data of interest

PERCENTAGE OF INTRA-GROUP PURCHASES WITH REGARDS TO THE TOTAL PURCHASES

**13.23%**

FINANCIAL COST OF THE DEBT

**1.99%**

TOTAL EXTERNAL DEBT

**0**

PERCENTAGE OF THE INTRA-GROUP DEBT WITH REGARDS TO THE TOTAL DEBT

**0**

FINANCIAL COST OF THE INTRA-GROUP DEBT

EURIBOR

**+ 2.5**

TAX EXEMPTIONS GRANTED (THOUSANDS OF EUROS)<sup>1</sup>

**82,206 €**

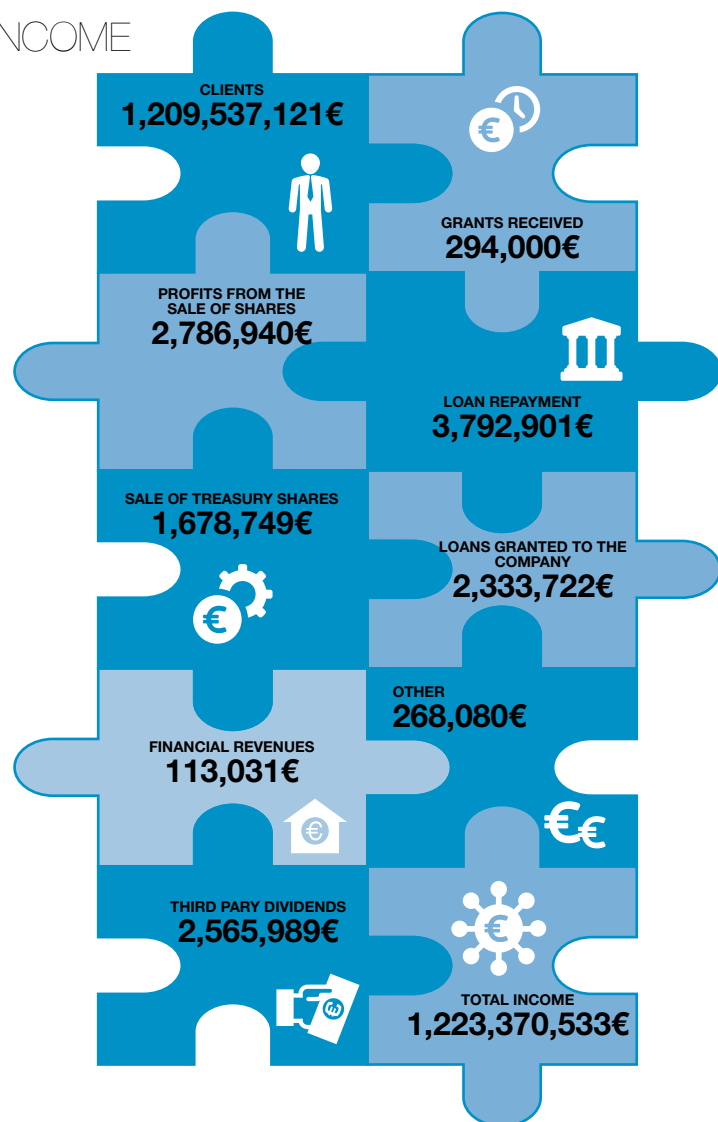
<sup>1</sup> The only tax exemptions corresponds to the dividend exemptions, in accordance with the Corporate Tax Law.



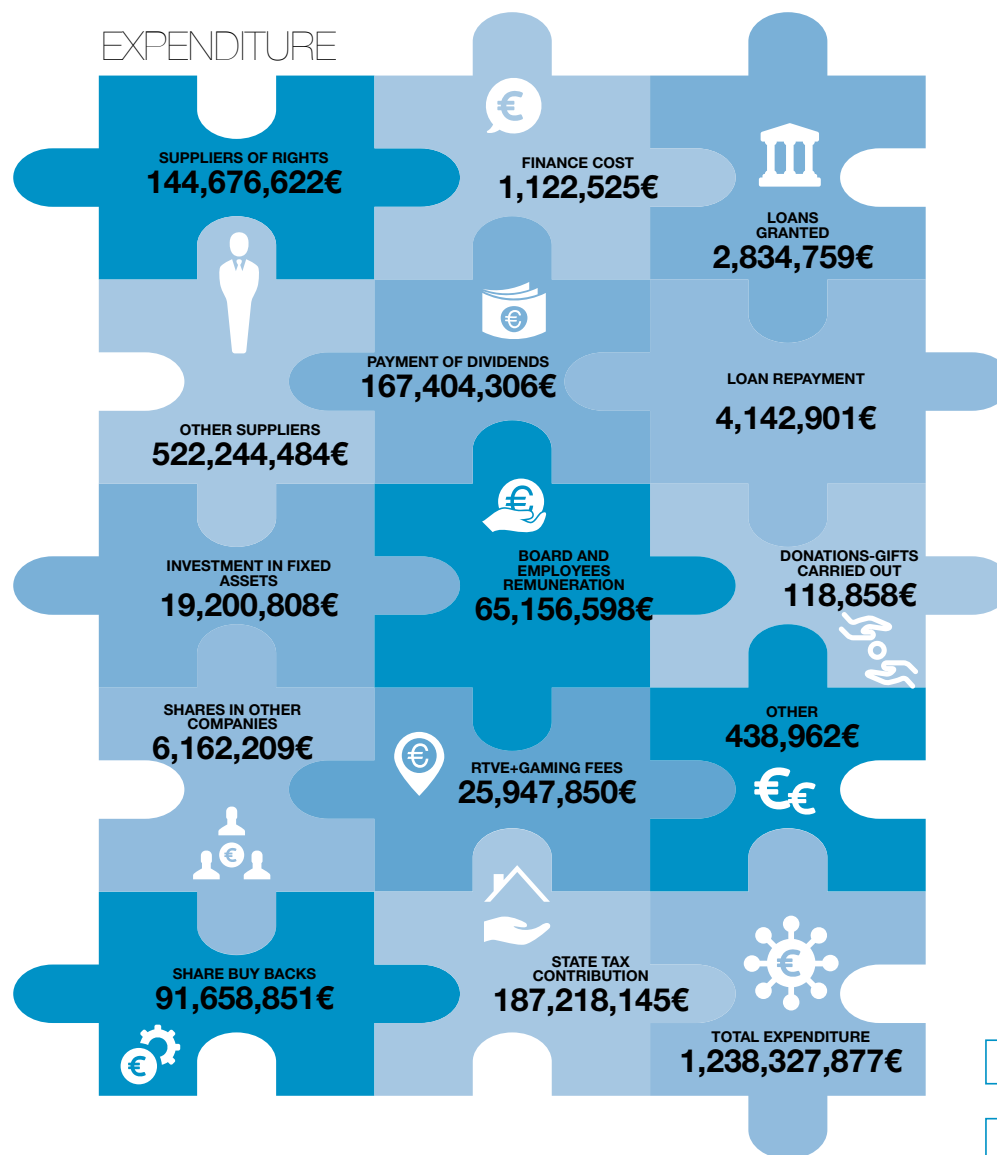
# SOCIAL CASH FLOW

Through the following social cash flow, Mediaset España intends to measure and report on the contribution of real value to the company in which it operates, through the cash flows generated and distributed by the company.

## INCOME



## EXPENDITURE



NET VARIATION OF THE CASH-FLOW  
14,957,343€

Note: The criteria used for social cash flow during 2016 was the cash movement criteria, which differs from the accrual criteria used in the accounting information. At the same time, intra-group accounts have not been considered. Neither has the contribution of the company through the free assignment of advertising spots for charitable causes been taken in account, as they did not imply a cash movement. In 2016, they were valued at € 10,537,535.

# VALUE FOR SOCIETY

ONCE AGAIN, 12 MESES HAS FOCUSED ON DETECTING AND ADDRESSING THE NEEDS OF THE MOST VULNERABLE GROUPS, FOCUSING ON THE WAYS TO COLLABORATE WITH THE PROBLEMS THAT AFFLICT SOCIETY.

## 12 Meses' a reference of social responsibility within the media business for 17 years.

In 2016, Mediaset España's social action initiative has carried out its seventeenth year of work in the field of information, awareness and the positive call to action. Once again, 12 Meses has focused on detecting and addressing the needs of the most vulnerable groups, focusing on the ways to collaborate with the problems that afflict society.

During 2016, 12 Meses has maintained its particular fight against gender violence, on this occasion it focuses on the fight against the trafficking of women for the purpose of sexual exploitation through the campaign 'With trafficking there are no deals'; it has maintained its support for the organ donation campaign led by the National Transplant Organization through 'You are perfect for others'; it has broadened the objectives of 'Committed' by publicizing the children's rights, for whom it has contributed along with various NGOs to collect funds for groups at risk of social exclusion, and in January 2017 will start one of its most ambitious initiatives: "Brave people" Wanted', a campaign for the eradication of bullying.



12 Meses has also continued to support various initiatives related to education, and has assisted, for the second year, the 'Managing children' event, as well as other campaigns that appeal to solidarity after natural disasters, such as their collaboration in the documentary 'Sunrise in Nepal', based on the drama experienced in the Asian country after the 2015 earthquake.

In order to tackle all of its campaigns, 12 Meses has relied on and continues to rely on exhaustive journalistic work, identifying the critical points that need to be addressed in the first instance, how deliver the message to its viewers to achieve their maximum support and the call to action through different initiatives on their News programmes, in-house production programmes, webs and social networks.

Together with its work as a content creator, 12 Meses has carried out a big promotion of its objectives to give publicity and put each of its campaigns into the spotlight, to once again be a reference in social action in the media with its creative team, Mediaset España's Communication and External Relations Management, and the participation of the whole company, has provided not only coverage and its contents, but also its advertising space, with the broadcast of 4,622 grps through the broadcasting of different spots backed by the social advertising project and other solidarity entities, which translates into an economic value of more than 10.5 million euros.



LAUNCH OF THE 12 MESES AND THE ONT CAMPAIGN, MORE THAN 225,000 PEOPLE HAVE INFORMED THEIR FAMILY, FRIENDS AND THOSE FROM THEIR IMMEDIATE ENVIRONMENT OF THEIR INTENTION TO DONATE THEIR ORGANS, RECEIVING APPLAUSE FROM THE AUDIENCE AND THE RECOGNITION OF ASSOCIATIONS, INSTITUTIONS, THE MEDIA AND SOME OF THE MOST IMPORTANT SOCIAL ADVERTISING CONTESTS.

## 100,000 organ transplants in Spain thanks to the campaign ‘You are perfect for others’

The huge campaign “‘You are perfect for others’ started in 2012 together with the National Transplant Organization (ONT) reached one of its most important milestones with the achievement of 100,000 organ transplants in 2016. To celebrate the record, Mediaset España launched a new spot in which Isabel Jiménez, a Telecinco News presenter, Javier Ruiz, presenter of ‘Cuatro’s mornings’, Joaquín Prat, of ‘The Ana Rosa Programme’ celebrated the success achieved by the ONT and thanked the generosity and solidarity of Spanish society, which were key to accomplishing this important achievement in the country which is the world transplant leader.

Since the launch of the 12 Meses and the ONT campaign, more than 225,000 people have informed their family, friends and those from their immediate environment of their intention to donate their organs, receiving applause from the audience and the recognition of associations, institutions, the media and some of the most important social advertising contests. In its four year campaign, ‘You are perfect for others’ has, throughout the different phases, relied on the participation of some of the renowned faces of Mediaset España, such as Pedro Piqueras, Jesús Vázquez, Jorge Javier Vázquez, Ana Rosa Quintana, Emma García, Nico Abad or Tania Llasera, among others. Throughout its history, the campaign, which has also launched the app ‘I am a donor’ for mobile devices, has aimed its resources at promoting bone marrow donation in collaboration with the Fundación Josep Carreras and to commemorate the 25th anniversary of the launch of the ONT.

In addition, Mediaset España has been the mediapartner for the premiere of ‘The interpreter’, an Inicia Films documentary on the process of organ donation in Spain through the characters: Silvia, a nurse responsible for dealing with families about the possibility of a donation and Augustine, a patient waiting for a new heart.



## “With trafficking there are no deals” and Cuatro’s programme ‘Slaves’, reporting the reality of sexual slavery hidden behind prostitution in Spain

Since the end of 2014 and in collaboration with the National Police, 12 Meses has promoted the campaign “ With trafficking there are no deals”, with the aim of unveiling the reality of trafficking in women for sexual purposes in Spain, an activity carried out by 45,000 women and moves five million euros a day. The various initiatives launched under this campaign, with Ana Rosa Quintana as an opinion leader, announcer and protagonist of the institutional spots broadcasted on the different channels of Mediaset España, they have been supported by the current affairs and news programmes of Telecinco and Cuatro, and have succeeded at multiplying, by ten, the calls with complaints of these types of crimes where citizen collaboration is fundamental.

Supporting this campaign, Cuatro premiered ‘Slave’ in prime time, a documentary series made with the collaboration of the Ministry of Health, Social and Equality Services on gender violence presented by Roberto Arce with whom Mediaset España made a social call on the importance of differentiating the freely exercised prostitution from the trafficking of women, which is considered a criminal activity.



SINCE THE END OF 2014 AND IN COLLABORATION WITH THE NATIONAL POLICE, 12 MESES HAS PROMOTED THE CAMPAIGN “ WITH TRAFFICKING THERE ARE NO DEALS”, WITH THE AIM OF UNVEILING THE REALITY OF TRAFFICKING IN WOMEN FOR SEXUAL PURPOSES IN SPAIN, AN ACTIVITY CARRIED OUT BY 45,000 WOMEN AND MOVES FIVE MILLION EUROS A DAY.

## ‘Committed 2016’, for the children’s right to be children and against child poverty

To make known and raise awareness of the values of the International Law on the Protection of Children, thus helping to break the cycle of child poverty and social exclusion and to promote the involvement of the whole society in defense of children’s rights, has been the objective of the second edition of ‘Committed’, a 12 Meses campaign that Mediaset España has carried out with the collaboration of the Obra Social La Caixa and the Fundación Rosa Oriol.

Sister Lucía and Father Ángel, founder of Messengers of Peace and Príncipe de Asturias’s Award of Concordia, have once again hosted this new campaign, which continues and expands the objective of the previous edition, helping to alleviate child poverty and, especially by raising awareness of children’s rights. In order to sensitize the audience to the needs of the young, Mediaset España has developed and produced three spots with the voices of the more than 200 orphaned children that make up the Safari Choir in Uganda, which were broadcasted on all the group’s television channels -except Boing- with the support of the News, in-house production programmes, social networks, radio and Internet.

The ultimate goal of this new initiative from 12 Meses, in addition to sensitizing citizens, has been to seek an active response through donations made via the website [www.loscomprometidos.com](http://www.loscomprometidos.com), managed by the Obra Social La Caixa, which has made it possible for those interested parties to contribute financially. The funds raised have been donated to 12 NGOs and foundations in Madrid, Catalonia, Andalusia, Valencia and Uganda, and aim to improve the living conditions of children in situations of social exclusion. In this respect, in 2016, the 200,000 euros collected during the first edition of the campaign in December 2015 was handed over.



## ‘12 Meses’, mediapartner of the educational event ‘Managing children’

Mediaset España, through its social action initiative, has become the ‘mediapartner’ of ‘Managing children. Know more to educate better’ ([www.gestionandohijos.com](http://www.gestionandohijos.com)), an educational event that takes place throughout the year for citizens, families, businesses and the media to work on the construction of a better educational society and offering a series of guidelines aimed at improving the work undertaken by parents. The event, which has been held in the past in May in Barcelona, hosted by the presenter Ruth Jiménez and broadcast live on Mitele.es, has included several presentations by expert psychologists, pedagogues, journalists and other professionals specialized in the world of education.

## 12 Meses, contributor to the documentary “Sunrise in Nepal”

On April 25, 2015, a 7.8-magnitude earthquake devastated Nepal, causing more than 8,000 deaths and hundreds of thousands of people lost everything. Reviving and surviving this catastrophe is the axis of ‘Sunrise in Nepal’, a documentary from the journalist Miguel Ángel Tobías with whom 12 Meses has collaborated. Premiered in several Spanish cities in a solidarity premier whose benefits were destined to various social projects in Nepal, the film reflects on the meaning and significance of life through people deprived of family, friends and homes because of a tragedy that annihilated whole villages.

# GLOBAL COMPACT COMPLIANCE

			<b>How is managed by Mediaset España</b>
<b>HUMAN RIGHTS</b>	PRINCIPLE 1	Companies must support and respect the protection of fundamental human rights, internationally recognised, within their area of influence.	Content Management Team Management Supply Chain Management
	PRINCIPLE 2	Companies must ensure that their companies are not complicit in the violation of Human Rights.	Content Management Team Management Supply Chain Management
<b>EMPLOYMENT RULES</b>	PRINCIPLE 3	Companies must support the freedom of association and the effective recognition of the right to collective bargaining	Team Management
	PRINCIPLE 4	Companies should support the elimination of all forms of forced or coerced labour.	Team Management Supply Chain Management
	PRINCIPLE 5	Companies should support the eradication of child labour.	Team Management Supply Chain Management
	PRINCIPLE 6	Businesses should support the abolition of employment and occupation discrimination.	Team Management Supply Chain Management
<b>ENVIRONMENTAL</b>	PRINCIPLE 7	Companies should maintain a preventive approach that favours the environment.	Environmental Performance
	PRINCIPLE 8	Companies should encourage initiatives that promote greater environmental responsibility.	Environmental Performance
	PRINCIPLE 9	Companies should promote the development and diffusion of environmentally friendly technologies.	Environmental Performance
<b>ANTICORRUPTION</b>	PRINCIPLE 10	Companies must work against corruption in all its forms, including extortion and bribery.	Risk Management





# COMMITMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development is the new international agenda that addresses the goals of the international community in the period 2016-2030 for the eradication of poverty and to promote sustainable and equitable development. It has been drafted in a process of international consultation coordinated by the Nations, which began in 2012 and ended in September 2015, with its formal announcement at the United Nations Assembly. This was attended by, and involved, States, companies, third sector organizations from all countries of the world and all its citizens.

This Agenda consists of 17 Sustainable Development Objectives and 169 goals to achieve them, through these goals, the three dimensions of sustainable development are addressed in a more comprehensive and balanced manner.



It thus configures a global agenda to face and solve the most pressing problems of our planet: to eradicate poverty, to extend access to human rights, to achieve a global economic development that is sustainable and respectful of the planet and the resources it offers. Each Government must define its roadmap related to Agenda 2030, depending on its social, economic and environmental reality.








COMPANIES ARE KEY AGENTS IN ACHIEVING DEVELOPMENT, BOTH LOCALLY AND INTERNATIONALLY, AND HAVE BEEN CALLED UPON TO TAKE A RELEVANT ROLE IN PROMOTING SPECIFIC MEASURES FOR SDO COMPLIANCE, AS WELL AS HAVING THE OPPORTUNITY TO IDENTIFY NEW BUSINESS OPPORTUNITIES.

## Sustainable Development Goals (SDGs)

# SUSTAINABLE DEVELOPMENT GOALS

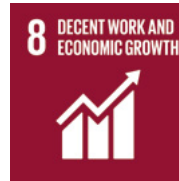


 Main SDO for the media sector

 2030 Agenda for Spain

In this context and within the framework of the sustainable development of its business, Mediaset España identifies and assumes a commitment to the following SDO's:

## Direct Contribution



**Mediaset España's response**

Occupational risk prevention

Equal Opportunities  
 Fringe benefits and life-work balance measures  
 Training

Team Management  
 Supply Chain Management  
 Workforce  
 Economic-Financial Results  
 Tax Transparency Social  
 Cash Flow

Internet Content Management (Digital transformation)

Stakeholder Relations  
 Participation in Public Policy Development  
 Involvement in sustainability Initiatives

## Indirect Contribution



**Mediaset España's response**

Environmental Performance

# ENVIRONMENTAL PERFORMANCE

**MEDIASET ESPAÑA HAS MADE A COMMITMENT TO DO BUSINESS IN A SUSTAINABLE MANNER, COMPATIBLE WITH THE ENVIRONMENT AND THEREFORE, PROMOTE MEASURES THAT HELP MANAGE AND MINIMIZE THEIR ENVIRONMENTAL IMPACT.**

For many years and reflected in its environmental policy, Mediaset España has made a commitment to do business in a sustainable manner, compatible with the environment and therefore promote measures that help manage and minimize their environmental impact.

To that end, the company has been working on a range of measures aimed at reducing natural resource consumption on which it has an impact due to the activity it carries out, responsible management of generated waste and minimisation of impacts on the natural environment in its business locations. Mediaset España takes advantage of the impact its channels and internet platforms have to spread and raise awareness among its audience about caring for the environment. This issue is developed in the section “Entertainment, News and Social Content” of this document.

With regards to the activity carried out, the offices and studios in Fuencarral and Villaviciosa are the main facilities managed by the Company, in the Madrid region, concentrating more than 96% of the workforce and where, most of the activities that use natural resources are carried out. In particular, the Fuencarral facilities are the most representative, receiving a daily influx of approximately 2,500 people.

Regarding productions filmed off Mediaset España’s facilities, its producers take a number of factors into account to ensure that they are con-



ducted in a sustainable manner. Among other matters, the Company makes sure that the least possible amount of people make the trip and that shared and low-polluting means of transport are used; the necessary steps are also taken to preserve the natural habitats where productions are carried out.

In 2016, the energy audit was carried out under the framework of the Royal Decree 56/2016 of 12 February, which transposes the Directive 2012/27 / EU of October 25, 2012. From this, there have been recommendations for improvement, mainly regarding the installation of automated systems for illumination regulation and control, which will be taken into account by the Management, in view of the process of continuous improvement.



## CONSUMPTION

### Consumption of water, energy and materials



WATER (M<sup>3</sup>) (1)

**26,282**

2014: 31,329  
2015: 29,858

**-11.98%**  
VS. 2015



ELECTRICITY (GJ) (1)

**63,256**

2014: 62,617  
2015: 62,711

**+0.87%**  
VS. 2015



DIESEL (GJ) (1)

**79**

2014: 60  
2015: 43

**+83.36%**  
VS. 2015



NATURAL GAS (GJ) (1)

**4,527**

2014: 4,396  
2015: 4,044

**+11.94%**  
VS. 2015



PAPER (KG) (2)

**19,075**

2014: 22,177  
2015: 17,766

**+7.36%**  
VS. 2015



BATTERIES (KG) (1)

**2,561**

2014: 2,936  
2015: 2,757

**-7.11%**  
VS. 2015



TONERS (UNITS) (2)

**941**

2014: 880  
2015: 951

**-1.05%**  
VS. 2015



DISCS (KG) (1)

**1,325**

2014: 3,556  
2015: 2,622

**-49.47%**  
VS. 2015

Scope: Mediaset España Group.

Legend: m<sup>3</sup>= cubic metres; GJ=Gigajoule; kg=kilogrammes

(1) Corresponds to the headquarters of Fuencarral and Villaviciosa in Madrid, where 96.23% of the workforce and all activities related to audiovisual production are concentrated.

(2) Corresponds to all work centers in Spain.



## ENERGY INTENSITY 2016

# 2.9

GJ/ HR. OF STUDIO RECORDINGS

63,256 Power consumption (electricity)21,773 hours of studio recordings

In terms of improving the management and the cost control, Mediaset España has continued to implement the optimized energy management plan started in previous years. The main electrical consumption of the facilities corresponds to the technical equipment of the studios, including the recording, broadcast and postproduction equipment, as well as the computer equipment and air conditioning of computer rooms. Thus, the plan deals with, among other things, the balanced refrigeration of recording sets, limiting the number of hours that air-conditioning is on in the studios, automatically controlling the temperature and adjusting it accordingly for recording, and reducing illumination during advertising breaks in live shows.

In 2016, and within the facilities' Renewal Lighting Plan, the company has continued to replace lighting fixtures and lighting equipment, with more efficient equipment that consumes less. Five air-conditioning machines have also been replaced with better-performing and machines that consume less, which in turn incorporate more environmentally friendly CFC gases.

Also, the installation of solar panels in the windows of different units has been expanded, with the corresponding positive impact reducing refrigeration demands; and a reform of the kitchen for the employees has been undertaken to improve the management of the aspects related to the facilities' activity.

With regards to the stage and set design in 2016, the maximum reuse of sets practice has continued and with a tendency to design the lighting of the sets using LED lighting.

All the measures implemented for the containment and efficiency of the energy consumption have resulted in a saving of electric consumption which, even though it is small, it is remarkable, given the increase of almost 12% in the programming hours of all the Group's channels and 9% increase in the number of hours in the recording studios in 2016, within the framework of making more programmes in-house and using the companies own equipment and studios.

As in previous years, the consumption of diesel, has corresponded to its use in the start-up of machines in periodic revisions, which in 2016 has had more minutes of weekly start-up for preventative measures.

Meanwhile, disc consumption has been notably reduced, we are seeing a sustained reduction year after year. The management of discs is regulated by internal procedures. Since migrating to XDCAM from BETACAM occurred in 2008, they stopped using tapes and started using optical discs. Regarding the management of this consumption in Informativos (News), discs with programme recordings are recycled every 15 days and with respect to camera operators, each has 10 discs that must be safeguarded and reused, and changes are only permitted for failure or breakage, and always upon the return of the disc and prior review from the Division. Exceptionally, discs are delivered to customers without their return.

During programme recordings, the discs are used to record the Master and Safety Copies. Once these discs go to the Video Library for archiving in the Digital Archive, they return to the Technical Warehouse for formatting and reuse. If a programme needs an additional number of discs, these are delivered at the beginning of the programme and will be returned to the Technical Warehouse for recycling once the season or the programme in question finishes broadcasting.

Regarding the exchange of content between the different departments of the Antenna Division and between those and external production companies, the company has promoted the use of less contaminating means for sharing and storing data, such as website storage or shared network storage, guaranteeing the compliance of security measures and other necessary measures to ensure the appropriate compliance of current legislation and internal rules in force.

Water consumption has been reduced during 2016, mainly due to the reprogramming of the automatic sprinkler systems on the green areas of the facilities and the repair of faults that caused different water leaks.

Since the criterion used for calculating paper consumption is the purchase period of the item, it is influenced by existing stock from the previous year.

MEDIASET ESPAÑA CONSUMES ELECTRICAL ENERGY WHICH COMES EXCLUSIVELY FROM 100% RENEWABLE SOURCES, THEREFORE, IN 2016, THE SCOPE 2 EMISSIONS HAVE BEEN REDUCED TO ZERO.

## SOx

**0.256**2014: 14.470  
2015: 14.486

## NOx

**0.455**2014: 8.060  
2015: 7.762

## PARTICLES

**0.015**2014: 0.600  
2015: 0.598

## CO

**0.165**2014: 2.991  
2015: 2.885

## COVNM

**0.013**2014: 0.069  
2015: 0.057

THE REMARKABLE  
REDUCTION IN OTHER  
CONTAMINATING  
EMISSIONS IS  
MAINLY DUE TO  
**100% RENEWABLE  
ENERGY CONSUMPTION.**

## EMISSIONS

In the context of sustainability management, Mediaset España identifies, measures and manages the greenhouse gas emissions (GHG) generated by its activity and establishes actions that try to reduce them. As well as quantifying all its emissions, the Company publishes the information, demonstrating its level of awareness and transparency in this area.

This commitment to transparency in the reporting of information is also reflected by its participation in the Carbon Disclosure Project initiative since 2009, through which Mediaset España reports in detail on the measurements, commitments and evolution of the measures implemented to reduce emissions of greenhouse gases.

In 2016, Mediaset España has expanded its calculation of its carbon footprint to better understand and manage the environmental impacts

generated by the company's activities, both upstream and downstream water, incorporating to the measurements the categories making up the Scope 3.

Furthermore, Mediaset España has contracted electrical energy with a Certificate of Origin provided by the supplier, which guarantees that all the energy consumed during the year comes exclusively from 100% renewable sources that respect the environment and avoid CO<sub>2</sub> and other contaminating gases emissions.

In turn, the Group has continued offering its workers the bus service that connects the company's facilities with the train and subway stations, during large periods of the day, as a way to encourage more use of collective transportation means and thereby contributing to limit atmospheric emissions of pollutant gases from commuting.

## Green House Polluting Gas Emissions (Tn CO<sub>2</sub> equivalent)

		2014	2015	2016	Variation 2015-2016
CO <sub>2</sub> of energy consumed by fuel <sup>(1)</sup>	Scope 1	251.68	230.76	260.61	13%
CO <sub>2</sub> derived from electricity consumption <sup>(2)</sup>	Scope 2	5,668.22	5,319.17	-	-100%
CO <sub>2</sub> derived from air transport <sup>(3)</sup>	Scope 3	669.80	522.30	517.05	-1%
CO <sub>2</sub> derived from overland transport <sup>(4)</sup>		2,004.55	1,996.66	2,092.60	5%
Company vehicles.	Scope 1	581.95	581.95	584.15	
Collective Transport (rout) <sup>(5)</sup>	Scope 3	110.57	111.02	109.68	
Vehicles not owned by the Company. <sup>(6)</sup>	Scope 3	1,312.03	1,303.69	1,398.76	
CO <sub>2</sub> derived from rail transport <sup>(4)</sup>	Scope 3	77.55	82.04	55.76	-32%
CO <sub>2</sub> derived from hotel stays <sup>(7)</sup>	Scope 3	s/d	s/d	528.36	
CO <sub>2</sub> derived from other upstream water emissions <sup>(8)</sup>	Scope 3	s/d	s/d	174,553.28	
CO <sub>2</sub> derived from other downstream water emissions <sup>(9)</sup>	Scope 3	s/d	s/d	88,646.69	
<b>TOTAL</b>		<b>8,672</b>	<b>8,151</b>	<b>266,654</b>	

Scope: Mediaset España's Group.

1 GHG emissions from stationary combustion- Calculation Tool (May 2015). Greenhouse Gas Protocol.

2 In 2016, all electricity consumed was generated by 100% renewable sources, in accordance with the origin guarantee from Iberdrola.

3 Data released by travel agencies with which the company has worked, using the National Energy Foundation calculator.

4 GHG emissions from transport or mobile sources- Calculation Tool (May 2015). Greenhouse Gas Protocol.

5 Bus route for employees.

6 Since 2016, it includes the emissions associated with commuting by taxi.

7 Since 2016, the emissions associated with hotel stays have been estimated.

8 It includes the most relevant emissions outside the organization upstream, calculated according to scope 3 categories of the GHG Protocol. The main emissions are those related to the purchase activities of goods and services, energy emissions not included in the footprint 1 and 2, or waste generated by the Mediaset Group's workforce.

9 It includes the most relevant emissions outside the organization downstream, calculated according to scope 3 categories of the GHG Protocol. The main emissions are those related to "consumption" of audio-visual products emitted through the platforms of Mediaset Group.

## GREENHOUSE GAS EMISSIONS INTENSITY 2016

**4.53**TN CO<sub>2</sub> / HR. OF  
BROADCASTING266,654 CO<sub>2</sub> Emissions

58,804 hours of broadcasting





## ORGANIC WASTE IS GENERATED IN THE CAFETERIA/CANTEEN AND IT IS SEPARATED BY CAFETERIA PERSONNEL (ORGANIC, PLASTIC CONTAINERS, GLASS).

## SEWAGE

In the course of its business, Mediaset España consumes water from the public network and once it is used it enters the urban sewage system for treatment and purification. The degree of contamination of the waste emitted by the Company into the sewage system is similar to household waste, in larger volumes.

## WASTE

In the normal course of business, Mediaset España generates a certain amount of waste, in both, the audio-visual production business and the office business and in canteen for the employees.

In 2016, the same as in previous years, all generated waste has been adequately managed, giving preference to recycling where the regulations permit. In compliance with regulations governing hazardous and non-hazardous waste, the Company delivers waste to an authorised waste management company in suitable condition.

Waste from electrical and electronic equipment is managed through the technical warehouse. All current technical equipment is acquired subject to the "Restriction of Hazardous Substances Directive" (Directive 2002/95/EC, implemented in Spanish law by way of Royal Decree 208/2005), paying for the cost of withdrawal at the end of its useful life when purchased, ensuring the adequate management of the waste generated by the renewal process as a consequence of foreseen or unforeseen technical obsolescence.

Organic waste is generated in the cafeteria/canteen and it is separated by cafeteria personnel (organic, plastic containers, glass).

In the offices and other facilities, employees separate paper, batteries, tapes etc. by depositing them in specific containers around in the Company's facilities.

In 2016, the company has continued progressing in its measuring, recording and monitoring of generated waste and has therefore incorporated in its annual information report an estimate of the solid urban waste generated per person, bearing in mind that Fuencarral's facilities have a dining room that has served around 219,000 dishes throughout the year. It has also incorporated the report on waste generated by the dismantling of sets that have not been reused and have been managed.



- ELECTRICAL AND ELECTRONIC EQUIPMENT  
-----  
RECYBERICA



- USED LAMPS AND FLUORESCENT BULBS  
-----  
AMBILAMP ASSOCIATION



- SETS (IRONS, STEEL AND GLASS THAT WILL NOT BE REUSED IN OTHER STAGING)  
-----  
ACICLA



- PAPER, BATTERIES AND DIGITAL MEDIA  
-----  
REISSWOLF



- THE BIO HEALTH WASTE OF THE MEDICAL SERVICE  
-----  
SRCL CONSENUR



- TONER CARTRIDGES,  
-----  
THROUGH THE SUPPLIER OF THE PAYMENT PRINT SERVICE. TEICO

IN THE OFFICES AND OTHER FACILITIES, EMPLOYEES SEPARATE PAPER, BATTERIES, TAPES ETC. BY DEPOSITING THEM IN SPECIFIC CONTAINERS.

## Waste Generated



BIOSANITARY WASTE (KG)

**32.52**

2014: S/D  
2015: S/D

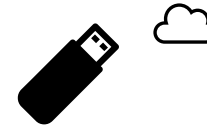


LAMPS AND FLUORESCENT TUBES (KG)

**316**

2014: 1,086  
2015: 486

**-36%**  
VS. 2015

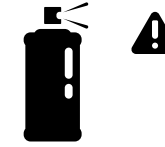


WASTE FROM ELECTRICAL AND ELECTRONIC EQUIPMENT (KG)

**15,159**

2014: 8,413  
2015: 22,420

**-32%**  
VS. 2015



WASTE FROM PAINT, AEROSOLS AND CONTAMINATED METALLIC/PLASTIC CONTAINERS (KG) (1)

**0**

2014: 222  
2015: 93

**-100%**  
VS. 2015



PAPER/CARDBOARD (KG)

**90,200**

2014: 61,660  
2015: 86,960

**+4%**  
VS. 2015



BATTERIES (KG) (1)

**3,000**

2014: 2,000  
2015: 2,200

**+36%**  
VS. 2015



TONER (UNITS) (2)

**475**

2014: S/D  
2015: S/D



DISCS (KG)

**11,010**

2014: 13,150  
2015: 14,255

**-23%**  
VS. 2015

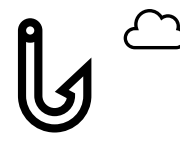


GLASS (KG)

**800**

2014: 0  
2015: 0

**+4%**  
VS. 2015



STEEL AND IRON (KG)

**6,630**

2014: 0  
2015: 0



SOLID URBAN WASTE - SUW (TN) (2)

**369.1**

2014: S/D  
2015: S/D

Scope: Mediaset España Group, Fuencarral and Villaviciosa facilities, where most of the Group business is carried out, except for the estimation of the generated SUW, for which all the workforce of the Group has been considered.

In the facilities located outside Madrid, only office business is carried out there is no record kept of office waste generated, due to the small amount.

N/A= Not available

(1) No oils or combustible waste was collected during 2016.

(2) Starting in 2016, an estimate of the urban solid waste generated per person is included, taking into account the entire workforce of the Group and the restoration activities carried out at the Fuencarral facilities.



Hazardous



Non-Hazardous



## Productions in natural habitats

In 2016, the only in-house productions programme that was made in a natural habitat was been Survivor, the adventure reality show carried out in Honduras since 2006 which integrates the participants into nature, with interaction patterns that allow the protection and conservation of natural areas.

The production has had the support and collaboration of the Spanish Embassy in Honduras, the authorities and various local regulatory agencies, to carry out the adventure in conditions of maximum security and respect for the protected setting. In this regard and as in previous editions, the programme has been governed by the regulations of the Cayos Cochinos Foundation. This regulation is ratified under Honduran law and includes, among others, the protection of the coral reef, respect for the lobster season and different varieties of fish, the use of gels and biodegradable products by the contestants and the use of treated wood as building material as well as the fumigation of manna leaves before being introduced into Cayos. The non-use of chemical fuels has also been considered as well as the impossibility of burning garbage.

During the making of the programmes, the contestants have been shown to comply with the guidelines for the protection and conservation of the natural environment, any substance or waste generated that was not biodegradable has been removed and collected, there has been no burning of waste nor have liquid fuels been used.

During production, the Biological Diversity regulations have also been complied with, to preserve the species that cohabit in the natural areas where the programme has been made, always in collaboration with the Institution of the Honduras Foundation. As a result, none of the species from the natural ecosystem have been affected.

## Circular Economy

Since 2009, once a year there is a market with clothes acquired or assigned-gifted to be used by the presenters in Mediaset programmes or in series produced by the company and that will no longer be used.

**INVENTORIED GARMENTS**

**2,344**

**SOLD GARMENTS INDIVIDUALLY TO EMPLOYEES AND CLIENTS**

**1,647**

**REMAINING GARMENTS, LATER ACQUIRED BY THE COMPANY ORGANIZING THE MARKET.**

**697**





# ABOUT THIS REPORT



MEDIASET *españa.*





# ABOUT THIS REPORT

THIS CORPORATE RESPONSIBILITY REPORT HAS BEEN PREPARED FOLLOWING THE GLOBAL REPORTING INITIATIVE GUIDELINES AND THE INTERNATIONAL INTEGRATED REPORTING FRAMEWORK RECOMMENDATIONS.

## Scope

This Report is the twelfth annual report published by Mediaset España and it has been verified by an external auditor for the ninth consecutive year. It aims to report on the Group's Corporate Responsibility Commitments and the management carried out for the period 1st January to 31st December 2016.

The Report covers the activities performed by Mediaset España in Spain as these are the most important and representative of the business<sup>1</sup>. If the reporting scope differs to that noted, an explanatory note is included.

Compared to previous years, there were no significant changes in criteria and bases for including the information reported, except for the extension in the scope of the calculation of reported greenhouse gas emissions, incorporating all the categories that make up Scope 3.

As in previous editions, the Report has been made available to stakeholders in a web-enabled digital format, through Mediaset España's webpage: [www.mediaset.es/inversores/es](http://www.mediaset.es/inversores/es), and is available in Spanish and English.

<sup>1</sup> For further information consult "Tax Transparency" and "Workforce" section of this document.

## International Standards

This Corporate Responsibility Report has been prepared following the Global Reporting Initiative guidelines for the Preparation of Sustainability Reports, G4, and the Media supplement sector.

In accordance with the self-assessment carried out by Mediaset España and externally verified, the report covers the requirements associated with "in accordance"- Comprehensive option of G4 Guide, which means that it follows the guidelines of the GRI G4 Guide for the reporting of all General Standard Disclosures as well as Generic Disclosure on Management Approach and all indicators, including the media sector supplement, related to the material aspects identified.

Since this report helps the company meet the information requirements of various initiatives on which it reports, Mediaset España has decided to respond to all GRI indicators and not only the indicators considered as material, detailing such information in the GRI Content Index.

For the past three years, Mediaset España has aligned its Report with the International Integrated Reporting Framework recommendations of the International Integrated Reporting Council, being a pioneer among its competitors. Therefore, the company has continued its progress introducing specific content related to the principal elements of reporting defined in this <IR> Framework.

## Preparation of the Report

As with previous editions, the Report's preparation was coordinated by the General Corporate Management with the involvement of various areas such as:

Antenna Division, Internal Audit Management, Film and Rights Acquisition Division, Communication and External Relations Division, Economic-Finance Division, News Division, New Business Division, Content Production Division, HR and Services Division, Technologies Division, Studies & Infrastructures, Investor Relations Management, Institutional Relations Management, Corporate General Management, Multiplatform Division, Publiespaña's Operations, Services and Sales Management and New Commercial Products General Management.



The key aspects covered in the Report have been identified by the materiality analysis described as follows.

## Materiality analysis

In 2016, Mediaset España has updated its materiality matrix elaborated the previous year, with the objective of responding to the most relevant issues for the business and the main shareholders, as well as aligning its reporting to the requirements of the sustainability standards' which the company is particularly interested in responding to.

When identifying the Company's relevant issues, they took into account the subjects identified by the following agents:



Based on this analysis the list of relevant issues was updated, and internally, the directors of the company's main areas' analyzed the influence of these issues on the development and success of the business.

The valuations from investors, sustainability analysts and competitor's regarding the relevant issues were incorporated. Although in 2016 it was not possible to extend the consultation to new stakeholders, in order to incorporate their perspectives, the company is willing to do so in the coming years.

Therefore, the aspects that were considered as material have been considered as such by both its internal and external stakeholder groups.



Set out below are the relevant issues identified, the main stakeholder groups that may be affected, the way in which Mediaset España tries to respond to them, as well as the link with the GRI indicators.





	RELEVANT ISSUE	STAKEHOLDERS AFFECTED	HOW MEDIASET GROUP RESPONDS	GRI G4
1	Economic strength of the Company		Economic and financial results Tax transparency	G4-9, EC1, EC2, EC3, EC4
2	Regulatory changes		Business context Risk Management Content Management Advertising Management Participation in Public Policy Development Data Protection	PR9, SO6, SO8, EN29
3	Anti-competitive practices		Content Management Advertising Management	SO7
4	Corruption		Risk Management	G4-34, G4-56, G4-58, SO3, SO4, SO5, SO6, M1
5	Regulatory compliance		Risk Management Content Management Advertising Management Data Protection	M2, SO7, SO8, SO11, PR6, PR8, PR9, EN29
6	Transparency		Corporate Governance System Business Model About this report	G4-24, G4-25, G4-26, G4-27, PR3, PR4, PR5
7	Taxation		Tax transparency	EC1, EC3, EC4
8	Personal Data Protection		Data Protection	PR8
9	Cibersecurity		Cibersecurity	
10	Freedom of association		Employee relations	G4-11, HR4, HR12
11	Employment stability		Team Management Employee relations	LA1, LA2, LA3, LA4, LA16
12	Training and profesional development		Team Management Training and recruitment of new talent Performance evaluation	LA9, LA10, LA11
13	Occupational health and safety		Team Management Occupational health and safety risk prevention	LA5, LA6, LA7, LA8
14	Non-discrimination in the workplace		Team Management Equal opportunities and non discrimination	LA12, HR3
15	Diversity and equal opportunity		Team Management Equal opportunities and non discrimination Fringe benefits and life-work balance measures	LA12, LA13



EMPLOYEES



ARTISTS AND PROFESSIONALS OF THE SECTOR



SHAREHOLDERS



ADVERTISERS



AUDIENCE



SUPPLIERS



TRADE UNIONS



COMPETITION



GOVERNMENT



SOCIAL ORGANIZATIONS



LABOUR MARKET



COMMUNITY



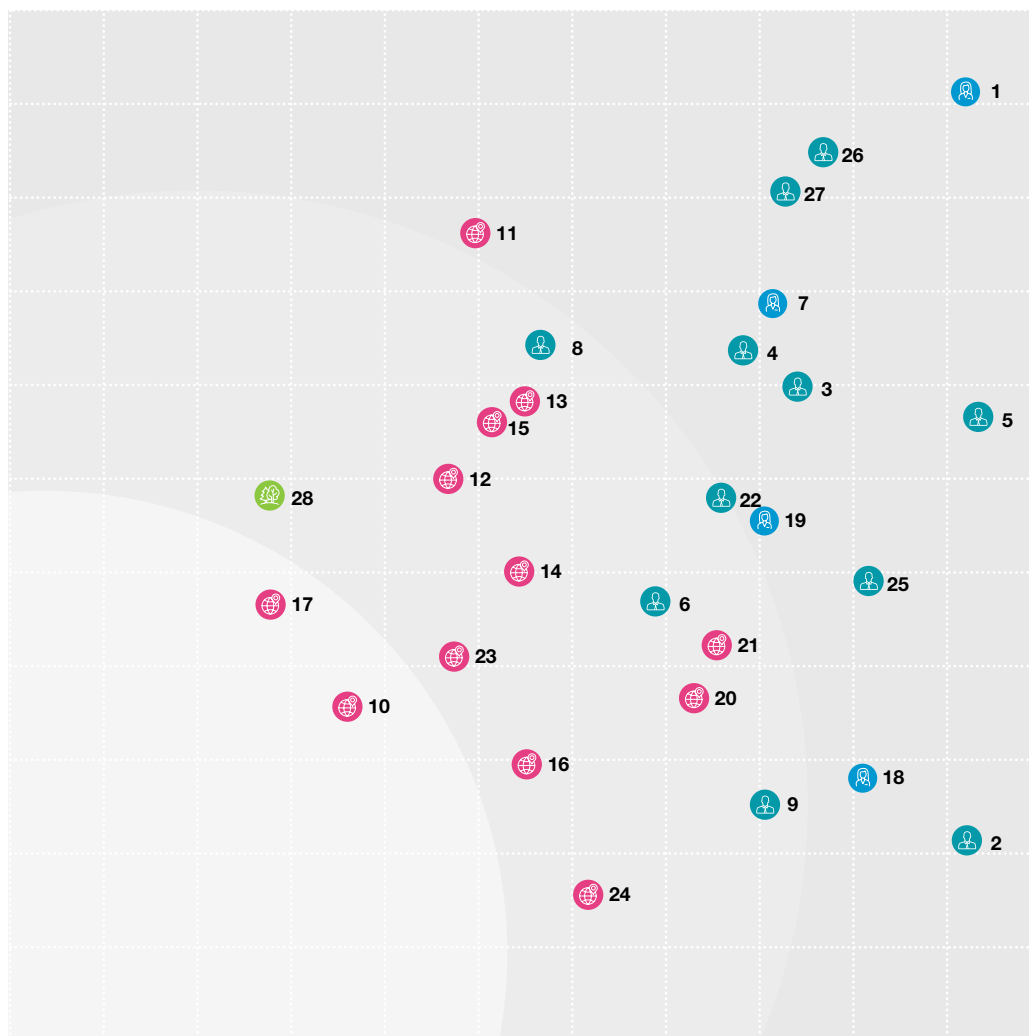


	RELEVANT ISSUE	STAKEHOLDERS AFFECTED	HOW MEDIASET GROUP RESPONDS	GRI G4
16	Work life balance		Team Management Fringe benefits and life-work balance measures	LA1, LA2, LA3
17	Work complaint mechanisms available		Team Management	LA16
18	Technology investment		Key Performance Indicators Other Performance Indicators Business context Cibersecurity Environmental Performance	EC1, EC2, EC7
19	Innovation		Business context Internet content management	EC1, EC2, EC7
20	Accesible content		Content accessibility	M4, M5, M7
21	Non-discrimination in broadcasted content		Content Management Content accessibility	M2, M3, M6
22	Freedom of expression		Content Management Team Management	M2, M3, HR4, HR12
23	Producer's non-compliance with environmental, employment, security and safety and human rights matters		Supply Chain Management	G412, LA14, LA15, LA16, HR1, HR4, HR5, HR6, HR10, HR11, HR12, SO9, SO10, SO11, EN32, EN33, EN34
24	Personal life privacy (content broadcast)		Content Management	M2, M3
25	Appropriate programme labelling		Business context Content Management Self-regulations Codes and Agreements	M2, PR2, PR3, PR4, PR9
26	Subliminal advertising		Advertising Management	PR6, PR7
27	Misleading advertising		Advertising Management	PR2, PR6, PR7
28	Greenhouse gas emissions generated by the business' activities		Environmental performance- Emissions	EN 15, EN 16, EN 17, EN 18, EN 19, EN 20, EN21





# MATERIALITY MATRIX



The result of the consideration and participation of the Company's main stakeholders and their concerns is the materiality matrix presented below, which indicates the degree of relevance's of the issues raised for both shareholders' groups mentioned in this consultation phase and for Mediaset España, from both sustainability and business perspective.



## Governance

- 2 Regulatory changes
- 3 Anti-competitive practices
- 4 Corruption
- 5 Regulatory compliance
- 6 Transparency
- 8 Personal Data Protection
- 9 Cybersecurity
- 22 Freedom of expression
- 25 Appropriate programme labelling
- 26 Subliminal advertising
- 27 Misleading publicity



## Financial

- 1 Economic strength of the Company
- 7 Taxation
- 18 Technology investment
- 19 Innovation



## Environmental

- 28 Greenhouse gas emissions generated by the business' activities



## Social

- 10 Freedom of association
- 11 Employment Stability
- 12 Training and professional development
- 13 Occupational health and safety
- 14 Non-discrimination in the workplace
- 15 Diversity and equal opportunity
- 16 Work life balance
- 17 Work complaint mechanisms available
- 20 Accessible content
- 21 Non-discrimination in broadcasted content
- 23 Producer's non-compliance with environmental, employment, security and safety and human rights matters
- 24 Personal life privacy (broadcast content)



## Dialogue

Mediaset España values and encourages stakeholder engagement, making available to them a specific communication channel for their comments, concerns and information requirements and to obtain feedback on the issues addressed in this and other reports considered relevant from a sustainability perspective.

The channel that may be used is:

General Corporate Management  
Carretera de Fuencarral a Alcobendas, 4  
28049- Madrid  
rc@telecinco.es

## External Assurance

Mediaset España has maintained the practice of submitting this Report for independent external verification. The content has been reviewed by PriceWaterhouseCoopers, in accordance with ISAE 3000 (revised) regulations, identified in the GRI Content Index.



**Free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.**

#### INDEPENDENT LIMITED ASSURANCE REPORT ON THE CORPORATE RESPONSIBILITY INDICATORS

To the Management of Mediaset España Comunicación, S.A.:

We have carried out our work to provide limited assurance on the Corporate Responsibility indicators contained in "GRI G4 Content Index" of the 2016 Corporate Responsibility Report (hereinafter "CR Indicators") of Mediaset España Comunicación, S.A. (hereinafter "Mediaset") for the year ended 31 December 2016, prepared in accordance with the general basic and specific content proposed in the Guidelines for the Preparation of the Sustainability Report of the Global Reporting Initiative (GRI) version G4 (hereinafter GRI G4 Guidelines) and the Media Sector Supplement.

#### Responsibility of Mediaset's Management

Mediaset's Management is responsible for the preparation, content and presentation of the Corporate Responsibility Report in accordance with the GRI G4 Guidelines and Media Sector Supplement, according to the option Comprehensive "agreed" with the Guidelines. This responsibility includes designing, implementing and maintaining the internal control considered necessary to ensure that the CR indicators are free of material misstatement due to fraud or error.

Mediaset's Management is also responsible for defining, implementing, adapting and maintaining the management systems from which the necessary information is obtained to prepare the CR indicators.

#### Our responsibility

Our responsibility is to issue a limited assurance report based on the procedures that we have carried out and on the evidence that we have obtained. We have carried out our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (ISAE 3000) (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC).

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement. Therefore the assurance provided is also less.

The procedures carried out are based on our professional judgement and included enquiries, observation of processes, inspection of documentation, analytical procedures and tests of review, based on sampling, which have generally been as follows:

- Meetings with the personnel of several departments of Mediaset involved in the preparation of the 2016 Corporate Responsibility Report.
- Analysis of the procedures used to compile and validate the data and information presented in the CR indicators.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, P<sup>o</sup> de la Castellana 259 B, 28046 Madrid, España  
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- Analysis of the adaptation of the CR indicators of the 2016 Corporate Responsibility Report to the GRI G4 Guidelines on the preparation of reports and the Media Sector Supplement.

- Verification, by review tests applied to a selected sample and substantive tests on the quantitative and qualitative information of the CR indicators of Mediaset. We have also verified that the information has been adequately compiled from the data provided by Mediaset's sources of information.

#### Our Independence and Quality Control

We have complied with the requirement of independence and other requirements of the Code of Ethics for Accountants issued by the International Ethics Standard Board for Accountants (IESBA), based on the main principles of integrity, professional competence and due care, confidentiality and professional conduct.

PwC applies International Standard on Quality Control 1 (ISQC 1) and consequently, our firm has a global quality control system which includes policies and procedures on the compliance of ethical requirements, professional standards and applicable statutory requirements.

#### Limited assurance conclusion

As a result of the procedures carried out and evidence obtained, nothing has come to our attention that causes us to believe that the Corporate Responsibility indicators of Mediaset's 2016 Corporate Responsibility Report for the year ended 31 December 2016, contain significant errors or have not been prepared, in all material respects, in accordance with GRI G4 Guidelines and the Media Sector Supplement.

#### Use and Distribution

Our report is issued solely for the Management of Mediaset, in accordance with the terms and conditions of our engagement letter. We accept no responsibility to third parties other than the Management of Mediaset.

PricewaterhouseCoopers Auditores S.L.

Mª Luz Castilla

26<sup>th</sup> April 2017

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## GRI G4 CONTENT INDEX, WITH MEDIA SECTOR SPECIFIC DISCLOSURE

Aspect	Page	Omissions	External Assurance
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from the most senior decision-maker of the organization.	V	✓
<b>ORGANIZATIONAL PROFILE</b>			
G4-2	Description of key impacts, risks, and opportunities. Sector Additional Disclosure.	1, 2	✓
G4-3	Name of the organization.	5	✓
G4-4	Primary brands, products, and services.	5-9	✓
G4-5	Location of the organization's headquarters.	5	✓
G4-6	Countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	5.141	✓
G4-7	Nature of ownership and legal form. Sector Additional Disclosure.	5	✓
G4-8	Markets served.	5-9.141	✓
G4-9	Scale of the organization. Sector Additional Disclosure.	3.76-78, 119, 140	✓
G4-10	Workforce. Sector Specific Indicator. Sector Additional Disclosure.	119-121	✓
G4-11	Percentage of total employees covered by collective bargaining agreements.	122	✓
G4-12	Describe the organization's supply chain.	39-44	✓
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	6	✓
G4-14	Whether and how the precautionary approach or principle is addressed by the organization.	20-34	✓
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	27, 69-70	✓
G4-16	Memberships of associations and national or international advocacy organizations in which the organization participates.	68-70	✓
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	Entities included in the organization's consolidated financial statements or equivalent documents.	CC.AA	✓
G4-18	Process for defining the report content and the Aspect Boundaries.	162-166	✓
G4-19	Material Aspects identified in the process for defining report content.	164-166	✓
G4-20	Aspect Boundary within the organization.	162-166	✓
G4-21	Aspect Boundary outside the organization.	162-166	✓
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements.	CC.AA	✓
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	162	✓
<b>STAKEHOLDER ENGAGEMENT</b>			
G4-24	Stakeholder groups engaged by the organization. Sector Additional Disclosure.	66-67	✓
G4-25	Basis for identification and selection of stakeholders with whom to engage.	66-67	✓
G4-26	Organization's approach to stakeholder engagement.	162-163	✓
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns.	163-166	✓
<b>REPORT PROFILE</b>			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	162	✓
G4-29	Date of most recent previous report.	162	✓
G4-30	Reporting cycle (such as annual, biennial).	162	✓
G4-31	Contact point for questions regarding the report or its contents.	167, 180	✓





Aspect		Page	Omissions	External Assurance
G4-32	'In accordance'- Comprehensive option; GRI Content Index.	162		✓
G4-33	External Assurance Report.	167		✓
<b>GOVERNANCE</b>				
G4-34	Governance structure of the organization. Sector Additional Disclosure.	11-15		✓
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	IAGC		✓
G4-36	Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	IAGC		✓
G4-37	Consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	IAGC		✓
G4-38	Composition of the highest governance body and its committees.	IAGC		✓
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	IAGC		✓
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members. Sector Specific Indicator.	IAGC		✓
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders. Sector Additional Disclosure.	19; IAGC		✓
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	IAGC		✓
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Note		✓
G4-44	Processes for evaluation of the highest governance body's performance.	IAGC		✓
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	IAGC		✓
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	IAGC		✓
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	IAGC		✓
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Note		✓
G4-49	Process for communicating critical concerns to the highest governance body.	IAGC		✓
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	14; Note		✓
G4-51	Remuneration policies for the highest governance body and senior executives.	16-17; IARC		✓
G4-52	Process for determining remuneration.	IARC		✓
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Note		✓
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Note		✓
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Note		✓
<b>ETHICS AND INTEGRITY</b>				
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics. Sector Additional Disclosure.	19, 23-24		✓
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Note		✓
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	23-25		✓
<b>CONTENT CREATION. SECTOR SPECIFIC GUIDANCE.</b>				
Management Approach		45-50		✓



Aspect		Page	Omissions	External Assurance
M2	Methodology for assessing and monitoring adherence to content creation values.	45-50		✓
M3	Actions taken to improve adherence to content creation values, and results obtained.	45-50		✓
<b>CONTENT DISSEMINATION. SECTOR SPECIFIC INDICATORS.</b>				
Management Approach.		45-50		✓
M4	Actions taken to improve performance in relation to content dissemination issues (accessibility and protection of vulnerable audiences and informed decision making) and results obtained.	45-50		✓
M5	Number and nature of responses (feedback/ complaints) related to content dissemination, including protection of vulnerable audiences and informed decision making and accessibility, and processes for addressing these responses.	Note		✓
<b>AUDIENCE INTERACTION. SECTOR SPECIFIC INDICATORS.</b>				
Management Approach.		45-50		✓
M6	Methods to interact with audiences and results.	48, 54, 96, 103		✓
<b>MEDIA LITERACY. SECTOR SPECIFIC INDICATORS.</b>				
Management Approach.		107-112, 128		✓
M7	Actions taken to empower audiences through media literacy skills development and results obtained.	107-112, 128		✓
<b>ECONOMIC</b>				
Economic performance				
Management Approach				✓
G4- EC1	Direct economic value generated and distributed.	3, 78-79, 140, 142-144, 146		✓
G4- EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Note	✓	✓
G4- EC3	Coverage of the organization's defined benefit plan obligations.	Note		✓
G4-EC4	Financial assistance received from government. Sector Additional Disclosure.	145		✓
G4-M1	Significant funding and other support received from non-governmental sources. Sector Specific Indicator.	145		✓
	Suplemento media.			✓
Market Presence				
Management Approach		122		
G4- EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Note		
G4- EC6	Proportion of senior management hired from the local community at significant locations of operation.	Note		
Indirect Economic Impacts				
Management Approach		49-51		
G4- EC7	Development and impact of infrastructure investments and services supported. Sector Additional Disclosure.	49-51		✓
G4- EC8	Significant indirect economic impacts, including the extent of impacts.	147		
Procurement Practices				
Management Approach		39-40		
G4- EC9	Proportion of spending on local suppliers at significant locations of operation.	40		



Aspect		Page	Omissions	External Assurance
<b>SOCIAL</b>				
Labor Practices and Decent Work				
Employment				
Management Approach. Sector specific guidance.		58-64		✓
G4- LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.	119-121		✓
G4- LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	62, 124-125		✓
G4- LA3	Return to work and retention rates after parental leave, by gender.	121		✓
Labor/Management Relations				
Management Approach. Sector specific guidance.		59-60		✓
G4- LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	59-60		✓
Occupational Health and Safety				
Management Approach. Sector specific guidance.		63-64, 130		✓
G4- LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety programs.	64		✓
G4- LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. Sector Additional Disclosure.	132		✓
G4- LA7	Workers with high incidence or high risk of diseases related to their occupation. S Sector Additional Disclosure.	Note		✓
G4- LA8	Health and safety topics covered in formal agreements with trade unions.	63-64		✓
Training and Education				
Management Approach		62-63, 126		✓
G4- LA9	Average hours of training per year per employee by gender, and by employee category. Sector Additional Disclosure.	126-128		✓
G4- LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	126-128		✓
G4- LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	129		✓
Diversity and Equal Opportunity				
Management Approach		61-62		✓
G4- LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	13.120-121		✓
Equal Remuneration for Women and Men				
Management Approach		61-62		✓
G4- LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Note		✓
Supplier Assessment for Labor Practices				
Management Approach		39		✓
G4- LA14	Percentage of new suppliers that were screened using labor practices criteria.	Note		✓
G4- LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	Note		✓
Labor Practices Grievance Mechanisms				
Management Approach		58		✓
G4- LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	Note		✓
Human Rights				
Management Approach				



Aspect		Page	Omissions	External Assurance
G4- HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	Note		✓
G4- HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. Sector Additional Disclosure.	Note		
Non-discrimination				
Management Approach		61-62		✓
G4- HR3	Total number of incidents of discrimination and corrective actions taken.	123		✓
Freedom of Association and Collective Bargaining				
Management Approach		122		✓
G4- HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	Note		✓
Child labor				
Management Approach		39		✓
G4- HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Note		✓
Forced or Compulsory Labor				
Management Approach		39, 58		✓
G4- HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Note		✓
Security Practices				
Management Approach		28		
G4- HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	28		
Indigenous Rights				
Management Approach		39		
G4- HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	Note		
Assessment				
Management Approach		58		
G4- HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments. Sector Additional Disclosure.	Note		
Supplier Human Rights Assessment				
Management Approach		39		✓
G4- HR10	Percentage of new suppliers that were screened using human rights criteria.	Note		✓
G4- HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Note		✓
Human Rights Grievance Mechanisms				
Management Approach		25		✓
G4- HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms. Sector Additional Disclosure.	Note		✓
Freedom of Expression. Management Approach. Sector specific guidance.		23, 41-43, 45-50		✓
Portrayal of Human Rights. Management Approach. Sector specific guidance.		45-50		✓
Cultural Rights. Management Approach. Sector specific guidance.		45-50		✓
Intellectual Property. Management Approach. Sector specific guidance.		23.27.41.43.50.68		✓
Protection of Privacy. Management Approach. Sector specific guidance.		35-36		✓



Aspect		Page	Omissions	External Assurance
Society				
Local Communities				
Management Approach		147-149		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Note		
G4-SO2	Operations with significant actual or potential negative impacts on local communities.	Note		
Anti-corruption				
Management Approach		20-29		✓
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	26		✓
G4-SO4	Communication and training on anti-corruption policies and procedures.	26, Note		✓
G4-SO5	Confirmed incidents of corruption and actions taken.	Note		✓
Public Policy				
Management Approach		68		✓
G4-SO6	Total value of political contributions by country and recipient/beneficiary. Sector Additional Disclosure.	Note		✓
Anti-competitive Behavior				
Management Approach		56, 68		✓
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Note		✓
Compliance				
Management Approach		68		✓
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Note		✓
Supplier Assessment for Impacts on Society				
Management Approach		39		✓
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Note		✓
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	Note		✓
Grievance Mechanisms for Impacts on Society				
Management Approach		39		
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	Note		✓
Product Responsibility				
Customer Health and Safety				
Management Approach		55-57		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Note		
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	Note		✓
Product and Service Labeling				
Management Approach		45-50, 55-57		✓
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements. Sector Additional Disclosure.	27		✓
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Note		✓
G4-PR5	Results of surveys measuring customer satisfaction.	Note		✓

Aspect		Page	Omissions	External Assurance
Marketing Communications				
Management Approach		55-57		✓
G4-PR6	Sale of banned or disputed products.	Note		✓
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes. Sector Additional Disclosure.	Note		✓
Customer Privacy				
Management Approach		35-36		✓
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Note		✓
Compliance				
Management Approach		24.29.35-36.56.68		✓
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Note		✓
<b>ENVIRONMENTAL</b>				
Materials				
Management Approach		154-156		
G4- EN1	Materials used by weight or volume. Sector Additional Disclosure.	155		
G4- EN2	Percentage of materials used that are recycled input materials.	Note		
Energy				
Management Approach		154-156		✓
G4- EN3	Energy consumption within the organization.	155		✓
G4- EN4	Energy consumption outside of the organization.	155		✓
G4- EN5	Energy intensity.	156		✓
G4- EN6	Reduction of energy consumption.	155-156		✓
G4- EN7	Reductions in energy requirements of products and services. Sector Additional Disclosure.	156		✓
Water				
Management Approach		158		
G4- EN8	Total water withdrawal by source.	158		
G4- EN9	Water sources significantly affected by withdrawal of water.	Note		
G4- EN10	Percentage and total volume of water recycled and reused.	Note		
Biodiversity				
Management Approach				
G4- EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Note		
G4- EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Note		
G4- EN13	Habitats protected or restored.	Note		
G4- EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Note		
Emissions				
Management Approach		157		✓
G4- EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	157		✓





Aspect		Page	Omissions	External Assurance
G4- EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	157		✓
G4- EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	157		✓
G4- EN18	Greenhouse gas (GHG) emissions intensity.	157		✓
G4- EN19	Reduction of greenhouse gas (GHG) emissions. Sector Additional Disclosure.	156		✓
G4- EN20	Emissions of ozone-depleting substances (ODS).	Note	✓	✓
G4- EN21	NOX, SOX, and other significant air emissions.	157		✓
Effluents and Waste				
Management Approach		158		✓
G4- EN22	Total water discharge by quality and destination.	158	✓	✓
G4- EN23	Total weight of waste by type and disposal method. Sector Additional Disclosure.	159		✓
G4- EN24	Total number and volume of significant spills.	Note	✓	✓
G4- EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	159		✓
G4- EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	Note	✓	✓
Products and services				
Management Approach		154-160		
G4- EN27	Extent of impact mitigation of environmental impacts of products and services.	155-156		
G4- EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	Note		
Compliance				
Management Approach		56.68		✓
G4- EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Note		✓
Transport				
Management Approach				
G4- EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Note		
Overall				
Management Approach		154.156		
G4- EN31	Total environmental protection expenditures and investments by type.	78, Note		
Supplier Environmental Assessment				
Management Approach				✓
G4- EN32	Percentage of new suppliers that were screened using environmental criteria.	Note		✓
G4- EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Note		✓
Environmental Grievance Mechanisms				
Management Approach		25, 154		✓
G4- EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	Note		✓



## EXPLANATORY NOTES

G4-43	During the Board meetings held throughout the year, Mediaset España updates its board members on major legislative developments
G4-48	Mediaset España's Corporate Responsibility Report is annually approved by its Board of Directors
G4-50	The Board of Directors has been informed about all the issues reflected in the Annual Corporate Governance Report, Financial Statements and Remuneration Report, as well as all matters discussed in the presentations to analysts and investors.
G4-53	Mediaset España submits its remuneration policy for shareholder approval at the AGM. In 2016, it obtained 74.62% of votes.
G4-54	The total annual remuneration of the best paid person in the organization is 13.65 times the average total remuneration of the employees.
G4-55	In 2016, no percentage increase was applied in the case of the organization's highest-paid individual, nor in the average annual total compensation for all employees.
G4-57	Consultations on ethical aspects, legal aspects or aspects related to the integrity of the organisation can be raised through both the complaints channel, as well as those responsible for the Legal or Internal Audit Departments.
G4-M1	<p>As in previous years, in 2016, Mediaset España has received only one grant from a non-governmental source, considered as not significant, which was granted by Fundación Biodiversidad, in the context of a Request for Granting Aid on a Competitive Basis, for the Promotion of Environmental Information in the Media. € 18.957 was received.</p> <p>The Fundación Biodiversidad subsidises 70% of the total project cost, the remaining 30% is assumed by Mediaset España. Under the project, some of the activities carried out by the Fundación Biodiversidad are recorded on a monthly basis and are subsequently distributed through the subscribers of the Atlas Agency. The recordings have dealt with the following themes: the chirinuitos (beach bars) and the conservation of the coast, the Red empreverde Awards, the 1st forum of the Spanish Group for green growth, the role of foundations in the conservation of a natural capital, the Project 1 million promises for climate change, the management of WEEE, among other issues.</p>
G4-M5	<p>According to the information provided by the Joint Committee for the Monitoring of the Self-Regulation Code on Television Contents and Infancy, during 2016, 114 individual claims have been resolved that were received through the form included on the web <a href="http://www.tvinfancia.es">www.tvinfancia.es</a> regarding content and broadcast programmes.</p> <p>22 of these were for advertising claims, and were therefore submitted to the Self-Regulation Panel. With regard to the 92 resolved complaints, in 81 cases, the Self-Regulation Committee considered that no disadvantages to the broadcast were observed, while in 11 of them drawbacks to broadcasting have been considered, urging the operator for no future repetition. Of those 11 complaints, 4 referred to programmes broadcasted by Mediaset España.</p>

G4-M7	The actions carried out by Mediaset España aimed at generating an informed audience, which may understand and better engage in content generation and are capable of critical consumption, are found in its Management Content Model, including the interactivity mechanisms with the audience through social networks and programmes' apps as well as educational content programmes on the programming grid. In turn, the collaboration agreements with universities and the Master's in content creation contribute to the development of a group qualified in the area of media.																						
G4-EC2	Given Mediaset España's activities, the risks and opportunities due to climate change do not have significant implications for the business.																						
G4-EC3	There is no pension plan structure arranged by the company as fringe benefits.																						
G4-EC5	<p>Mediaset España's Collective Agreements officially contain the salary tables for each professional specialty and set out the applicable remuneration regime, irrespective of gender, indicating salary supplements and terms and conditions. As it is part of the Collective Agreement, there is an equal allocation of base salary between men and women; The economic regime is based on applying the salary specified in the conventional tables to the corresponding category, regardless of gender.</p> <table border="1"> <thead> <tr> <th>Professional category</th> <th>Relationship between the minimum salary established in the Collective Agreement and the inter-professional minimum salary for 2016</th> </tr> </thead> <tbody> <tr><td>LEVEL 1</td><td>1.21</td></tr> <tr><td>LEVEL 2</td><td>1.58</td></tr> <tr><td>LEVEL 3</td><td>1.84</td></tr> <tr><td>LEVEL 4</td><td>2.09</td></tr> <tr><td>LEVEL 5</td><td>2.33</td></tr> <tr><td>LEVEL 6</td><td>2.62</td></tr> <tr><td>LEVEL 7</td><td>2.93</td></tr> <tr><td>LEVEL 8</td><td>3.24</td></tr> <tr><td>LEVEL 9</td><td>3.56</td></tr> <tr><td>LEVEL 10</td><td>4.19</td></tr> </tbody> </table>	Professional category	Relationship between the minimum salary established in the Collective Agreement and the inter-professional minimum salary for 2016	LEVEL 1	1.21	LEVEL 2	1.58	LEVEL 3	1.84	LEVEL 4	2.09	LEVEL 5	2.33	LEVEL 6	2.62	LEVEL 7	2.93	LEVEL 8	3.24	LEVEL 9	3.56	LEVEL 10	4.19
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LEVEL 10	4.19																						
G4-EC6	Mediaset España does not have a specific local hiring policy differing from its general hiring policy; having a local hiring policy could promote discrimination																						
G4-LA7	Given the nature of the activity and the prevention measures applied by the organization, there are no employees carrying out professional activities involving incidences or high risk of catching certain diseases. For further information, see Workforce and Occupational risk prevention section.																						
G4-LA13	Collective agreements guarantee equality in payments between men and women that hold the same position, regarding both base salary and allowances.																						

G4-LA14 G4-LA15 G4-HR10 G4-HR11 G4-SO9 G4-SO10 G4-EN32 G4-EN33	Mediaset España does not screen suppliers for employment practices, human rights, social impacts or environmental performance. However, to ensure the ethical performance of its supply chain, the company introduces a mandatory compliance clause, and respect for all its suppliers, that addresses these issues. For further information see "Supply Chain Management" section.
G4-LA16	During 2016, 27 complaints about employment practices were presented of which 22 have been resolved through agreement, 4 with favorable resolution to the company and 1 is pending resolution.
G4-HR1	There are no significant investments in Mediaset España that include clauses incorporating human rights concerns or that have undergone human rights screening
G4-HR2	Mediaset España does not provide specific employee training on human rights issues; notwithstanding it determines precise guidelines on responsible television content creation on that matter, working with children and interaction with live audiences.
G4-HR4	Freedom of association and right to association or fostering collective agreements is fully guaranteed in all workplaces of the Mediaset España Group, as described in the "Workforce" section.
G4-HR5 G4-HR6	<p>With regards to its suppliers, Mediaset España transfers the commitments to respect, inter alia, employment and trade union employee's rights, as described in "Supply Chain Management".</p> <p>Mediaset España manages the participation of artist's who are minors in its programmes strictly following the criteria and procedures established in this regard by the Ministry of Employment in Madrid, so there is no risk of child exploitation.</p> <p>Also, through all Human Resources management mechanisms, mentioned in the "Team Management" section, the Group ensures that no forced employment incidents occur and it has established channels for reporting any incident, in the event that it should occur.</p> <p>With regards to Mediaset's suppliers, they assume the commitment to not use child labour and reject any kind of forced labour, as described in the "Supply Chain Management" section</p>
G4-HR8	There are no incidents related to the violation of indigenous rights.



G4-HR9	<p>The procedures to ensure compliance with human rights are fully implemented in the Mediaset España Group and guaranteed by the management mechanism concerning each area: Content Management, Team Management, Advertising Management, Stakeholder Relations, etc., widely developed along the section corresponding to the Governance Model.</p> <p>In particular, with regards to employment rights, they are fully guaranteed by the application of the collective agreements and any potential impacts in this area are regularly monitored by the Workers Unions, which present any issues that may arise in this regard to the Works Council.</p>
G4-HR12 G4-SO11	During 2016, Mediaset España did not receive complaints regarding human rights or social impacts, different from the employment complaints (LA16) or those related to the content broadcast and protection of minors (PR4 and PR9), that have been filed against them, addressed or resolved through formal grievance mechanisms.
G4-SO1	Mediaset España has no information systems in place enabling this information to be obtained.
G4-SO2	The activities carried out by Mediaset España generate positive impacts on local communities through direct and indirect job and leisure creation.
G4-SO5	In 2016, there has not been episodes of corruption involving the company, and therefore, there has been no need to take any action.
G4-SO6	Mediaset España does not give any financial or in-kind contribution to political parties, politicians, and related institutions.
G4-SO7 G4-SO8	In 2016, no legal proceedings have been filed for causes related to monopolistic practices or against free competition. In 2016, the execution of judgment VSNC / 0012/11 Telecinco was resolved, by which the amount of the fine imposed in 2011 was changed from € 3,600,000 to € 1,675,600.
G4-PR1	Mediaset España fulfils all legal requirements in this regard and its action guidelines are set out in Risk Management, Content Management" and Advertising Management.
G4-PR2	During 2016, there have been no incidents resulting from a breach of regulations or voluntary codes concerning the impact of products and services on health and safety.
G4-PR4 G4-PR9	<p>Mediaset España has taken all possible care to guarantee a responsible management of its business, both with contents and advertising broadcasted. Nevertheless, there have been situations where the developed procedures have not been able to counteract possible non-compliance of procedures and commitments.</p> <p>Therefore, in 2016 Mediaset España received one penalty related to the non-compliance of protection of minors, for an amount of €196.001. The penalty was appealed due to interpretive differences.</p>
G4-PR5	The measurement of the audience satisfaction is followed daily by the Antenna team, adjusting the programming grid based on the results. Mediaset España does not publicly disclose this information given that it is sensitive business data.

G4-PR6	The products marketed by the company are subject to compliance with applicable law. If during 2016 a product or programme had been taken to court, and there were good grounds, the company has taken all the necessary precautionary measures for the suspension of any marketing, until the issue had been solved.
G4-PR7	<p>Mediaset España has taken all possible care to guarantee a responsible management of its business, both with contents and advertising broadcasted. Nevertheless, there have been situations where the developed procedures have not been able to counteract possible non-compliance of procedures and commitments.</p> <p>Therefore, in 2016, Mediaset España received seven penalties related to non-compliance of advertising regulations for an amount of €1.921.049. Three penalties have been appealed due to interpretive differences.</p>
G4-PR8	During 2016 complaints regarding the violation of privacy and loss of customer data have not been received.
G4-EN2	Mediaset España has no record of used materials valued.
G4-EN8 G4-EN9 G4-EN22 G4-EN26	Mediaset España's offices are located on urban land and therefore use the urban water and sewage networks
G4-EN10	Mediaset España uses water from the urban network and does not use recycled or reused water.
G4-EN11	The facilities managed directly by the Group are located on industrial estates or in urban areas, away from protected areas.
G4-EN12	The possible impacts that might occur during the production of television contents are managed by Mediaset España taking into consideration its minimisation and always considering the strict compliance of current legislation. For further information see Environmental Performance, Production carried out in Natural Environments section.
G4-EN13	The activity carried out by Mediaset España has not had an impact on protected habitats beyond recordings programmes whose management measures are described in the section Environmental Performance, Production carried out in Natural Environments.
G4-EN14	Mediaset España carries out its direct activities in urban areas and therefore has no impact on natural areas. In the case of productions carried out in natural environments, these have been carried out according to appropriate protocols for ensuring its conservation and not affecting it, as described in the section Environmental Performance, Production carried out in Natural Environments.
G4-EN20	Because of Mediaset España's activity and the renewal refrigeration equipment plan for better performance and which also incorporate CFC gases that are more respectful to the environment, emissions of substances that deplete the ozone layer are considered not significant.
G4-EN24	Given the nature of the Group's activities, there is no risk of spills of hazardous substances.

G4-EN28	Given that the main activity of the Group is broadcasting audio-visual content, there are no significant products or packaging materials generated which could be regenerated at the end of its useful life. Residual packaging materials produced are considered non-significant. Nevertheless, the Group has covered its responsibilities as a waste producer, while managing all waste produced by the products purchased and the associated CO <sub>2</sub> emissions are calculated, both upstream and downstream.
G4-EN29	Mediaset España has received no significant fines or sanctions for non-compliance with environmental legislation.
G4-EN30	Given the activities carried out by Mediaset España, there are no significant environmental impacts transporting products or other material goods. In the Environmental Performance Section the impacts caused by transporting members of the workforce are broken down.
G4-EN31	In 2016, environmental investments amounting to €553,323 were made, corresponding to the renovation of 245 lighting elements, 5 air conditioners and the installation of solar laminates.
G4-EN34	In 2016, there have been no environmental claims filed against Mediaset España



## Glossary

**Assets:** Group of assets and rights owned by a company.

**Audience (television):** Number of people over 4 years of age that are watching television at a given moment.

**Blog:** Also known as a web log, a blog is a regularly updated website that displays texts or articles by one or more authors in chronological order—in which the most recent appears first—with a particular purpose or theme, in which the author has the freedom to post anything he or she believes is relevant.

**Broadcast:** Distribution of audio and/or video signals that transmit programs to an audience. The audience can be the public in general, or a relatively large sector of the public such as children or young people.

**Climate change (global warming):** Change in overall atmospheric conditions attributed directly or indirectly to human activity, which increases the natural variability of the climate observed during comparable time periods.

**CO<sub>2</sub> equivalent:** International methodology for measuring greenhouse gas emissions used to establish the equivalence between heat retention of any gas of this type and that of CO<sub>2</sub>. In this manner, all gases are converted to the CO<sub>2</sub> measurement, enabling a homogeneous calculation of any greenhouse gas.

**Coach:** programme that contributes to personal growth and professional development.

**Commercial target:** Audience group comprised of individuals between 13 and 54 years of age, from the middle and upper classes who live in cities with 10,000 or more inhabitants.

**Commuting:** daily journal from home to work.

**Contract hire:** rental contract under which the contract hire company purchases a new car, at the customer's request and makes it available to the customer for a specific time, including all expenses.

**Day time:** Broadcast period during daylight hours.

**Digital forum:** Web application that serves as a platform for exchanging opinions or holding discussions or debates online.

**Digital interview:** System of communication via the Internet in which one or more experts on specific topics receive questions from users and respond to them through the web.

**DTT (Digital Terrestrial Television):** Digital television platform that uses terrestrial broadcast systems, in other words, antennas located on the surface of the earth.

**EBIT:** Earnings before interests and taxes.

**Environmental impact:** Any change in the environment, adverse or beneficial, that results from human activity.

**Free float:** Floating capital that can be traded immediately. These are shares that are not held by large owners and which are not subject to sales restrictions.

**Frequency index:** This index expresses a relationship between the occurrence of workplace accidents resulting in absence from work in relation to the length of exposure to the risk.

**GJ:** Gigajoule – energy measurement unit

**Greenhouse effect:** Phenomenon by which certain gases that make up the atmosphere retain part of the energy from solar radiation emitted by the ground, causing a moderation of temperature variations of the earth and an increase in its average temperature. This phenomenon is being intensified by the emission of certain gases in large quantities, such as CO<sub>2</sub> and methane, caused by human activity.

**Greenhouse Gas Protocol:** International instrument used by government and companies to record and manage their greenhouse gas emissions. This initiative was created by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute.

**Greenhouse gases:** Compounds that are found in the atmosphere and which, due to their properties, are responsible for the greenhouse effect. The massive emission of these gases through activities such as the burning of fossil fuels increases the greenhouse effect; this increase

is recognized as the leading cause of global climate change. Among these substances the following ones are included: CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and water vapour.

**GRI (Global Reporting Initiative):** Initiative started in 1999 to develop and disseminate applicable directives for preparing sustainability documents and reports. These guidelines, to be used on a voluntary basis by organisations, exist for the purpose of improving the quality of their reports and achieving greater comparability, consistency and efficiency in their dissemination.

**GRP (Gross Rating Point):** The basic rating point is the unit of measure of advertising effectiveness. It consists of the percentage of the audience that viewed a given television spot compared to the potential market determined previously between the television operator and the advertiser/media centre. Data that is later contrasted with the data provided by Taylor Nelson Sofres. GRP are measured per minute, although the advertising spots tend to have a shorter duration. GRP can also be calculated by multiplying the net coverage by the frequency of a spot.

**Gymkhana:** from the Hindi and Persian terms khana and gend, meaning “ball game” and currently used to refer to games involving various competitive events.

**Incidence index:** Ratio of occupational accidents to the average number of workers exposed to the risk. This index indicates, therefore, the probability of an occupational accident occurring to the staff.

**Late night:** Programming block from 0:00 to 2:30.

**Liabilities:** Total obligations and debts contracted by a company. The liabilities represent the company's source of financing.

**Moderation:** Work of controlling user-added content in the available forms of debate and participation so that this does not include content that is inappropriate, offensive or prohibited under the conditions established for the use of these applications. Once the text has been approved by the moderator, it is published on the Internet.

**Morphing:** Creative process of merging the image of the advertiser with that of the channel.



**Occupational accident:** Diseases, pathologies or injuries caused by or at work.

**Page view:** Files sent in response to a user request received by a server. When a page is made up of several frames, the group of frames will be considered a single page for calculation purposes.

**Payout:** Portion of corporate earnings used to pay dividends. This is expressed as a ratio and is the result of dividing the dividend by the net earnings and multiplying the result by 100.

**Post-moderation:** Work of controlling user-added content once it has been published in the different forms of debate and participation available in web applications. If the published content is considered inappropriate, offensive or does not comply with the established conditions of use, it will be eliminated from the application.

**Power ratio:** In a media company, this statistic indicates the performance of revenues compared to the audience share.

**Prime time:** Programming block from 21:00 to 00:00, during which time the maximum audience is reached.

**Prime-time access:** The programming block prior to prime time.

**Rating:** Analytical instrument that permits valuation of the risk of a company or of a broadcast. Normally, higher ratings are demanded of the broadcasters with the weakest financial position (worst rating) to compensate for the greater risk assumed.

**Remake:** In film and television, a new version of a previously released program or film, or a local version of a series in a country other than the one in which it originated.

**Rich media:** Internet advertising term assigned to a web page that uses advanced technology such as on-demand video, program downloading with user interaction and advertising that changes when the user passes the cursor over it.

**Roadshow:** Technical, economic and commercial information forum.

**Security document:** Name of a mandatory document that all companies must have available to the Spanish Data Protection Agency [Agencia Española de Protección de Datos] in which the measures and procedures that each company must have in place for complying with the Security Measures Regulation (Royal Decree 1720/2007, of 21 December) [Reglamento de Medidas de Seguridad (Real Decreto 1720/2007, of 21 Decembre)] are detailed.

**Security Measures Regulation:** This is RD 1720/2007, of 21 December, which implements Organic Law 15/1999, the Data Protection Organic Law.

**Severity index:** This index compares the number of days with absence from work with the number of hours the worker is exposed to the risk. The importance of this index is that it includes, in addition to the consequences of the injuries, the cost in terms of time lost from work as a result of the accidents.

**Share:** Distribution of the actual audiences amongst all channels, expressed as a percentage.

**Share capital:** Monetary amount or value of the assets that the shareholders of the company own. The rights that shareholders acquire in the company will depend on the share capital contributed. This is divided into equal and indivisible portions called shares.

**Shareholder:** Individual or legal entity that holds shares in a company, making it an owner of the company in proportion to the number of shares it holds.

**Sitcom:** Also known as situation comedies, sitcoms refer to a type of series originating in USA which usually have certain characteristics: recorded or live laughter, a shorter duration, self-contained chapters etc.

**Site:** Group of web pages generally associated with the same Internet domain which normally are on the same topic or serve the same purpose.

**Spanish energy mix:** Types of energy used to generate electricity (nuclear, solids, oil and gas, bio-mass, waste, hydro-electric, wind, solar, geothermal and other renewable sources)

**Spin-off:** project born as an extension of a previous project, on television, which generally refers to a new series deriving from a previous series as regards situations, plots or characters.

**Stakeholders:** All of the persons, institutions or groups that significantly affect the activity of an organisation and its decisions, and/or that may be affected by them.

**Sustainable development:** The appearance of the concept of Sustainable Development goes back to the presentation in 1987 of the report "Our Common Future" by the World Commission on Environment and Development (Brundtland Commission) created by the UN, where it was defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

**Target audience:** Group of persons to which the channel addresses its advertising messages.

**United Nations Global Compact:** International initiative put forth by the United Nations in 1999 which invites an ethical commitment by companies and has the goal of obtaining a voluntary commitment on the part of institutions with respect to social responsibility by means of implementing Ten Principles or fundamental values related to human rights, labour practices, the environment and the fight against corruption. Its purpose is to foment the creation of a global corporate citizenship which permits the reconciliation of the interests and processes of business activity with the values and demands of civil society, as well as with the projects of the UN, international sector organizations, unions and NGOs.

**Webcast:** Television program designed for transmission over the Internet.

**Windows:** The different means of commercially exploiting an audiovisual content in terms of time. The most common windows for audiovisual content are movies, DVD and video, pay per view, cable television and free television.

**XDCAM:** Professional video system that uses a PFDdisc, similar to Blu-ray, and which, due to its characteristics, can be reused for a very long period.



## Directory

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