

PRESS RELEASE

**MEDIASET'S BOARD OF DIRECTORS
APPROVES 2014 RESULTS****Highlights: Mediaset Group 2014**

Net revenues: €3,414.4 million

Operating profit (EBIT): €248.8 million

Net profit: €23.7 million

Dividend proposal: a total of €22.7 million

Key points for FY 2014

- *The return of dividends*
- *Increased value of subsidiaries:*
 - Ei Towers +21%*
 - Mediaset España +27%*
- *End of the three-year cost-cutting plan in Italy ahead of target*
- *Improvement in ratings compared with 2013*
- *Increase in share of the advertising market*
- *Creation of Mediaset Premium Spa*
- *Acquisition of exclusive rights to the Champions League 2015-2018*
- *First full year of the "Infinity" online streaming service*
- *Leadership in Italy of online video views*
- *Oscar 2014 for "La Grande Bellezza"*

The Board of Directors of Mediaset, which met today under the chairmanship of Fedele Confalonieri, examined and approved the Group's Consolidated Annual Report for the year ended 31 December 2014 as well as the Annual Report of the parent company Mediaset S.p.A. In an economic scenario that remains negative, during 2014 the Group generated both profits and cash, while reducing its level of debt, despite significant investments.

The performance of the Mediaset Group in 2014 can be summarised as follows:

- **Net revenues** amounted to **€3,414.4 million**, compared with €3,414.7 million in 2013. In particular, revenues in Italy came to **€2,483.4 million**, compared with €2,588.5 million in 2013. In Spain revenues amounted to **€932.1 million**, compared with €826.8 million in 2013. Advertising sales were decisive in terms of the impact on the Group and in Spain, where the recovery is more tangible, gross television advertising revenues rose to **€889.2 million** from the €802.2 million of the previous year. In Italy, where the recession continued in 2014 and led to a marked fall in advertising spending, gross television advertising revenues came to **€1,982.4 million**, a 3.8% fall on 2013 (€2,061.5 million). The performance of sales improved progressively over the year with a more contained fall in the final quarter of -1.3%. Mediaset's market share in 2014 was 33.6%, a slight fall compared with 2010 (33.5%), the last year in which the advertising market grew.
- **The Group's EBIT** came to **€248.8 million**, compared with €246.3 million in the previous year. In Italy, EBIT amounted to **€104.4 million**, compared with €176.1 million 2013. Also in Spain the figure was positive, at **€144.8 million**, compared with €70.2 million in the previous year.
- **Consolidated net profit** came to **€23.7 million**, a marked improvement on the €8.9 million of 2013.

- As a result of the effectiveness of cost reduction efforts, the Group's **net financial debt** fell for the fourth consecutive year from €1,459.0 million in 2013 to **€861.3 million** in 2014. This is the lowest level of indebtedness recorded in the last seven years.

KEY POINTS 2014

- **Rise in the value of subsidiaries.** During the year there was a marked increase in the value of the Group's listed subsidiaries: Ei Towers +21%, Mediaset España +27%.
- **Efficiency measures in Italy.** The three-year (2012-2013-2014) efficiency programme came to an end with results that were ahead of the objectives originally fixed at €450.0 million. Savings achieved in television activities amounted to **€631.2 million** compared with the cost base 2011. The efficiency plan was implemented in a deep but targeted manner, without affecting either the quality or the quantity of the TV product offered to the audience.
- **Creation of Mediaset Premium as a stand-alone company.** During the year the strategic operation for the development of the Group's pay TV activities resulted in the creation of a new company called Mediaset Premium Spa, which became operational on 1 December 2014. This operation made it possible to expand the shareholder structure internationally when the Spanish-based Telefonica acquired an 11.11% stake in the new company. The report on the estimated value of the contribution, deposited with the Companies Register and outlining the assets as of 30 September, shows that such assets are worth over **€2 billion** and the net profit for the only month of operations (December 2014) totalled **€8,7 million**.
- **Ratings.** In an increasingly competitive European panorama, the Mediaset channels improved their ratings compared with 2013 and maintained their leadership in the commercial target, both in Italy and Spain. In Italia, Mediaset is the leader in the commercial target with a **36.1% share in prima time** and **34.7% in the 24-hours**. **Canale 5** grew by 0.4 points in the 24-hours in the overall audience and was Italy's most popular channel in the commercial target, both **prima time (17.0%)** and the **24-hours (16.1%)**. In Spain, the Mediaset España channels maintained their absolute leadership in the **24-hours** with a **30.7% share**. **Telecinco** confirmed its position as Spain's most popular channel in both the **whole day (14,5%)** and in **prima time (15.2%)**.

Development activities. During the year, significant investments in premium sports rights and new distribution technologies. Important results were also achieved in the field of cinema.

Sport Mediaset was awarded the exclusive rights for the Champions League for the three years 2015-16/2016-17/2017-18. This means that, for the next three years, the most important European football tournament will air only on Mediaset Premium and will no longer be available on satellite pay TV. An exclusive which in 2015, also as a result of the three-year renewal of the TV rights for Italy's Serie A, will create the conditions for a change in the balance of the market.

Technological innovation The first full year of the "Infinity" offer of online streaming content ended with brilliant results. It started with 8 million unique visitors to the Infinitytv.it site and 330,000 actual users who viewed, in 12 months, over 5 million items of paid content (films and TV series). Mediaset also strengthened its leadership in 2014, in free video on the web: 1,224,000,000 views in the 12 months, equal to an average of 3.3 million videos viewed every single day (+62%).

Cinema "*La Grande Bellezza*" won the Oscar for Best Foreign Film.

RESULTS OF THE PARENT COMPANY MEDIASET S.P.A.

The parent company Mediaset S.p.A. ended the year 2014 with a **net profit of €37.1 million**, compared with a net loss of €16.5 million in 2013.

PROPOSED ALLOCATION OF PROFIT AND COVERAGE OF LOSSES FROM PREVIOUS YEAR

The Board of Directors will propose to the forthcoming Shareholders' Meeting to decide on the coverage of losses from previous year amounting to €16,502,364.61 and the allocation of the profit for the year amounting to €37,086,995.24 as follows:

- to fully cover the losses of previous year from the extraordinary reserve,
- to distribute to the shareholders, as a dividend, €22,728,041.28, at the rate of €0.02 for each of the 1,136,402,064 ordinary shares that make up the share capital;
- to allocate to the extraordinary reserve the residual profit of € 14,358,953.96.

If approved, the extraordinary reserve amounting to €1,411,212,836.19 which will consequently initially be reduced to €1,394,471,58 due to carried forward hedging losses of €16,502,364.61 and will thereafter increase to € 1,409,069,425.54 as a result of the allocation of the share of the profit of €14,358,953.96 not distributed in dividends.

As a complement to the annual calendar of corporate events announced on 14 January, the dividend will be paid on 20 May 2015, with coupon detachment N°. 17 on 18 May 2015 – with 19 May 2015 as the record date.

The dividend payment of €0.02 per share is gross of withholding taxes, where applicable.

To date, the Company's share capital amounts to €614,238,333.28, divided into n. 1,181,227,564 ordinary shares. As of 24 March 2015 the company holds 44,825,500 shares in Treasury Stock, equal to 3.79482% of the share capital.

EXPECTATIONS FOR THE CURRENT YEAR

In Italy the trend in the advertising market at the beginning of 2015 confirmed the progressive improvement of the previous quarters. Although Nielsen data for January show a slow start, the advertising revenues of the Group's companies nevertheless recorded signs of improvement in February, and March is expected to be in line with last year. Despite macroeconomic factors that should progressively facilitate a recovery in consumer spending and the advertising market, the trend in Mediaset's advertising revenues for the full year remains, for the time being, difficult to predict..

In Spain, where the economic recovery is much more consolidated, advertising sales in the first two months of the year were decidedly positive; the trend is likely to continue over the next few months favouring the achievement of significant levels of profitability by Mediaset España and a positive contribution to the Group's consolidated results. Results that can be achieved also thanks to the improvement of investment income following the sale of a stake in Digital Plus in 2014 and the reduction in the tax rate in Spain from 30% to 28%.

However, the combination of these elements does not yet allow us to make a reliable estimate of the trend in the consolidated results for the full year. Such results will depend mainly on the trend, especially in the second half of the year, in advertising revenues in Italy and Spain and on Mediaset Premium subscriptions linked to the new football offer that includes a three-year exclusive for the Champions League.

The executive responsible for the preparation of the Mediaset S.p.A. accounts, Luca Marconcini, declares that, as per para. 2 art. 154-bis, of the Single Finance Bill, that the accounting information contained in this press release corresponds to that contained in the company's books.

REMUNERATION REPORT

The Board of Directors has approved the Remuneration Report pursuant to Art. 123-ter of the Consolidated Law on Finance and the implementation provisions issued by Consob.

At the forthcoming Annual General Meeting the Board will recommend the approval of the first section of the report, outlining the company's policy on the remuneration of directors and executives with strategic responsibilities, in compliance with the provisions of Art. 123-ter of the Consolidated Law on Finance.

SHARE BUY BACKS

The Board of Directors of Mediaset will ask the forthcoming AGM to renew authorisation to purchase shares in order to pursue, in the interests of the company, the aims foreseen by current regulations, including:

- a) the availability of shares to be sold for the implementation of compensation plans with allocation, against payment or free of charge, of company shares (such as stock grant or stock option plans and, more generally, share plans and plans for financial instruments exchangeable for the Company shares) in favour of executives, employees and/or associates of the Group;
- b) for trading and coverage purposes;
- c) for investment operations in liquidity.

Buy backs will be made in compliance with Articles 2357 ff. of the Civil Code, Article 132 of Legislative Decree no. 58/98, Article 144-bis of Consob Regulations implementing Legislative Decree N° 58 of 24 February 1998, concerning the regulation of issuers ("Issuers Regulations") and all other applicable regulations, including those set out in Directive 2003/6 and relative EU and national implementing rules.

To date, the share capital amounts to €614,238,333.28, divided into n. 1,181,227,564 ordinary shares and, as of 24 March 2015, your company holds a total of 44,825,500 shares, equal to 3.795% of the share capital; Mediaset's controlled subsidiaries do not own shares of the parent company.

The proposal foresees that the Board of Directors be authorised to buy back, also through options trading or financial instruments and share-backed derivatives of Mediaset, up to a maximum of 118,122,756 ordinary shares with a nominal value of €0.52 each - corresponding to 10% of the share capital - in one or more operations, until the approval of the Financial Statements for the year to 31 December 2015 and for a period not exceeding 18 months from the date of the resolution. The amount indicated above is covered by the reserves indicated in the last approved financial statements.

Purchases must be made on the listing Stock Exchange in the manner indicated in article 144, paragraphs b) and c) of the Issuers Regulations at a price not higher than the highest price between the price of the last independent transaction and the price of the highest current independent bid on the electronic stock market managed by Borsa Italiana.

Shareholders will also be required, pursuant to art. 2357 cod. civ., to authorise the Board of Directors, subject to current laws and regulations, and the regulations issued by the Italian Stock Exchange and in compliance with the EU provisions, to:

- a) sell company shares purchased pursuant to this resolution or already in the portfolio to the participants of compensation plans, at cost or free of charge, in line with the terms and conditions - including the price, if any - established by the plans and the relevant Rules. Such authorisation to be granted within the time limits established by the compensation plans;
- b) sell company shares purchased pursuant to this resolution or already in the company's portfolio in the following alternative ways:
 - i) through cash transactions; in such cases, sales will be made on the Stock Exchange and/or off market, at a price not less than 90% of the reference price recorded by the share in the trading session preceding each individual transaction;
 - ii) by trading, exchange, contribution or other disposition, as part of industrial development projects or extraordinary financial operations. In such cases the terms of the transfer, including the valuation of the shares traded, will be determined with the help of

independent experts, on the basis of the nature and characteristics of the transaction, also taking into account market performance of Mediaset shares.

The authorisation referred to in point b) is granted for a period of not more than 18 months from the date of the resolution.

MEDIUM-LONG-TERM INCENTIVE AND RETENTION PLAN

The Board of Directors will propose to the forthcoming Shareholders' Meeting the creation of a medium to long-term incentive and retention plan (hereinafter the "Plan") that, also based on the experience of previous plans, will be reserved for executives of Mediaset SpA and its subsidiaries with functions critical to the achievement of the Mediaset Group's strategic objectives.

The plan, which will cover a period of three years (2015-2017), has been defined by the Board based on proposals by the Remuneration Committee and aims to promote the creation of value for shareholders in the medium-long term and incentivising the loyalty of the subjects for whom it is intended.

The plan foresees the attribution of rights for the allocation of a corresponding number of shares of the company, with regular dividend. The vesting and the subsequent assignment of the underlying shares will be subject to the verification, by the Board of Directors, of the achievement of performance targets and the existence of an employment relationship at the date of expiry of the vesting period, as will be established in the Regulations.

The shares to service the Plan will be made available using shares already issued by the company (treasury stock), to be purchased pursuant to Article 2357 ff. of the Civil Code, provided the company does not wish to or can not draw on those already held as Treasury Stock.

The Board of Directors will have the duty and responsibility to determine certain aspects of the Plan and to take the necessary measures for the implementation of the Plan in accordance with the authorisation attributed by an specially called Shareholders' Meeting in compliance with the principles that to be determined by the same.

In line with Article. 84-bis, para. 1, of the Issuers Regulations, appropriate information will be given to the market, through the publication of an information document prepared in accordance with the instructions set out in Annex 3A, Outline 7 of the Issuers Regulations.

Cologno Monzese, 24 March 2015

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Highlights from the consolidated income statement
in €m

	2014	2013
Consolidated net revenues	3,414.4	3,414.7
Labour costs	537.5	535.9
Procurement, services and other costs	1,544.5	1,574.5
Operating costs	2,082.0	2,110.4
Gross operating profit (EBITDA)	1,332.4	1,304.3
Amortisation of rights	924.1	878.2
Other amortisation and depreciations	159.5	179.8
Total amortisation and depreciations	1,083.5	1,058.0
Operating profit (EBIT)	248.8	246.3
Financial income /(charges)	(70.4)	(73.2)
Income/(charges) from investments	(39.8)	(72.9)
Profit before taxation	138.7	100.2
Income taxes	(61.6)	(77.4)
Net profit from operations	77.1	22.8
Net result from discontinued operations	-	-
Minority interest (profit)/loss	(53.4)	(13.9)
Profit/Loss for the Mediaset Group	23.7	8.9

Highlights from the consolidated balance sheet
in €m

	31/12/2014	31/12/2013
Television and film rights	2,581.4	1,830.3
Goodwill	934.4	912.4
Other tangible/intangible assets	1,092.3	1,218.9
Financial assets	70.3	469.7
Net working capital & other assets/liabilities	(674.6)	97.9
Severance indemnity reserve	(96.9)	(92.5)
Net invested capital	3,906.8	4,436.7
Net Group assets	2,322.8	2,119.9
Shareholders' equity and minority interest	722.7	857.8
Net assets	3,045.6	2,977.7
Net financial debt	861.3	1,459.0