

Press Release

Mediaset Board Meeting 30 July 2015

APPROVAL FOR FIRST HALF RESULTS 2015

Mediaset Group

Net revenues: €1,721.1 million

Operating profit (EBIT): €137.5 million

Net profit: €24.3 million

Net debt: down to €628.2 million

Ratings: Mediaset channels leaders in both Italy and Spain
In Italy, Canale 5 grew by 9.7% in prime time in the commercial target

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the report for the first half of 2015.

The Mediaset Group ended the first half of the year with improved results compared with the first half of 2014. Growth was seen in both EBIT and net profit, with a continued reduction in net debt thanks to positive cash generation during the period.

Group performance is summarised in the following results:

- **Net revenues** came to **€1,721.1 million**, essentially in line with the €1,724.8 million of the first half of 2014.
In Italy, revenues totalled **€1,243.7 million**, compared with €1,257.4 million in the same period last year. In Spain revenues amounted to **€478.5 million**, compared with €468.0 million in 1H 2014.
These results were determined in both countries by the performance of advertising sales. In Spain, where a tangible economic recovery continues, gross TV advertising revenues rose to **€473.2 million**, compared with €446.5 million in the same period last year. In Italy, where the market is in decline also in 2015, gross TV advertising revenues for the period amounted to **€1,011.0 million**, a 0.8% fall on the first six months of 2014 (€1,019.2 million). In the second quarter of 2015, however, gross TV advertising revenues in Italy were essentially in line with those of the second quarter of 2014 (-0.1%), confirming a gradual normalisation compared with the previous series of negative quarters.

- The group's **EBIT** rose to **€137.5 million**, compared with €109.5 million in the same period of last year. In Italy EBIT totalled **€27.0 million**, compared with €29.4 million in 1H 2014. In Spain the figure rose to **€111.0 million**, up from €80.1 million in the same period of the previous year.
- **Consolidated net profit** amounted to **€24.3 milioni di euro**, a positive turnaround compared with the loss of -€20.5 million recorded in the same period of 2014.
- The group's **net debt** was further reduced, from €861.3 million at 31 December 2014 to **€628.2 million** on 30 June 2015. The improvement was the result of the effect of positive cash generation (free cash flow) equal to €283.1 million, which should be added to the sum €100 million deriving from the sale of an 11.1% stake in Mediaset Premium to Telefonica, which was completed in January.
- **Ratings.** In the first six months of 2015 Mediaset channels confirmed their marked leadership in the commercial target in both Italy and Spain. In Italy, Mediaset is the leader in the audience in the 15-64 age range with a **37.2% share in prime time** (+2.7% compared with the first half of 2014) and **35.5% in the 24-hours**. **Canale 5** is Italy's most popular channel both in **prime time** with an **18.2% share** (+9.7% compared with the same period of 2014) and in the **24-hours (16.8%)**. In Spain, Mediaset España's channels maintain an absolute leadership in the **24-hours** with a **31.4% share**. **Telecinco** confirmed its position as Spain's most popular channel both over the **whole day (15.0%)** and in **prime time (15.6%)**.

ACQUISITION OF MONRADIO (RADIO 101)

The Board of Directors, having examined the results of the related due diligence process and recorded the support of the Independent Committee for relations with related parties and pursuant to Consob Regulation 17221 of 12 March 2010, as subsequently modified and integrated and in line with the relative procedures adopted, authorised the subsidiary R.T.I. S.p.A. to finalise the acquisition of an 80% stake in the share capital of Monradio S.r.l., a wholly-owned subsidiary of Arnoldo Mondadori Editore S.p.A., which is the owner of the radio station R101. The operation will be finalised by 20 September 2015.

FORECAST FOR THE YEAR

In an international economic scenario that continues to be unstable, albeit for the moment able to absorb the possible negative impact of the crisis in Greece, the estimates of leading observers confirm an expectation of growth in Italian GDP in 2015 of less than 1%.

Given this situation, it remains very difficult to make predictions about the evolution of the Italian advertising market over the full year. Based on currently available indicators, the trend in the group's advertising sales in July and August remain positive, confirming the gradual stabilisation of market conditions. In Spain, meanwhile, where a more solid economic recovery is underway, the trend recorded by Mediaset España in the first half of the year is expected to continue.

For the moment, the unpredictability of the markets of reference and the high level of volatility in the economic cycle make it difficult to make precise forecasts about the group's results for the full year. The results will be depend on the dynamic in advertising sales in Italy and Spain as well as the trend in subscriptions to Mediaset Premium in the coming months.

In this period the group will continue to pursue opportune commercial and content strategies aimed at increasing its share in both the advertising and pay TV markets through the enhanced *Premium* offer, launched on 1 July and focused of the exclusive three-year coverage of the Champions League, starting in the next season.

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.

Cologno Monzese, 30 July 2015

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Highlights from the consolidated income statement (*)

in €m

	1 st half		Q2	
	2015	2014	2015	2014
Consolidated net revenues	1,721.1	1,724.8	892.3	904.0
Labour costs	269.8	276.0	135.7	137.3
Procurement, services and other costs	784.2	780.6	396.2	421.2
Operating costs	1,054.0	1,056.5	531.9	558.5
Gross operating profit (EBITDA)	667.1	668.3	360.4	345.5
Amortisation of rights	464.7	482.4	235.6	225.1
Other amortisation and depreciations	64.9	76.4	33.2	40.5
Total amortisation and depreciations	529.6	558.8	268.8	265.6
Operating profit (EBIT)	137.5	109.5	91.6	79.9
Financial income /(charges)	(23.2)	(40.5)	(10.1)	(18.0)
Income/(charges) from investments	15.6	(60.7)	10.9	(56.0)
Profit before taxation	129.9	8.4	92.3	5.8
Income taxes	(41.1)	(7.2)	(29.9)	(2.8)
Net profit from operations	88.8	1.1	62.4	3.0
Assets destined to be closed or sold	-	-	-	-
Minority interest (profit)/loss	(64.6)	(21.7)	(38.8)	(11.1)
Profit for the Mediaset Group	24.3	(20.5)	23.6	(8.1)

Highlights from the consolidated balance sheet (*)

in €m

	30/06/2015	31/12/2014
Television & film rights	2,520.6	2,581.4
Goodwill and consolidation differences	934.4	934.4
Other tangible/intangible assets	1,076.8	1,092.3
Financial assets	91.1	70.3
Net working capital & other assets/liabilities	(831.8)	(674.6)
Severance indemnity reserve	(88.9)	(96.9)
Net invested capital	3,702.1	3,906.8
Net Group assets	2,363.8	2,322.8
Shareholders' equity and minority interest	710.1	722.7
Net assets	3,073.9	3,045.6
Net financial position	628.2	861.3

(*) The reclassified figures in the interim report on operations, are not subject to verification by the auditors