
PRESS RELEASE

Mediaset Board Meeting 26 September 2017

APPROVAL FOR FIRST HALF RESULTS 2017

Mediaset Group

Net revenues: € 1,845.7 million

Operating profit (EBIT): € 212.3 million

Net profit: consolidated at €74.8 million

TV ratings: leadership in the commercial target both in Italy and Spain. In Italy, Canale 5 the leading channel in the commercial target across all time bands

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the company's Interim Report of the First Half of 2017.

The Mediaset Group ended the first half of the year with better results than in the first six months of 2016. Marked consolidation in the growth of both EBIT and net profit. There was also an improvement in cash flow generation, despite significant investments in acquisitions and holdings, both national and international, in addition to buy back plans and dividend distributions made in the period, both in Italy and Spain.

The Group's performance can be summarised as follows:

- **Net revenues** amounted to **€1,845.7 million**, compared with the €1,870.6 million of the first half of 2016.
In Italy, revenues amounted to €1,337.8 million, compared with the €1,349.7 million of the same period of the previous year, a period that benefitted from particularly high revenues from cinema box office receipts. In Spain revenues reached €508.5 million, compared with €521.6 million in 2016.
Revenues in both countries were determined by trends in the advertising market.
In Spain, gross advertising revenues totalled **€501.0 million** compared with the €508.0 million of the first half of 2016. In Italy, gross television advertising revenues came to **€1,076.8 million**, an increase of 2.2% on the €1,053.4 million in the same period of the previous year; a result that is particularly significant given the 3.0% fall in the overall advertising market in Italy in the first half of the year.

- Operating costs were down by 4.7% (from €1,156.4 million to €1,101.4 million) in line with, and even ahead of, the Mediaset 2020 plan presented to the market in January 2017. In Spain, total costs were down by 6.0%, from € 371.4 million to **€349.3 million**. While in Italy, the fall was even more marked (-8.5%), with overall costs at **€1,284.3 million**, compared with €1,403.8 million in 2016.
- The Group's **EBIT** for the period rose to **€212.8 million**, compared with €96.1 million for the same period of last year, with a rise in **operating profitability** to **11.5%**, compared with 5.1% in the first half of 2016. In Italy EBIT came to **€53.5 million**, compared with -€54.1 million in 2016. While in Spain the figure rose to **€159.2 million**, compared with €150.1 million the previous year.
- There was further consolidation of the Group's net profit which reached €74.8 million, in a marked and positive turnaround compared with the loss of -€28.2 million recorded in the same period of 2016.
- **Net financial debt** went from €1,162.4 million on 31 December 2016 to **€1,241.2 million** on 30 June 2017, with an improvement in cash generation (**€199.4 million**) markedly up on the figure of €152.8 million in the first half of 2016. Investments in acquisitions and holdings in the period amounted to €54.6, while buy back plans and dividend distribution, both in Italy and Spain, amounted to €53.0 million and €175.6 million respectively.
- **TV ratings.** In the first six months of 2017 Mediaset's channels confirmed their net leadership in the commercial target, both in Italy and Spain.
In Italy, Mediaset is the market leader among the audience in the 15 to 64 age-range with a **34.0%** share in day time and a **33.7%** share in the **24 hours**. **Canale 5** is Italy's most popular channel in the commercial target, across all time bands, with a peak in day time of **16.8%**.
In Spain, Mediaset España's TV channels maintained their absolute leadership in the **24 hours** with a **30.7%** share. While **Telecinco** remained Spain's most popular channel across the **whole day** with a **13.8% share**.

EVENTS SUBSEQUENT TO 30 JUNE 2017

On 25 July 2017, Publitalia 80 and Publiespana SA created a joint venture called AdTech Ventures Spa that will hold a 33.3% stake in the start-up **European Broadcaster Exchange (Ebx)** with equal stakes held by Tf1 (France) and ProsiebenSat1 (Germany). The aim of this international alliance is to offer high-quality pan-European video-based advertising campaigns, able to reach a pool of some 250 million people. The activities of the new company, which will be based in London, will mainly focus on programmatic campaigns, with automatic digital management.

On 31 July 2017, RadioMediaset Spa finalised the acquisition of RadioSubasio and RadioAut, that control the broadcaster **Radio Subasio**, leader in terms of reach and audience in central Italy, a geographical area that perfectly complements the existing

activities of the Mediaset Group's radio business, that includes Radio 105, Virgin Radio, R101 and the partnership with Radio Montecarlo.

FORECAST FOR THE YEAR

As of today, the Group's total advertising revenues are in a positive trend, despite a market that continues to be characterised by weakness. In the final quarter of the year, advertising revenues, in both Italy and Spain, are expected to consolidate the positive trend, also as a result of a possible progressive recovery in the market, driven by improvements in both consumer and business confidence. On the basis of these expectations, as well as the results already recorded at the end of the first half, the company confirms its aim of ending the year with positive results both in its EBIT and consolidated net profit.

BOARD OF STATUTORY AUDITORS

Following the nomination of the Board of Statutory Auditors by the Annual General Meeting of the Shareholders, held on 28 June, the Board of Directors today recorded the positive outcome of the verification process, undertaken by the Board of Statutory Auditors itself, regarding the requisites of independence of its members, in line with the provisions of 3.C.1 and 8.C.1 of the Code of Conduct for listed companies and in compliance with Art. 148 of Legislative Decree 58/1998, as well as other requirements foreseen by current legislation and the Articles of Association, including the absence of any other impediments.

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, 26 September 2017

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Highlights from the consolidated income statement

	1 st half		Q2	
	2017	2016	2017	2016
Consolidated net revenues	1,845.7	1,870.6	956.4	958.6
Labour costs	270.5	269.0	137.4	132.6
Procurement, services and other costs	830.8	887.3	426.3	474.0
Operating costs	1,101.4	1,156.4	563.7	606.6
Gross operating profit (EBITDA)	744.3	714.2	392.7	352.0
Amortisation of rights	467.5	549.2	223.9	242.4
Other amortisation and depreciations	64.1	69.0	32.6	34.9
Total amortisation and depreciations	531.6	618.2	256.5	277.3
Operating profit (EBIT)	212.8	96.1	136.2	74.7
Financial income /(charges)	(10.5)	(43.0)	(5.3)	(34.9)
Income/(charges) from investments	2.4	1.7	0.9	2.0
Profit before taxation	204.6	54.8	131.8	41.7
Income taxes	(54.8)	(22.8)	(34.8)	(16.7)
Net profit from operations	149.7	32.0	97.0	25.0
Assets destined to be closed or sold	-	-	-	-
Minority interest (profit)/loss	(75.0)	(60.2)	(38.1)	(35.1)
Profit for the Mediaset Group	74.8	(28.2)	58.9	(10.0)

Highlights from the consolidated balance sheet

	30/06/2017	31/12/2016
Television & film rights	1,568,9	1,629,7
Goodwill and consolidation differences	971,5	964,7
Other tangible/intangible assets	1,256,5	1,296,4
Financial assets	114,4	92,7
Net working capital & other assets/liabilities	(154,8)	(193,6)
Severance indemnity reserve	(89,1)	(91,8)
Net invested capital	3,667,5	3,698,3
Net Group assets	1,950,2	1,947,7
Shareholders' equity and minority interest	476,0	588,2
Net assets	2,426,3	2,535,9
Net financial position	1,241,2	1,162,4