PRESS RELEASE

Mediaset Board of Directors' Meeting 15 May 2018

BOARD APPROVES RESULTS FOR FIRST QUARTER 2018: RETURN TO PROFIT CONFIRMED

Mediaset Group

Net revenues: €860.6 million

Operating costs: fell to €806.7 million

Operating profit (EBIT): €53.9 million

Net profit: €3.5 million

TV ratings: leadership in the commercial target in both Italy and Spain

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the interim report for the first quarter of 2018.

The Group's performance underlines what emerged during the approval of the 2017 Final Results: also in the first three months of 2018 the return of net profit is confirmed. This is a significant signal in a period marked by a downturn in advertising due to political instability and not yet benefiting from the positive economic impact of the strategic agreement reached with other distribution platforms reached in Italy at the end of the period, on 30 March 2018.

What follows is a summary of the main results of the first quarter of 2018 which are entirely in line with the Mediaset 2020 plan presented to the market in 2017.

- **Net revenues** came to **€860.6 million**, compared with €889.3 million in the first quarter of 2017. In particular, revenues in Italy amounted to **€631.0 million**, compared with €649.3 million in the same period of the previous year. In Spain revenues for the period came to **€229.6 million**, compared to €240.4 million in Q1 2017.
Revenues in both countries were affected by the slowdown in the advertising market. In Italy, gross television advertising sales came to **€505.8 million**, compared with €512.2 million in the first three months of 2017. A performance that was in line with the overall advertising market in the period.
The market was in decline during the period also in Spain, where Mediaset's gross television advertising sales came to **€224.6 million**, compared with €235.4 million in the same period of the previous year.

Total operating costs (personnel, procurement, services and other charges, amortisation and impairment of rights and other fixed assets) came to **€806.7 million**, compared with €813.0 million in the first quarter of 2017. In Italy, in particular, the figure was down to **€640.8 million**, compared with €649.9 in 2017, a reduction of 1.4%. In Spain the figure was **€166.0 million**, essentially in line with the same period of the previous year (€163.7 million) despite the scheduling during the period of big exclusive sports events.

- **EBIT** for the period came to **€53.9 million**, compared with €76.2 million in the first quarter of 2017. In Italy EBIT amounted to **-€9.8 million**, compared with -€0,6 in the same period of 2017. In

Spain the figure was positive at **€63.6 million**, compared with €76.8 million in the first quarter of the previous year.

- **Net profit** came to **€3.5 million**, compared with €15.8 million in the same period of 2017.

- **Net debt** fell to **€1,377.1 million**, compared with €1,392.2 million at 31 December 2017.

- **Free cash flow** for the period amounted to **€36.3 million**. During the period there was an outlay of €21.3 million by the subsidiary EI Towers for investments in business combinations.

- **TV ratings**. In the first three months of 2018 Mediaset confirmed its net leadership in the commercial target, both in Italy and in Spain.

In Italy, Mediaset is the leader in the commercial target of 15-64 year-olds with a **34.1%** share in the **24-hours**.
Of note in this target is the first place of **Canale 5** and the third place of **Italia 1** in all time bands.
In Spain, the Mediaset España television channels maintained their absolute leadership in the **24-hours** with a **27.9%** share. **Telecinco** remained Spain's most popular channel in both the **whole day** (**13.2%).**

FORECAST FOR THE YEAR

In the first four months of 2018 the Group's advertising revenues in Italy were essentially in line with the same period of the previous year. Current expectations for the month of May foresee a slight increase in advertising sales for the first five months of the year compared with the same period of 2017.

ACQUISITION AND DISPOSAL OF OWN SHARES

The Board of Directors of Mediaset will propose to the upcoming Annual General Meeting of the Shareholders the renewal of authorisation to purchase the company's own shares with the aim of pursuing the interests of the company, for the purposes foreseen by the relevant regulations, including:

a) the use of shares for the implementation of compensation plans with allocation, against payment or free of charge, of company shares (such as stock grants, stock options and, in general, share and securities plans exchangeable for company shares) aimed at managers, employees and/or associates of the Group;
b) for trading and hedging;
c) for the investment of liquidity.

To date, the share capital of €614,238,333.28, divided into 1,181,227,564 ordinary shares and as of 14 May 2018 the company owns n. 44,742,497 shares, corresponding to 3.787% of the share capital: Mediaset subsidiaries do not own shares of the parent company.
The proposal consequently foresees that the Board of Directors be given the power to buy, also through options trading or financial instruments and derivatives of Mediaset stock, up to a maximum of 118,122,756 ordinary shares with a par value of €0.52 each – and corresponding to 10% of the share capital - in one or more transactions, until the approval of the Financial Statements for the year to 31 December 2018 and for a period not exceeding 18 months form the date of the resolution. The above sum is covered by existing reserves resulting from the last approved financial statements. For the purposes of calculating the maximum limit of 10% of the share capital, account will also be taken of treasury shares already in the portfolio.

Acquisition operations will be made in compliance with Articles 2357 ff. of the Civil Code, Article 144-bis of Issuers' Regulations, EU Regulation n° 596/2014 of the European Parliament and Council of 16 April 2014 and all other applicable EU and national rules.

In line with the provisions of Art, 132, para. 1 of Legislative Decree of 24 February 1998 n°. 58 (“Consolidated Finance Act”), the acquisition of own shares must be made guaranteeing parity of treatment to all Shareholders, in line with the procedures established by Consob. Consequently, the procedures outlined in Art. 144-bis, para. 1 of the Issuers’ Regulations, stipulate that the acquisition of shares may be made in compliance with the indications outlined in sections a), b), and c) of the Issuers’ Regulations.

The proposal foresees that the purchase price of the shares be determined from time to time, with regard to the manner in which the transaction is conducted, and in accordance with regulatory requirements, norms or permitted market practices, within minimum and maximum limits defined by the following criteria:
- purchases must be made, in the event that the purchase of treasury shares is carried out on the regulated market, at a price in compliance with with the provisions of art. 3, para. 2 of Delegated Regulation 2016/1052/EU, i.e. 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 offer on the market in which the proposal for purchase is registered, in other words, in line with currently applicable regulations.
- in any case, purchases must be made at a price per share that may not deviate from, or decrease, or increase, by more than 20% compared to the reference price that the shares recorded on the stock exchange session the day prior to each single transaction or the date on which the price is fixed.

Pursuant to art. 132, paragraph 3, of the Consolidated Finance Act, the aforementioned operating procedures shall not apply to the purchase of treasury shares owned by employees of the company or its subsidiaries, and assigned or subscribed pursuant to art. 2349 and 2441, para. 8, of the Civil Code, i.e. resulting from remuneration plans based on financial instruments approved pursuant to art. 114-bis of the Consolidated Finance Act.

The Shareholders will also be asked to authorise the Board of Directors, pursuant to art. 2357-ter of the Civil Code, in accordance with current laws and regulations, and the regulations issued by the Italian Stock Exchange and in compliance with EU provisions, to:

a) sell the shares purchased pursuant to this resolution or already in the portfolio, to participants in compensation plans, whether against payment or free of charge, by them of options to purchase shares allocated to them, at the prices, terms and in the manner prescribed – including the price, where relevant, established by the plans and related regulations. The authorisation referred to in this paragraph is in line with the time limits set by the stock option plans;
b) sell the shares purchased pursuant to this resolution, or already in the portfolio with the following alternatives:
    i) by cash transactions, in which case, sales shall be made on the listing stock exchange and/or off market, at a price not less than 90% of the reference price recorded by the Stock Exchange trading session prior to each operation;
    ii) by trading, exchange, transfer or other disposition, as part of industrial projects or extraordinary corporate finance operations. In this case, the economic terms of the transfer, including the valuation of the shares traded, will be determined by independent experts, on the basis of the nature and characteristics of the transaction, also taking into account the market performance of Mediaset shares.

The authorisation referred to in paragraph b) is given for an unlimited period.

In general, it should be remembered that treasury shares held by the Company, also indirectly, are excluded from the share capital on which the relevant shareholding is calculated for the purposes of Article 106 of the Consolidated Finance Act for the purposes of the regulation of public purchase offerings.

However, pursuant to Article 44-bis of the Issuers' Regulation, the aforementioned provision does not apply if the thresholds indicated in Article 106 of the Consolidated Finance Act are exceeded as a result of purchases of treasury shares, also indirectly, by the Company in execution of a resolution that was approved with a favourable vote by the majority of shareholders of the issuer, present at the meeting, other than the shareholder or shareholders who hold, even jointly, a majority shareholding, even relative, provided it is more than 10% (the so-called whitewash).

Consequently, Shareholders are advised that if, in application of the aforementioned whitewash, where shareholders are asked to authorise the purchase or use of treasury shares – they approve the proposal with the majority foreseen by the aforementioned Art. 44-bis, para. 2, of the Consob Regulation, the treasury shares purchased by the company in execution of the said authorisation will not be excluded from the ordinary share capital (and will therefore be included in the share capital) if, due to the impact of the purchase of treasury shares, this would result in an overrun, by a shareholder, of the relevant thresholds, pursuant to art. 106 of the Consolidated Finance Act.

The situation, as foreseen by art. 44-bis, paragraph 4, of the Issuers' Regulations, pursuant to which they are not excluded from the share capital on which the relevant shareholding is calculated for the purposes of art. 106 of the Consolidated Finance Act, treasury shares acquired as a result of transactions executed for the fulfilment of obligations related to remuneration plans approved by the Shareholders pursuant to art. 114-bis of the Consolidated Finance Act remain unchanged.

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, 15 May 2018

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(in €m)

MEDIASET GROUP *Income statement (highlights)*	**Q1 2018**	**Q1 2017**
Consolidated net revenues	**860.6**	**889.3**
Labour costs	(129.4)	(133.1)
Procurement, service and other costs	(413.3)	(404.5)
Operating costs	**(542.7)**	**(537.7)**
Gross operating profit (EBITDA)	**317.9**	**351.6**
Amortisation of rights	(233.0)	(243.5)
Other amortisations and depreciations	(31.0)	(31.8)
Total amortisations and depreciations	**(264.0)**	**(275.3)**
Operating profit (EBIT)	**53.9**	**76.2**
Financial income/(charges)	(5.8)	(5.3)
Income/(charges) from investments	4.4	1.5
Profit before taxation	**52.6**	**72.4**
Income tax	(13.4)	(19.9)
Net profit from operations	**39.2**	**52.5**
Net profit from disposed assets	-	-
(Minority interest (profit)/loss	(35.7)	(36.7)
Profit for the Mediaset Group	**3.5**	**15.8**

(in €m)

MEDIASET Group *Balance sheet (highlights)*	**31/03/2018**	**31/12/2017**
Television and film rights	1,343.5	1,273.2
Goodwill	977.4	968.5
Other tangible/intangible assets	1,240.1	1,272.7
Financial assets	117.2	117.8
Net working capital & other assets/liabilities	200.9	227.9
Severance indemnity reserve	(85.1)	(85.5)
Net invested capital	**3,794.0**	**3,774.6**
Net Group assets	1,917.5	1,916.6
Shareholders' equity and minority interest	499.3	465.9
Net assets	**2,416.8**	**2,382.5**
Net financial position Debt/(Liquidity)	**1,377.1**	**1,392.2**