

Mediaset Board of Directors' Meeting 9 May 2017**BOARD APPROVES RESULTS FOR FIRST QUARTER 2017
UNDERLINING THE RAPID RETURN TO PROFITABILITY****Mediaset Group****Net revenues:** €889.3 million**Operating costs:** down to €537.7 million**Operating profit (EBIT):** €76.6 million**Net profit:** €15.9 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 2017.

The Group's performance in the first quarter confirms indications given on 19 April during the approval of the 2016 Annual Report with the first three months of 2017 already seeing a positive net profit.

This is a significant indicator, after the turbulence of 2016 caused by the Vivendi case. A negative effect on the accounts, that can, however, already been considered to have been absorbed, independently of any possible favourable economic outcome related to the ongoing litigation.

The main result in the first three months of 2017 can be summarised as follows:

Mediaset ended the period with an improvement in results compared with the first three months of 2016 in terms of costs, EBIT and net profit.

- **Net revenues** amounted to **€889.3 million**, compared with €912.0 million in the first quarter of 2016 (-€22.7 million).
In particular, revenues in Italy came to **€649.3 million** compared with €682.0 million in the same period last year. In Spain, revenues amounted to **€240.4 million** compared with €230.7 million in 2016. The trend in advertising sales was positive in both countries. In Italy, gross television advertising revenues totalled **€512.2 million**, a 2.4% increase on the €500.3 million of the first three months of 2016. The competitiveness of the Group's cross-media offer can be seen from a comparison with the negative performance (-2.3%) of the Italian advertising market as a whole, as shown in the Nielsen data for the first two months of 2017. Meanwhile there was a downturn in non-television revenues due to the absence of the very positive cinema-related revenues of 2016. There were also positive results in Spain, where gross television advertising revenues amounted to **€235.4 million**, compared with €222.2 million the previous year.
- **Operating costs** were down to **€537.7 million**, compared with €549.8 million in Q1 2016. In Italy, in particular, operating costs were down to **€413.3 million**, compared with €436.2 million in the same period of 2016, a fall of 5.3%.

- **EBIT** for the period was positive at **€76.6 million** compared with €21.4 million in the same quarter of last year (+€55.2 million). Operating profitability rose to **8.6%** from 2.3% in 2016. In Italy EBIT amounted to **-€0.3 million** compared with -€44.1 million in the same period of 2016. In Spain the figure was **€76.8 million**, compared with €65.6 million for the first quarter of last year.
- **Net profit** came to **€15.9 million**, compared to the net loss of €18.2 million recorded for the first quarter of 2016 (+€34.1 million).
- **Net financial debt** went from €1,162.4 million on 31 December 2016 to **€1,169.0 million** on 31 March 2017.
- **Free cash flow** for the period amounted to **€98.4 million**, an improvement on the €57.2 million in the first quarter of 2016, despite the outlay of €104.9 million in equity investments and, with regard to EI Towers, a share buyback and extraordinary dividend.
- **TV ratings.** In the first three months of 2017 Mediaset confirmed its clear 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 **34.2%** share in the **24-hours**. Of note in the commercial target is the first place of **Canale 5** across the whole day and in day time, 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 **28.8%** share. **Telecinco** remained Spain's most popular channel in both the **whole day (13.6%)** and **prime time (13.6%)**.

EVENTS AND DEVELOPMENTS AFTER 31 MARCH 2017

During the month of April 2017 a decisive fact occurred regarding the dispute between Mediaset and Vivendi in relation to the binding contract between the two companies signed and subsequently breached by the French group.

On 18 April 2017, the Italian Media Authority (AgCom) ascertained that Vivendi's shareholdings in Telecom Italia SpA and Mediaset SpA did not comply with the requirements of paragraph 11 of Article 43 of Legislative Decree 177 of 31 July 2015. The authority therefore ordered Vivendi to correct its position within the next 12 months, submitting within 60 days the action plan the company intends to adopt.

It should be noted that, following the provisions of the Authority, the Annual General Meeting of the shareholders' of one of the two Italian companies involved, Telecom Italia, was held, during which no changes were made to Vivendi's stake, the list for which elected the majority of the members of the Board of Directors.

FORECAST FOR THE YEAR

As previously indicated on 19 April, despite continuing uncertainties in the economic scenario, the Group's advertising sales are expected to remain positive also during the remainder of the year in both geographical areas.

The expectation of positive year-end results in terms of operating profit and consolidated net profit were also confirmed.

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, of which the company currently holds 44,825,500 shares, corresponding to 3.795% 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 2017 and for a period not exceeding 18 months from the date of the resolution. The above sum is covered by existing reserves resulting from the last approved financial statements.

Given the aforementioned aims, acquisition operations must be made in compliance with established norms and procedures, also at the EU level. Currently, such transactions are conducted in accordance with Article 132 of Legislative Decree 58 (“Consolidated Finance Act”), Article 144-bis of Consob Regulations implementing with deliberation n° 11971 of 14 May 1999, Art. 5 of the EU Regulation n° 596/2014 for the European Parliament and Council of 16 April 2014 and the relative dispositions, as well as the market practices and procedures authorised by Consob with deliberation n° 16839 of 19 March 2009. In particular, with regard to the provisions of Art. 132, para. 1 of the Consolidated Finance Act, it is stated that 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:

- the minimum purchase price shall not, however, be less than 20% of the reference price that the stock has recorded at the stock exchange session on the day prior to each single transaction, or the date on which the price is fixed;
- the maximum purchase price must not be 20% higher than the reference price that the stock registered on the trading day preceding each single transaction or the date on which the price is fixed.

Without prejudice to the above, where the purchase of own shares is made on a regulated market, the price of the proposed purchase offer must not exceed the higher price between the price of the last independent transaction and the price of the currently highest independent offer on the market where the bids are placed.

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 observance of 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 indefinite period.

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, 9 May 2017

Department of Communications and Media Relations

Tel. +39 0225149301

Fax +39 0225149271

e-mail: direzionecomunicazione@mediaset.it

www.mediaset.it/corporate/

Investor Relations Department

Tel. +39 0225147008

Fax +39 0225148535

e-mail: ir@mediaset.it

<http://www.mediaset.it/investor>

(in €m)

MEDIASET GROUP <i>Income statement highlights</i>	Q1 2017	Q1 2016
Consolidated net revenues	889.3	912.0
Labour costs	(133.1)	(136.4)
Procurement, service and other costs	(404.5)	(413.4)
Operating costs	(537.7)	(549.8)
Gross operating profit (EBITDA)	351.6	362.3
Amortisation of rights	(243.5)	(306.7)
Other amortisations and depreciations	(31.5)	(34.1)
Total amortisations and depreciations	(275.0)	(340.9)
Operating profit (EBIT)	76.6	21.4
Financial income/(charges)	(5.3)	(8.1)
Income/(charges) from investments	1.5	(0.3)
Profit before taxation	72.7	13.1
Income tax	(20.0)	(6.1)
Net profit from operations	52.7	7.0
Net profit from disposed assets	-	-
(Minority interest (profit)/loss)	(36.9)	(25.1)
Profit for the Mediaset Group	15.9	(18.2)

(in €m)

MEDIASET GROUP <i>Balance sheet highlights</i>	31/03/2017	31/12/2016
Television and film rights	1,663.8	1,629.7
Goodwill	964.7	964.7
Other tangible/intangible assets	1,258.2	1,296.4
Financial assets	120.8	92.7
Net working capital & other assets/liabilities	(239.0)	(193.6)
Severance indemnity reserve	(91.2)	(91.8)
Net invested capital	3,677.3	3,698.3
Net Group assets	1,951.1	1,947.7
Shareholders' equity and minority interest	557.2	588.2
Net assets	2,508.3	2,535.9
Net financial position		
Debt/(Liquidity)	1,169.0	1,162.4