

PRESS RELEASE

Press Release 1 August – Comment on Nielsen figures for the first half of the year
A working hypothesis: comment by Stefano Sala CEO of Publitalia80 on market data for
the first 6 months of 2019

“IN A CHALLENGING MARKET, CONFIRMATION OF THE SOLIDITY OF THE NEW SCOPE OF MEDIASET’S BUSINESS”

“Nielsen’s figures on trends in the first half of the year confirm the scenario outlined for the previous 5 months; specifically that companies’ advertising investments are clearly not being facilitated by the highly uncertain economic and political context, a climate that largely explains the -4% drop in the market between January and May.

The cumulative figure to the end of June inevitably and wholly expectedly shows an fall of -5.7%, which includes the “discontinuity” resulting from the 2018 World Cup.

- The fall of -10.9% in the first 6 months reported by Nielsen refers only to TV (which in fact, by including also the scope of Mediaset’s radio and digital activities is slight better at -10.5%) was widely predicted at the start of the year
- The result should be seen in an even more positive light given that Mediaset’s total market share in the first half was 39.2 %, in line with the end of 2018
- Taking Mediaset’s advertising revenues on a comparable basis (i.e. excluding the 3 discontinuities related to football mentioned above) the performance in the first 6 months was down by just -2.4 %, a positive result when compared with the market as a whole which was down by -5.8% (which becomes around -4% excluding the discontinuities with 2018)
- Positive figures for the months of July and August. The summer months are showing an improvement in trends: the cumulative figure for the first 8 months of the year are better the cumulative figure for the first half. **In particular, August (the first month free from comparisons with extraordinary events the year before) is expected to close up by between +4 and + 5 %**

This trend in advertising revenues in the context of the positive preliminary results for the first half of 2019 announced by Mediaset last week (operating profit of €192m, a rise of 55% and Group net profit of €109m, up by 155%) showing an economic performance that was better than expectations at the beginning of the year.

So, in conclusion, the first 2 months of the second half of the year are two consecutively positive months and this – despite the ongoing poor visibility for market trends – are objective facts that allow us to look at the second half of 2019 with confidence, given that we will not have to face any of the discontinuities of the first half and that we will present a solid product offer in the autumn, a model based on in-house productions strengthened by the excellent ratings of the first 7 months and further enhanced by the offer of the Champions League on C5 – an implementation of precisely the business model we have chosen, in-house productions and free-to-air sports rights.