



**Interim Financial Report
as at 30 September 2018**

MEDIASET S.p.A. - via Paleocapa, 3 - 20121 Milan
Share Capital Euros 614,238,333.28 fully paid up
Tax Code, VAT number and inscription number in the
Milan Enterprises Register: 09032310154
Website: www.mediaset.it

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CORPORATE BOARDS

Board of Directors

Chairman

Fedele Confalonieri

Deputy Chairman and Chief Executive Officer

Pier Silvio Berlusconi

Directors

Marina Berlusconi

Marina Brogi

Andrea Canepa

Raffaele Cappiello

Costanza Esclapon

Giulio Gallazzi

Marco Giordani

Francesca Mariotti

Gina Nieri

Daniello Pellegrino

Niccolò Querci

Stefano Sala

Carlo Secchi

Executive Committee

Fedele Confalonieri

Pier Silvio Berlusconi

Marco Giordani

Gina Nieri

Niccolò Querci

Stefano Sala

Risk and Control Committee

Carlo Secchi (Chairman)

Marina Brogi

Costanza Esclapon

Remuneration Committee

Andrea Canepa (Chairman)

Marina Brogi

Francesca Mariotti

Governance Committee and Appointments

Raffaele Cappiello (Chairman)

Francesca Mariotti

Carlo Secchi

Committee Related Parties

Marina Brogi (Chair)

Giulio Gallazzi

Carlo Secchi

Board of Statutory Auditors

Mauro Lonardo (Chairman)

Francesca Meneghel (*Regular Auditor*)

Ezio Maria Simonelli (*Regular Auditor*)

Stefano Sarubbi (*Alternate Auditor*)

Flavia Daunia Minutillo (*Alternate Auditor*)

Riccardo Perotta (*Alternate Auditor*)

Independent Auditors

Deloitte & Touche S.p.A.

MEDIASET GROUP: HIGHLIGHTS

MAIN INCOME STATEMENT DATA

FY 2017			9M 2018		9M 2017 ^(*)	
mio €	%		mio €	%	mio €	%
3,631.0		Total net Revenues^(**)	2,433.5		2,473.0	
2,636.2	73%	Italy	1,737.9	71%	1,772.4	72%
996.3	27%	Spain	76.6	3%	77.5	28%
316.5		EBIT^(**)	114.5		123.6	
70.9		Italy	(66.8)		(61.7)	
245.3		Spain	(0.2)		(1.2)	
90.5		Group Net Result	27.0		34.5	

MAIN BALANCE SHEET AND FINANCIAL DATA

31-Dec-17			30/09/2018		30/09/2017 ^(*)	
mio €			mio €		mio €	
3,774.6		Net Invested Capital	3,212.8		3,705.6	
2,382.5		Total Net Shareholders' Equity	2,404.6		2,309.9	
1,916.6		Group Net Shareholders' Equity	1,968.1		1,868.9	
465.9		Minorities Net Shareholders' Equity	436.5		441.0	
1,392.2		Net Financial Position				
		Debt/(Liquidity)	961.4		1,395.8	
		Net Assets/(Liabilities) held for sale	153.3			

PERSONNEL ^(***)

FY 2017			30/09/2018		30/09/2017	
				%		%
5,470		Mediaset Group Personnel	5,458	100%	5,575	100%
		(headcount)				
4,197		Italy	4,192	77%	4,294	77%
1,273		Spain	1,266	23%	1,281	23%

(*) Nine-month 2017 figures have been restated for comparative purposes, in accordance with §49 of IFRS 3.

(**) Nine months figures shown net of the income from discontinued operations.

(***) The figure includes temporary and permanent employees; it includes 555 employees of EI Towers Group as at 30 September 2018 (565 employees as at 30 September 2017).

Introduction

Legislative Decree no. 25 of 15 February 2016, implementing Directive 2013/50/EU containing amendments to Directive 2004/109/EC on the disclosures for listed issuers (the *Transparency Directive*), removed the obligation to publish management interim statements established in Article 154-ter, paragraph 5 of Legislative Decree no. 58/1998. This decree also gave Consob the authority to establish additional disclosure obligations to the annual and half-yearly financial reports. By Resolution no. 19770 of 26 October 2016, Consob (in accordance with the regulatory authorisation contained in the decree) made amendments to the Issuer Regulations regarding the additional interim financial disclosures applicable from 2 January 2017.

To ensure the continuity and regularity of information on the consolidated quarterly operating and financial performance, the Board of Directors of the Mediaset Group publishes additional financial disclosures as at 31 March and 30 September.

This Report has been prepared in compliance with International Accounting and Financial Reporting Standards (IAS/IFRS), as applicable under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, in force at the reporting date, in continuity with the accounting policies and measurement and estimation criteria applied in the preparation of the Consolidated Financial Statements as at 31 December 2017 and of the half-yearly condensed consolidated financial statements as at 30 June 2018, to which readers are referred.

The information disclosed in this Report is not comparable to that of complete financial statements prepared in accordance with IAS 1. The structure and content of these additional interim financial disclosures in continuity with the previous quarters are those deemed most appropriate, for the factors that contribute to investor decisions, to describe the Group's earnings performance and financial position as a whole and for its main operating segments, and to describe the events and significant transactions that have occurred during the reporting period.

The presentation of the income statement and balance sheet figures shown below corresponds to those present in the Report on Operations accompanying the annual Consolidated Financial Statements. As such the figures are presented in condensed form and restated to show the intermediate aggregates considered most significant for understanding the performance of the Group and of the individual business units. The description of the criteria adopted during their preparation and the annotations referring the reader to the relevant statutory financial statement items in the Half-Yearly and the Annual Financial Statements are contained in the Consolidated Financial Statements at 31 December 2017.

The income statement and cash flow figures provided in this Report show progressive aggregates for the first nine months and third-quarter figures for 2018 and 2017. Balance sheet figures are stated as at 30 September 2018 and as at 31 December 2017.

In compliance with IFRS 5 (*Non Current Assets Held for Sale and Discontinued Operations*), as regards the sale by the Group of the controlling interest in EI Towers S.p.A., which took place in the days immediately after the reporting date of these financial statements upon conclusion of the voluntary takeover bid launched on 16 July 2018 by 2i Towers S.p.A. on the entire capital of EI Towers, the results shown in the consolidated income statement for the Group and the Italy geographical area and in the summary cash flow statement for the Italy geographical area were shown both for the period under

review and for the comparative period. The contribution generated by the Ei Towers Group is shown separately on the statement. Likewise, in the Group condensed balance sheet, the carrying amount at 30 September 2018 of the consolidated assets and liabilities relating to the equity investment of Ei Towers are shown separately as *assets and liabilities held for sale*.

Lastly, the income statement figures relating to the comparison period of 2017 have been restated to retrospectively reflect the effects of the purchase price allocation process on assets and liabilities recognised at 31 December 2017 in relation to the business combinations carried out by the Ei Towers Group and by RadioMediaset (acquisition of RadioSubasio) in the previous year, resulting in the recognition of an additional EUR 1.3 million in amortisation and depreciation and a reduction of EUR 0.5 million in net earnings attributable to the Group.

This Quarterly Report has not been audited.

Significant third-quarter events and transactions

The free live broadcast of the 64 games of the **2018 World Cup in Russia** was a major broadcasting and viewership success for Mediaset. In Italy, the final stage, broadcast from 6 to 15 July, received an average share of 43%. The most watched game - the final between France and Croatia - recorded an average share of 66.58% (11,688,000 viewers) despite being broadcast in the afternoon. The cumulative audience for all the matches was 297 million viewers, 49 million more (+19.7%) than at the previous "Brazil 2014" World Cup, when Italy was involved in the group stage and the tournament was broadcast by both Rai and Sky. Matches available live on the web and mobile devices received over 35,000,000 views, while about 20 million unique users accessed Mediaset digital content relating to Russia 2018 in Mediaset's official FIFA World Cup 2018 app.

On **16 July 2018**, Mediaset entered into a **commercial agreement with Perform**, which allows "Premium Calcio" customers to access sports events on the DAZN platform from 1 August without having to take out any additional subscriptions. DAZN is a new live and on-demand sports streaming service, available on all digital devices including smart TVs. It has exclusive rights to show three games in each weekly round of the Serie A Italian Championship, including the Saturday night game, for a total of 114 matches, the highlights of all Serie A League Championship matches, exclusive rights to all Serie B pay-TV matches and additional content on top of DAZN's football and sport offer.

On **16 July 2018**, Mediaset signed a **partnership agreement with the infrastructure fund F2i SGR** resulting in Mediaset taking a minority equity interest in 2iTowers Holding, an indirect subsidiary of F2i. On the same date, 2iTowers (an SPV entirely owned by 2i Towers Holding) launched a voluntary takeover bid, subject to obtaining the required authorisations, on the entire share capital of Ei Towers S.p.A., in which Mediaset holds a controlling interest of 42.0% via the subsidiary Elettronica Industriale. The offer, whose essential terms are detailed in the notice issued in accordance with article 102 of the Consolidated Finance Law, available on the website www.2itowers.com, provides for a consideration equal to EUR 57.00 for each share, entailing a premium equal to 19.2% compared to the weighted average of the prices recorded during the six months preceding the announcement of the transaction. In line with Mediaset's objective of consolidating its strategy of focusing on its core free TV business, the transaction will allow Mediaset to retain a minority stake in a business that has a structural role in its business through its investment in 2i Towers Holding. At the same time, in line with the trend already consolidated at international level, the deal will facilitate the progressive separation and different ownership between infrastructural assets and broadcasting of television content. It also allows Ei Towers - under the guidance of an institutional fund - to become an independent operator, which will allow it to participate more easily in the process of consolidating the broadcasting and telephone towers business, currently in progress at national and international level. The closing of the deal was subject to 2i Towers achieving a stake in Ei Towers' capital in excess of 90% and the unconditional approval of the Antitrust Authority. On **5 October**, as discussed in the next section *Subsequent events and business developments after 30 September 2018*, the offer became fully effective after all the conditions were fulfilled.

On **27 July 2018**, the Board of Directors approved unanimously the proposal put forward by the Deputy Chairman and Chief Executive Officer Pier Silvio Berlusconi, to bring to an end the relationship as an employee of Mediaset's chairman Fedele Confalonieri on 31 July 2018, with the payment of a gross severance indemnity of EUR 6.5 million (including a non-competition agreement) in line with contractual

norms. In addition to the payment of legally prescribed severance, the agreement provides for the waiver of any and all demands, claims or rights related to or caused by relations with the Company, including those arising from participation in medium to long-term incentive plans. The aforementioned amount, net of withholding taxes required by law, was paid by 31 August 2018.. The agreement also foresees the immediate establishment of a "termination indemnity" (to be paid should his current post end or not be renewed) in the amount of EUR 8.5 million gross, also in recognition of the extraordinary contribution the Chairman has given since the foundation of the Group. The organisational structure and the powers conferred on the Chairman will remain unchanged and he will continue to guarantee his highly valued contribution to the life of the Group.

From **5 September 2018**, Canale 5 can also be viewed on Sky's channel 105 in HD. From October, Italia 1 and Retequattro can be viewed on Sky's channels 106 and 104, in keeping with its strategy to make Mediaset channels available on all free and pay platforms, whether terrestrial, satellite and online streaming, so that viewers are able to watch Mediaset channels on any device and to enhance the quality and value of Mediaset's programme schedule and content.

On **31 August 2018**, RadioMediaset, a subsidiary of Mediaset S.p.A., acquired 100% of RMC Italia S.p.A., parent of the Radio MonteCarlo network, for EUR 3.3 million, paid on the basis of the contractual agreements in the following month of October. Radio MonteCarlo, a prestigious and elegant radio, holds a unique position targeting educated high-profile adults with high-spending power. The issuer, whose acquisition does not change the economic scope already authorised by the Antitrust authority, is therefore a perfect fit with the Radiomediaset offer and will strengthen the editorial and commercial leadership of the group at national level. The transaction qualifies as a business combination and, in accordance with IFRS 3, the EUR 1.5 million difference between the purchase price and the net book value of assets and liabilities acquired on the date of this report was provisionally allocated to goodwill. A specific analysis of the consideration paid shall be made within twelve months from the acquisition date in order to determine the fair value of the net assets acquired. If the assessment identifies property, plant and equipment and intangible assets with a definite useful life, the temporary amounts recognised upon acquisition will be adjusted and the adjustments applied retrospectively at the acquisition date.

On **11 September 2018**, the Board of Directors of Mediaset, after consulting with the Remuneration Committee, identified the participants in the company's Medium-Long Tern Loyalty and Incentive Plan for the years 2018-2020 approved by a resolution of the Shareholders' Meeting held on 27 June 2018. The Board attributed to the same participants their rights for the year 2018, basing the quantity on criteria established by the regulations governing the Plan approved by the Board of Directors at its meeting held on 27 July 2018. The Board of Directors of Mediaset also completed the assessment of the conditions laid down in the Regulations for the Plan for 2015.

The 2018 Budget Law (Italian Law No. 205 of 27 December 2017) set out the steps and methods identified to proceed with the **deployment of 5G technology**, in line with the Action Plan announced by the European Commission (COM-2016 588 final and EU Decision 2017/899 of the European Parliament and of the Council). The law provides, among other things, for the repurposing of the 700 MHz frequency band (694 - 790 MHz frequencies), currently assigned to digital terrestrial television broadcasting, for 5G broadband communication services. The deadline to end all television broadcasting on the 700 MHz frequency band is 30 June 2022. On **27 September**, the TV 4.0 Coordination Table was set up at the Italian Ministry of Economic Development. This table brings together the

representatives of relevant institutions, television broadcasters and trade associations with a view to introducing the necessary legislative changes to be included in the upcoming budget law and to coordinate the release of the 700 MHz frequency band. To implement the schedule provided for in the current budget law, on 27 June 2018, AGCOM (the Italian Media Authority) had previously approved the new National Frequency Allocation Plan (NFAP 2018). The Plan will have to be reviewed based on the outcome of the revision of the regulation which assigns a third of the broadcasting capacity to local broadcasters, as also requested by Agcom in its report to the Government dated 17 July 2018 in which it notes an inefficient use of the spectrum by the local sector. Mediaset has filed an appeal with the Lazio Regional Administrative Court the resolution to approve the PNAF. Again in implementation of the schedule provided for by the law, on **8 August 2018**, the Italian Ministry of Economic Development issued the decree containing the national calendar - Roadmap, which defines the timing and the implementation procedures of the transitional period, from 1 January 2020 to 30 June 2022, to ensure the release of frequencies by all network operators holding the relative user rights at national and local level and the restructuring of the multiplex containing regional information by the radio, television and multimedia public service concessionaire. The auction of the 5G wireless spectrum was launched on 13 September and ended on 2 October. The Italian Ministry of Economic Development has disclosed the data relating to the procedure: the auction bids for the bands available raised a total of over EUR 6 billion (€6,550,422,258), more than EUR 4 billion higher than the minimum target laid down in the budget law.

Group performances and financial results

Television audience

In **Italy**, total audience over the 24-hour period in the first 9 months of 2018 amounted to 9 million with an average of 935 thousand viewers.

Auditel statistics show that Mediaset networks as a whole, including both free-to-air and pay television (Premium Calcio) channels, obtained an audience share of 31.5% over the 24-hour period, 31.4% in the Day Time slot and 32.5% in Prime Time.

Mediaset confirmed its leadership over the first 9 months of 2018 with the commercial target audience (15-64 years) over the 24-hour period (33.5%) and in the Day Time slot (33.4%). In particular, Canale 5 was the number one network in all time slots with the commercial target, while Italia 1 was the third most-watched network in all time slots.

The audience share of Mediaset networks with the commercial target audience in the autumn ratings season (starting 10 September 2018) reached 29.8% over the 24-hour period, 30.1% in the Day Time slot and 29.1% in Prime Time. Considering the contribution of semi-generalist and pay television channels, total audience share over the 24-hour period came to 33.8%, 34.0% in the Day Time slot and 34.4% in Prime Time.

In **Spain**, the Mediaset España Group maintained its leadership in terms of audience figures with a total audience share of 29.0% over the 24-hour period, and a 31.1% share of the commercial target audience. In the Prime Time slot, the Mediaset España Group achieved a 29.3% share of the total audience and 30.8% of the commercial target audience. In the nine months of 2018, Telecinco achieved a 14.0% share over the 24-hour period, with an average share of 13.2% of the commercial target audience.

Main financial results

As already reported in the introduction of this report, the earnings and cash flow for the reporting period and the comparative period are shown by reclassifying and showing separately the contribution generated by the EI Towers Group no longer in the scope of consolidation at the beginning of the fourth quarter. Likewise, the assets and liabilities in the balance sheet as at 30 September attributable on a consolidated basis to the EI Towers Group are shown separately from the main balance sheet items (Net invested capital and Net financial position).

In addition, the income statement figures for the first nine months of 2017 have been restated to retrospectively reflect the effects of the purchase price allocation process on assets and liabilities recognised at 31 December 2017 and acquired through business combinations concluded last year. As a result of the allocation of the purchase price paid for the transactions onto assets with a definite useful life, the restated figures for the first nine months of 2017 show an additional EUR 1.3 million in amortisation and depreciation (EUR 1.1 million relating to acquisitions made by EI Towers Group and EUR 0.2 million relating to the acquisition of Radio Subasio and Radio Aut on 1 August 2017), with net earnings attributable to the Group EUR 0.5 million less than the figure stated in the Interim Financial Report as at 30 September 2017.

The consolidated financial position at 30 September 2018 also includes the line-by-line consolidation of assets acquired through the acquisition of RMC Italia S.p.A., effective as of 1 September 2018.

Mediaset strengthened its market share in both Italy and in Spain during the first nine months of the year, in spite of the persistent weakness in the advertising market. In particular, Mediaset benefited from the strong contribution during June and July of sales linked to the 2018 World Cup in Russia, to which the Group held the exclusive rights in both countries and, for the first time ever in Italy, the free and live broadcast of the entire tournament.

Compared to the performance recorded in the first half of the year, the consolidated profit margins at the end of the first nine months were better aligned with EBIT and net profit with respect to the previous year, benefiting from the effects, starting in the third quarter, of the termination of the 2015/2018 multi-year contracts relating to the football content of Premium and the digital transformation process of the pay offer, which began during the first half of the year.

The key consolidated financial results for the period, compared to those for 2017, are summarised below.

- **Consolidated net revenues** amounted to **EUR 2,433.5 million**, down on the EUR 2,473.0 million for 2017.
- **EBITDA** amounted to **EUR 753.7 million**, compared to EUR 858.5 million, with an EBITDA margin of 31.0% compared to 34.7% for the same period of 2017;
- **EBIT** amounted to **EUR 114.5 million** compared to EUR 123.6 million in the same period of 2017; EBIT showed a marked improvement in the third quarter of 2018 in the amount of EUR 33.1 million compared to the same period in 2017. Operating profitability for the first 9 months fell to 4.7% compared to the 5.0% recorded in 2017;
- **Net income from continuing operations, before tax and minority interests**, amounted to **EUR 110.6 million** compared to EUR 115.6 million for the same period of 2017.

- **Net earnings attributable to the Group** amounted to **EUR 27.0 million**, an increase compared to the EUR 34.5 million for the same period of 2017. The Group's net result improved by EUR 24.3 million in the third quarter of 2018 compared to the same period of the previous year.
- Consolidated **net financial debt** fell from EUR 1,392.2 million as at 31 December 2017 to **EUR 961.4 million**, since it does not include the net financial liabilities of the EI Towers Group from discontinuing operations in the amount of EUR 357.8 million as at 30 September 2018. On the same basis **Free cash flow** for the first nine months of 2018 amounted to **EUR 178.6 million**, a marked improvement over the EUR 95.9 million for the first nine months of 2017.

Breaking down income results by geographical area:

In Italy:

- **Consolidated net revenues** from the Group's integrated television operations in Italy amounted to **EUR 1,737.9 million** in the first nine months of 2018, compared to EUR 1,772.4 million for the same period of the previous year.
- **Gross advertising revenues** from all media under concession, including revenues from free-to-air and pay television channels and revenue shares from web sites and radio broadcasters owned by the Group and managed under concession by Mediamond, amounted to **EUR 1,458.7 million**, an increase of 2.5% compared to the same period in 2017. Gross advertising revenues increased by 3.5% in the third quarter, thanks to the contribution from the second phase of the World Cup broadcast exclusively for free on the Group's networks and the very strong performance of radio advertising sales. The latest Nielsen figures show that in the first eight months of the year, the overall advertising market has not substantially changed compared to the same period in 2017.
- **Core Pay TV revenues**, consisting of subscription sales, prepaid cards and the Infinity on-demand service, amounted to **EUR 337.7 million**, compared to EUR 441.0 million for the first nine months of 2017.
- **Other revenues from integrated television operations** amounted to **EUR 149.6 million** compared to EUR 112.0 million for the same period of the previous year, driven mainly by the income from the start of commercial sublicensing agreements for pay and free-to-air channels and the use of the Premium technology platform agreed at the end of the first quarter with Sky and other content sublicensing agreements with other operators.
- **Total operating costs** for integrated television operations (personnel expenses, purchasing and service costs and other expenses, amortisation and write-downs of television broadcasting rights and other fixed assets) amounted to **EUR 1,804.7 million**, down EUR 29.4 million (-1.6%). During the third quarter, costs fell by EUR 63.3 million compared to the same period of the previous year.
- Total **EBIT** from Italy operations was negative at **EUR -66.8 million**, compared to EUR -61.7 million as at 30 September 2017. In the third quarter of 2018, EBIT showed a significant improvement of +29.7 million compared to the same period in 2017.

In Spain:

- **Consolidated net revenues** for Mediaset España Group amounted to **EUR 696.4 million**, a decrease of 0.7% compared to the same period of the previous year.

- **Gross television advertising revenues** came to **EUR 687.1 million**, a slight decrease of 0.3% compared to the figure recorded in the same period of the previous year. The latest Infoadex statistics show that television advertising investments over the nine-month period fell by 1.3%. Compared to the same period of the previous year, Mediaset España television market share in the period was 43.7% according to Infoadex.
- **Total costs** (personnel expenses, other operating costs, and amortisation, depreciation and write-downs) came to **EUR 514.7 million**, down 0.3% compared to the same period of the previous year also in consideration of the fact that during the period the costs connected to the broadcasting of matches from the 2018 Soccer World Cup held in Russia were recorded in the accounts. Net of this item and thanks to cost optimisation policies, costs were lower than same period of the previous year. Costs decreased by 4.6% in the third quarter compared to the third quarter of 2017.
- Thanks to these performance figures, **EBIT** amounted to **EUR 181.7 million**, compared to EUR 185.2 million for the same period of 2017, corresponding to an operating profitability of **26.1%** compared to 26.4% for the first nine months of 2017.

Subsequent events and business developments after 30 September 2018

With reference to the final results of the takeover bid for the shares of Ei Towers on **12 October 2018**, 2i Towers S.p.A. provided for payment of the consideration upon the simultaneous transfer of ownership of the shares. As a result of this transaction, 2i Towers held 97.447% of Ei Towers share capital on that date. In light of the outcome of the offer, a procedure was subsequently launched for the purchase of the remaining shares equal to 2.553% of the capital. This procedure was concluded on 19 October. Following the conclusion of the voluntary takeover bid the shares in Ei Towers were delisted on the same date.

At the end of the transaction, Mediaset holds a minority interest amounting to 40% of the share capital of 2i Towers Holding S.p.A., which holds 100% of Ei Towers.

The sale of the controlling interest in Ei Towers entails the deconsolidation of that Group from the fourth quarter. On the basis of the consideration of EUR 644.4 million paid to Mediaset by 2i Towers and using the consolidated statement of financial position as at 30 September as a reference, this resulted in a net gain of EUR 503 million and an improvement of EUR 179.1 million in the consolidated net financial position with respect to that of 30 September, which is the difference between the payment from the sale of the stake in Ei Towers during acceptance of the takeover bid and the reinvestment in 2iTowers.

On **5 November 2018**, Mediaset exercised its put option provided in the agreements signed with Sky on 30 March concerning the sale to the satellite operator for EUR 22.9 million of the company R2, which had been granted from early June the *Operation Pay* area of Premium. The transaction will be effective from the end of November and is subject to approval by the regulators (AGCM and AGCOM). Exercising the option will not cause discontinuity to the Mediaset Premium's activity which will continue to manage its own offer and customer base.

On **26 October 2018**, Mediaset was informed that Simon Fiduciaria had filed a formal complaint regarding the Shareholders' Meeting held on 27 June 2018 with a request that the Court of Milan take precautionary measures and examine the merits of the writ.

At the precautionary level, (hearing scheduled for 14 November 2018) pursuant to Art. 669 sexies c.p.c., the request is for the suspension of the application of the resolutions approved by the Ordinary Shareholders' Meeting of Mediaset held on 27 June 2018, and on points C.4 (Proposal for the creation of a medium-long term incentive and loyalty plan; inherent deliberations) and F.10 (Authorisation for the Board of Directors to purchase and dispose of treasury shares, also to service stock option plans and other share-based medium-long term incentive and retention plans; inherent deliberations) on the meeting's agenda.

In detail, Simon Fiduciaria demands:

1. to annul the resolutions approved by the Ordinary Shareholders' Meeting of Mediaset, held on 27 June 2018 on points C.4 and F.10 of the agenda;
2. to establish and declare Simon Fiduciaria's right to participate, with full administrative rights, at all ordinary and extraordinary shareholders' meetings, as well as the right to exercise administrative rights regarding the Mediaset shares in its portfolio.

On 5 November 2018, the Regional Administrative Court of Lazio (Third Section), issued an order in which it fails to rule on the appeal submitted by Vivendi to annul AGCOM ruling 178/17/CONS on 18 April 2017, suspended the administrative proceedings and referred to the European Court of Justice for a preliminary ruling on a question raised by Vivendi in his appeal. In particular, the Court of Justice is asked to assess whether the principles of freedom of establishment and freedom to provide services, referred to in Articles 49 and 56 of the Treaty on the Functioning of the European Union, Articles 15 and 16 of Directive 2002/21/EC on Electronic Communications Networks and Services, the principles of pluralism of sources of information and of competition in the broadcasting sector referred to in Directive 2010/13 / EU on audiovisual media services are in conflict with the national legislation referred to in art. 43 (11) of the TUSMAR (Consolidated Text on Radio and Audiovisual Media Services).

Also in the final quarter of the year, the company's business results and cash generation are expected to be better than the same period of the previous year.

In Italy, the trend in advertising sales in the last part of the year, despite ongoing market difficulties and the lack of football events present last year, should in any case make it possible to gain market share on an annual basis.

Based on these assumptions and on currently available evidence, operating profit - the scale of which depends on advertising revenues for which visibility remains limited - is expected to be slightly above that of last year, while the company's net financial debt at 31 December will be reduced even further compared with the figure at 30 September 2018, also because of net income of EUR 179.1 million received at the beginning of October following the completion of the EI Towers public offering.

The positive consolidated net profit figure will, as stated, also benefit - as already said - from a net capital gain of EUR 503.0 million following the de-consolidation of EI Towers on the basis of balance sheet values as at 30 September.

*Consolidated accounting tables
and business segments information*

(values in EUR million)

MEDIASET GROUP <i>Income Statement</i>	9M		3rd Quarter	
	2018	2017	2018	2017
Total consolidated net revenues	2,433.5	2,473.0	629.1	667.0
Personnel expenses	359.5	359.2	120.7	111.1
Purchases, services, other costs	1,320.3	1,255.3	354.7	376.0
Operating costs	1,679.8	1,614.5	475.4	487.1
EBITDA	753.7	858.5	153.7	179.9
TV and movie rights amortization	565.0	663.4	134.3	195.9
Other amortization and depreciation	74.2	71.5	28.5	26.2
Amortization and depreciation	639.2	734.9	162.8	222.1
EBIT	114.5	123.6	(9.1)	(42.2)
Financial income/(losses)	(13.4)	(10.4)	(4.4)	(4.8)
Income/(expenses) from equity investments	9.4	2.4	(0.3)	0.1
EBT	110.6	115.6	(13.9)	(46.9)
Income taxes	(34.3)	(30.1)	1.3	11.5
Minority interests in net (profit)/loss	(70.6)	(68.7)	(10.3)	(10.6)
Net result from continuing operations	5.6	16.8	(22.8)	(46.1)
Net profit from discontinued operations	21.4	17.7	7.0	6.0
Group net result	27.0	34.5	(15.8)	(40.1)

Nine-month 2017 figures have been restated for comparative purposes, in accordance with §49 of IFRS 3.

(values in EUR million)

Balance Sheet Summary	30/09/2018	31/12/2017
TV and movie rights	1,220.0	1,273.2
Goodwill	802.9	968.5
Other tangible and intangible non current assets	843.0	1,272.7
Equity investments and other financial assets	110.3	117.8
Net working capital and other assets/liabilities	309.6	227.9
Post-employment benefit plans	(73.1)	(85.5)
Net invested capital	3,212.8	3,774.6
Group shareholders' equity	1,968.1	1,916.6
Minority interests	436.5	465.9
Total Shareholders' equity	2,404.6	2,382.5
Net financial debt	961.4	1,392.2
Net Assets/(Liabilities) held for sale^(*)	153.3	

(*) including goodwill on consolidation in the amount of EUR 119.0 million and the assets and liabilities of the EI Towers Group gross of minority interests.

(values in EUR million)

ITALY Income Statement	9M		3 rd Quarter	
	2018	2017	2018	2017
Consolidated net revenues	1,737.9	1,772.4	440.7	474.3
Personnel expenses	282.9	281.7	95.6	86.0
Purchases, services, other costs	981.1	939.5	257.2	273.4
Operating costs	1,263.9	1,221.2	352.8	359.4
EBITDA	473.9	551.2	87.9	114.9
TV and movie rights amortization	478.5	554.9	103.1	161.7
Other amortization and depreciation	62.2	58.0	23.3	21.4
Amortization and depreciation	540.8	612.9	126.5	183.1
EBIT	(66.8)	(61.7)	(38.6)	(68.2)
Financial income/(losses)	(13.2)	(9.3)	(4.4)	(4.5)
Income/(expenses) from equity investments	(1.4)	0.9	(0.9)	(0.3)
EBT	(81.4)	(70.0)	(43.9)	(73.1)
Income taxes	11.1	9.4	9.6	17.0
Minority interests in net result	0.4	3.5	0.2	(0.3)
Net result from continuing operations	(69.9)	(57.1)	(34.1)	(56.4)
Net result from discontinued operations	21.4	17.7	7.0	6.0
Net result	(48.6)	(39.4)	(27.0)	(50.4)

(*) Nine-month 2017 figures have been restated for comparative purposes, in accordance with §49 of IFRS 3.

(values in EUR million)

ITALY Integrated Television Operations Income Statement	9M		3 rd Quarter	
	2018	2017 (*)	2018	2017 (*)
Gross advertising revenues	1,458.7	1,423.3	358.6	346.5
Agency discounts	(208.2)	(203.9)	(50.4)	(49.5)
Total net advertising revenues	1,250.5	1,219.4	308.2	297.0
Revenues from subscriptions/pre-paid cards and Infinity	337.7	441.0	70.6	141.3
Other revenues	149.6	112.0	62.0	36.0
Total Revenues	1,737.9	1,772.4	440.7	474.3
Personnel expenses	282.9	281.7	95.6	86.0
Operating costs	845.1	804.2	212.1	228.3
TV and movie rights amortisation	478.5	554.9	103.1	161.7
Other amortisation and write-downs	62.2	58.0	23.3	21.4
Inter-segment costs	136.0	135.3	45.0	45.2
Total Costs	1,804.7	1,834.1	479.3	542.5
Operating Result	(66.8)	(61.7)	(38.6)	(68.3)

(*) Nine-month 2017 figures have been restated for comparative purposes, in accordance with §49 of IFRS 3.

(values in EUR million)

ITALY Discontinued Operations Income Statement	9M		3 rd Quarter	
	2018	2017	2018	2017
Total consolidated net revenues ^(*)	65.0	59.8	21.8	20.1
Operating costs ^(*)	(38.3)	(39.7)	(13.0)	(13.6)
EBITDA	103.3	99.4	34.8	33.7
Amortization and depreciation	28.9	29.6	9.7	10.1
EBIT	74.4	69.8	25.0	23.6
EBT	72.3	62.4	24.3	21.0
Income taxes	(21.0)	(19.7)	(7.1)	(6.6)
Minority interests in net result	(29.9)	(25.0)	(15.6)	(8.4)
Net Result Discontinued Operations	21.4	17.7	1.6	6.0

(*) Net of inter-segment cancellations.

(values in EUR million)

SPAIN <i>Income Statement</i>	9M		3 rd Quarter	
	2018	2017	2018	2017
Total consolidated net revenues	696.4	701.3	188.6	192.8
Personnel expenses	76.6	77.5	25.0	25.1
Purchases, services, other costs	339.4	316.3	97.7	102.6
Operating costs	416.1	393.8	122.8	127.7
EBITDA	280.4	307.5	65.8	65.0
TV and movie rights amortization	86.7	108.7	31.3	34.3
Other amortization and depreciation	12.0	13.6	5.2	4.8
Amortization and depreciation	98.7	122.3	36.4	39.1
EBIT	181.7	185.2	29.4	26.0
Financial income/(losses)	(0.2)	(1.2)	(0.0)	(0.3)
Income/(expenses) from equity investments	10.8	1.5	0.6	0.4
EBT	192.3	185.5	29.9	26.0
Income taxes	(45.4)	(39.5)	(8.2)	(5.5)
Net profit from continuing operations	146.9	146.0	21.7	20.5
Minority interests in net profit	-	0.1	-	(0.2)
Net profit	146.9	146.1	21.7	20.4

(values in EUR million)

SPAIN <i>Consolidated Revenues</i>	9M		3 rd Quarter	
	2017	2017	2018	2017
Gross advertising revenues	687.1	689.2	184.8	188.3
Agency discounts	(29.9)	(28.3)	(8.1)	(7.9)
Net advertising revenues	657.2	660.9	176.8	180.4
Other revenues	39.1	40.4	11.7	12.4
Total net consolidated revenues	696.4	701.3	188.5	192.8

(values in EUR million)

**Cash Flow Statement
(geographical breakdown)
as at 30th September**

	Italy		Spain	
	2018	2017	2018	2017
Net Financial Position at the beginning of the year	(1,527.5)	(1,339.8)	135.3	177.4
Free Cash Flow	(1.6)	(94.7)	180.2	190.6
Cash Flow from operating activities ^(*)	440.0	492.0	261.7	279.9
Investments in fixed assets	(402.8)	(373.1)	(131.3)	(156.1)
Disposals of fixed assets	0.0	6.6	2.7	1.7
Changes in net working capital and other current assets/liabilities	(38.9)	(220.3)	47.2	65.0
Change in the consolidation area	0.1	(22.9)	-	-
Own share's sell/(buyback) of the parent company and subsidiaries	-	-	(0.0)	(100.5)
Equity investments/Investments in other financial assets and change of stake in subsidiaries	(8.6)	(36.5)	8.8	6.5
Cashed-in dividends	129.2	153.4	2.4	1.8
Dividends paid	(0.0)	-	(197.5)	(175.7)
Financial Surplus/(Deficit) from continuing operations	119.1	(0.7)	(6.1)	(77.3)
Financial Surplus/(Deficit) from discontinued operations	(40.1)	(155.4)	-	-
Net Financial Position adjustments concerning assets held for sale	357.8	-	-	-
Net Financial Position at the end of the period	(1,090.6)	(1,495.9)	129.2	100.1

(*): Net result +/- minority interests + amortisation/depreciation +/- net provisions +/- gains from the accounting of investments under the equity method + changes in valuation reserves - gains/losses on equity investments

Company Executive Responsible Declaration

The Company Executive responsible for the preparation of the company accounting documents of Mediaset S.p.A., Luca Marconcini, herewith declares, pursuant to paragraph 2, article 154, second part, of the Consolidated Finance Act that the accounting information contained in this document corresponds to the contents of accounting documents, books and postings of the company.

for the Board of Directors
the Chairman