

Mediaset Board of Directors' Meeting 14 May 2019**BOARD APPROVES RESULTS FOR FIRST QUARTER 2019:
SIGNIFICANT RISE IN PROFIT FOR THE PERIOD****Mediaset Group****Net revenues:** €718.2 million**Operating costs:** down to €496.9 million**Operating profit (EBIT):** up to €78.5 million**Net profit:** rises to €39.8 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 2019.

The Group's performance in the first three months of 2019 saw a marked increase in the business results, despite an advertising market that continues to be weak in both countries, Italy and Spain. Among the reasons for the positive performance in the main profitability indicators (operating profit/EBIT, net profit, cash generation) were the first positive effects of the digital transformation of the pay-TV offer in the second half of 2018.

What follows is a summary of the main results for the first three months of 2019.

- **Net revenues** came to **€718.2 million**, compared with €839.2 million in the first quarter of 2018. In particular, revenues in Italy amounted to **€492.1 million**, compared with €609.6 million in the same period of the previous year. In Spain revenues for the period came to **€226.1 million**, compared to €229.6 million in Q1 2018.

Revenues in both countries were affected by a slowdown in the advertising market. In Italy, where the figures are not comparable with those of 2018, given that 2019 the advertising offer does not include the significant events, such as free and pay-TV coverage of the Italian Serie A and Champions League football championships, gross advertising revenues came to **€483.6 million**, compared with €505.8 million in the first quarter of 2018. On a comparable basis, according to Nielsen data for the period January-March 2019, the fall in Mediaset's advertising revenues was limited to -0.7%, compared with a fall in the TV advertising market of -2.7%. In Spain, meanwhile, advertising revenues came to **€223.7 million**, compared with €224.6 million for the same period of the previous year.

- **Total consolidated operating costs** (labour costs, procurement, services and other charges, amortisations and depreciations of rights and other fixed assets) came to **€639.7 million**, compared with €810.5 million in Q1 2018.

In Italy, in particular, there was a sharp fall in operating costs down to **€480.3 million** from €644.6 million in 2018, (a remarkable reduction of **-25.5%**) mainly due to end of expensive football contracts for pay-TV which were still active at the beginning of last year. In Spain total operating costs (labour costs, other operating costs, amortisations and depreciations) came to **€159.5 million**, a marked drop compared with the same period of the previous year (€166.0 million) thanks largely to optimisation policies in the content area.

- The Group's **EBIT** for the period saw a significant increase, up to **€78.5 million**, compared with €28.7 million in the first quarter of 2018. In Italy EBIT amounted to **€11.9 million**, compared with the loss of -€35,0 in the same period of 2018. In Spain the figure rose to **€66.6 million**, compared with €63.6 million in the first quarter of the previous year.
- **Net profit** came to **€39.8 million**, a marked increase on the with €3.5 million of the same period of 2018.
- **Net debt** was down again to **€791.9 million**, compared with €877.0 million at 31 December 2018 (the figure includes financial liabilities of €140.6 million recorded at the time of the adoption of the new accounting method for operating lease contracts following the coming into force in 2019 of the IFRS 16 *-Leases-* accounting standard).
- **Free cash flow** for the period amounted to **€146.9 million**, a significant increase compared with the €9.5 million of the same period of 2018. During the period there was an outlay of €49.5 million by the subsidiary Mediaset España SA for for the share buyback plan which foresees an overall outlay of not more than €200 million.
- **TV ratings.** In the first three months of 2019 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 in all time bands, with a peak of **34.2%** share in **prime time**. Of note is the first place of **Canale 5** and the third place of **Italia 1** in the commercial target 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 (14.4%)**.

FORECAST FOR THE YEAR

At the moment, the trend in advertising sales in Italy in the second quarter, on a comparable basis (i.e. net of the effects deriving from the termination of the pay-TV football offer and the contribution of the 2018 World Cup), are expected to remain in line with those of the first quarter.

In the same period, the Group's business results will continue to benefit from the impact of the digital transformation process of the Italian pay-TV activities, with a strengthening of the growth trend in the Group's margins and cash flow compared with 2018.

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, 14 May 2019

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(in €m)

MEDIASET GROUP <i>Income statement (highlights)</i>	Q1 2019	Q1 2018(*)
Consolidated net revenues	718.2	839.2
Labour costs	124.1	118.1
Procurement, service and other costs	372.7	437.8
Operating costs	496.9	555.9
Gross operating profit (EBITDA)	221.3	283.3
Amortisation of rights	119.5	233.0
Other amortisations and depreciations	23.3	21.6
Total amortisations and depreciations	142.8	254.6
Operating profit (EBIT)	78.5	28.7
Financial income/(charges)	0.1	(5.1)
Income/(charges) from investments	4.5	4.4
Profit before taxation	83.2	28.0
Income tax	(18.5)	(6.3)
Minority interest(profit)/loss	(25,0)	(25.6)
Net profit from operations	39.8	(3.9)
Net profit from disposed assets	-	7.3
Profit for the Mediaset Group	39.8	3.5

(*) restated pursuant to IFRS 5 (*Non-Current Assets Held for Sale and Discontinued Operations*)

(in €m)

MEDIASET Group <i>Balance sheet (highlights)</i>	31/03/2019	31/12/2018
Television and film rights	1,094.5	972.2
Goodwill	799.2	794.1
Other tangible/intangible assets	955.5	822.5
Financial assets	574.8	571.9
Net working capital & other assets/liabilities	316.3	500.9
Severance indemnity reserve	(69.0)	(68.9)
Net invested capital	3,671.1	3,592.6
Net Group assets	2,442.8	2,412.4
Shareholders' equity and minority interest	436.3	443.7
Net assets	2,879.2	2,856.2
Net financial position	791.9	736.4