



Interim Financial Report as at 31 March 2020

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 de Villeneuve

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 de Villeneuve

Compensation Committee

Andrea Canepa (Chairman)

Marina Brogi

Francesca Mariotti

Governance and Appointments Committee

Raffaele Cappiello (Chairman)

Francesca Mariotti

Carlo Secchi

Related Parties Committee

Marina Brogi (Chairman)

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.

FINANCIAL HIGHLIGHTS

MAIN INCOME STATEMENT DATA

	1st Quarter 2020		1st Quarter 2019	
	mio €	%	mio €	%
Total net Revenues	682.1		718.2	
Italy	452.4	66%	492.1	72%
Spain	229.8	34%	226.1	28%
EBIT	41.6		78.5	
Italy	(20.4)		11.9	
Spain	61.8		66.6	
Group Net Result^(*)	14.6		36.7	

MAIN BALANCE SHEET AND FINANCIAL DATA

	31/03/2020	31/12/2019
	mio €	mio €
Net Invested Capital	4,111.0	4,238.7
Total Net Shareholders' Equity	2,867.2	2,890.4
Group Net Shareholders' Equity	2,443.9	2,477.9
Minorities Net Shareholders' Equity	423.3	412.5
Net Financial Position		
Debt/(Liquidity)	1,243.8	1,348.3

PERSONNEL ^(**)

	31/03/2020		31/03/2019	
		%		%
Mediaset Group Personnel				
(headcount)	4,961	100%	5,035	100%
Italy	3,416	69%	3,490	69%
Spain	1,545	31%	1,545	31%

(*) The figures for 1Q 2019 have been restated to show the retrospective impact of the investee goodwill allocation

(**) Includes temporary and permanent workforce

Introduction

Italian 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, Mediaset's Board publishes, voluntarily, additional financial disclosures as at 31 March and 30 September.

The information disclosed in this Report is not comparable to that of complete financial statements prepared in accordance with IAS 1. In line with previous periodical disclosures, this additional interim financial disclosure has the structure and content deemed most appropriate - in terms of factors that contribute to investor decisions - to describe the economic performance and financial position of the Group as a whole and of its main business segments, and to describe the key events and 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 main business segments. 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 2019.

This interim report has been prepared in accordance with international accounting standards (IAS/IFRS) and in line with the measurement and estimation criteria applied in preparing the Consolidated Financial Statements at 31 December 2019, to which readers are referred.

Having regard to the deteriorating economic outlook caused by the COVID-19 pandemic, the observation of the main external indicators and the development of the main performance indicators for the period have not produced evidence that would require - as at the date of this report - a revision of the recoverability testing of corporate assets that was carried out in preparing the 2019 consolidated financial statements (largely due to the unforeseeability of these indicators' performance and of the impacts of the operational and mitigating actions already implemented to address the current phase of the crisis).

The earnings and financial figures contained in this Report refer to progressive totals at the end of the first quarters of 2020 and 2019; balance sheet figures are stated at 31 March 2020 and at 31 December 2019.

Finally, it should be noted that the Consolidated Net Profit/(Loss) for 2019 has been restated to show the retrospective impact (since 1 October 2018) on the Results of equity investments of the depreciation of the assets identified in accordance with IFRS 3, due to the EUR 3.1 million allocation of

goodwill generated following the closing of 2i Towers Holding's takeover bid of EI Towers, launched in 2018.

This Quarterly Report has not been audited.

Significant first-quarter events and transactions

COVID-19

Between the end of January and the start of March, the public health emergency connected with the COVID-19 epidemic progressively worsened, reaching an international scale and quickly causing harm to the global economy and financial markets.

The Group reacted swiftly to the COVID-19 emergency by setting in motion a timely operational and mitigation plan, both in Italy and Spain, that was consistent with the government regulations that placed strong restrictions on the free movement of people on a national level and limited non-primary economic activities nationwide in order to contain the epidemic. These measures were passed during the first ten days of March and were subsequently extended until the beginning of May.

From the outbreak of the public health emergency, the Mediaset Group undertook a series of initiatives, both in Italy and Spain, aimed at protecting the health and safety of internal and external employees by limiting the risk of the virus spreading as much as possible. Moreover, the Group put in place all measures necessary to ensure its operational and business continuity, to further strengthened its financial soundness and flexibility, and to contain the negative impacts on the advertising market so as to protect its profits and cash flow generation.

The sanitary, hygiene and organisational measures which were adopted in line with the protocols subsequently issued by Government, companies and civil society organisations ensured that television, radio and online broadcasting could continue, as attendance at the Group's headquarters was restricted solely to staff engaged in critical tasks who were unable to work from home, with all other employees invited to use a smart-working scheme. In view of the restrictions imposed on the fulfilment of production and operational activities, Mediaset signed up to the Government's wage guarantee fund (*Fondo Integrativo Salariale - F.I.S.*) that was set up under Italian Legislative Decree 17 March 2020 (known as the "*Heal Italy*" decree) and enrolled 2,370 employees working at the Milan and Rome headquarters, who were able to continue receiving their full salary even if working reduced hours.

In March, the network television schedules were reviewed, with news and analysis programmes being bolstered and extended; original entertainment and reality TV productions, network-produced dramas and cancelled live events (mainly sporting events) were progressively mothballed or finished early, and replaced by repeats and a greater cinema offering.

Since the beginning of the period in question, Mediaset has so far agreed EUR 550 million in committed credit facilities, of which: EUR 350 million from the early renewal of the committed credit facilities maturing in 2020, EUR 50 million from the renewal of the committed credit facilities maturing in 2021 and EUR 150 from newly agreed credit facilities. These transactions proceeded to strengthen and enhance the financial soundness of the Group in terms of its debt structure and composition, its committed loan-to-value ratio, its availability to credit lines in respect of mean utilisation, the extension of medium-term maturity dates and low cost conditions applied.

MFE Cross-Border Merger Project

In relation to the cross-border merger takeover of Mediaset S.p.A. (Mediaset) and Mediaset España Comunicación, S.A. (Mediaset España) by Mediaset Investment N.V. (the Merger), a Dutch law-governed wholly owned subsidiary of Mediaset, which will take the name "MFE - MEDIAFOREUROPE N.V." once the Merger comes into effect, the most significant events of the opening months of 2020 concerned the holding of the extraordinary shareholders' meetings of Mediaset and Mediaset España held on 10 January and 5 February 2020, respectively, which approved specific amendments to the Draft Bylaws and the SVS Terms and Conditions proposed by the respective boards of directors on 22 November and 5 December 2019 and the developments in the legal proceedings brought by Vivendi and Simon Fiduciaria. These events have already been described in depth in the Directors' Report on Operations contained in the 2019 Consolidated Financial Statements under the section entitled "Significant Events and Key Corporate Transaction for the Year". The section of this report entitled *Events and developments after 31 March 2020* outlines the key developments during April of the legal proceedings pending in Italy and the Netherlands. As at the date of this report, the timescale for completing the Merger is subject to the outcome of the legal proceedings brought by Vivendi and Simon Fiduciaria, which have led to the temporary suspension of the validity of the resolution passed by the extraordinary shareholders' meeting of Mediaset España on 4 September 2019.

Equity Investments

In March, the Group increased its stake in **ProSiebenSat.1 Media SE** from 15.11% at 31 December 2019 to 20.10% (20.71% of voting rights) with a financial outlay totalling EUR 72.9 million, of which EUR 11.7 million disbursed by Mediaset and 61.2 million disbursed by Mediaset España. As with the prior transactions concluded by Mediaset and Mediaset España in 2019, Mediaset España entered into a collar agreement with the financial intermediary brokering the deal (put option purchase and call option sale) to protect the value of its investment within the predefined deviation intervals. Moreover, with Mediaset having no appointed representatives on the management and supervision bodies of ProSiebenSat.1 Media SE, as at 31 March 2020 the non-controlling interest does not qualify as a significant interest under IAS 28 (Investments in Associates and Joint Ventures); in other words, the investor cannot exercise significant influence by participating in its financial and operating policy decisions. It therefore continues to be recognised and treated as a financial asset under IFRS 9 (Financial Instruments) and, as a result, the accounting values of the equity investment and related hedging derivatives are recognised at fair value under the item *Valuation reserves* of Shareholders' equity, with no recycling to profit and loss.

On 27 March, Publitalia'80 acquired 80% of the share capital of **Beintoo Srl**, a company specialising in the *mobile data advertising* sector, for a total value of approximately EUR 3.0 million.

Group performances and financial results

Television audience

In **Italy**, the total audience over the 24-hour period in the first quarter of 2020 amounted to 11,919,000 viewers on average, with strong growth due to the Coronavirus-imposed quarantine. This growth occurred in all time slots, in particular the Prime Time and Day Time slots.

Auditel statistics show that, during the period reported, Mediaset networks as a whole, including both free-to-air and pay television channels, obtained an audience share of 32.1% over the 24-hour period, 32.0% in the Day Time slot and 33.1% in Prime Time.

Mediaset also confirmed its leadership with the commercial target audience (15-64 years) during the first quarter of 2020 over the 24-hour period (34.6%), in the Day Time slot (34.4%) and in Prime Time (35.8%). In particular, Canale 5 was the number one network and Italia 1 was the third most-watched network in all time slots with this commercial target.

For the spring ratings season preceding the start of the COVID-19 emergency (from 12 January to 7 March 2020, and including the Sanremo Music Festival) the audience share of Mediaset networks with the commercial target audience was better than that of competitors. In this respect, the Group's generalist networks achieved a target audience share of 27.3% over the 24-hour period, 27.6% in the Day Time slot and 28.1% in Prime Time.

If we analyse the subsequent period of the spring ratings season (8 March to 28 March 2020), Mediaset Networks maintained their leading position with the commercial target audience across all time slots. When taking into account the contribution of semi-generalist and pay television channels, total audience share reached 34.3% in the 24-hour period, 33.7% in the Day Time slot and 37.9% in Prime Time.

In **Spain**, the Mediaset España Group maintained its leadership in terms of audience figures with a total audience share of 28.1% over the 24-hour period, and a 29.5% share among the commercial target audience. In the Prime Time slot, the Mediaset España Group achieved a 27.6% share of the total audience and 28.4% of the commercial target audience. Also in the first quarter of 2020, Telecinco maintained its audience leadership with a 14.2% share over the 24-hour period, while reaching an average share of 13.9% with the commercial target audience.

Main financial results

After the first two months of the year, in which advertising revenues performed strongly, the financial results were affected by the marked slowdown in the advertising market which began in March, both in Italy and Spain, following the adoption of harsh restrictions on freedom of movement and the effective halt to much of economic activity ordered nationwide by both governments to address the escalating public health crisis connected to the COVID-19 pandemic. The impact on profits and cash flow generation for the period was nevertheless attenuated by the timely implementation of concurrent cost-containment measures to address the emergency.

The key financial results for the period are summarised below:

- **Consolidated net revenues** amounted to **EUR 682.1 million**, compared to EUR 718.2 million for the first quarter of 2019.

- **EBIT** amounted to **EUR 41.6 million**, compared to EUR 78.5 million for the same period in 2019. Operating profitability stood at **6.1%**, compared to the 10.9% recorded in 2019.
- **The Group's net profit/(loss)** was positive at **EUR 14.6 million**, compared to the EUR 36.7 million net profit recorded for the same period in the previous year. It should be noted that the Consolidated Net Profit/(Loss) for the previous year has been restated (to the EUR 39.8 million reported) to show the retrospective impact since 1 October 2018 (-EUR 3.1 million) on *Profit/Loss from equity investments* of the depreciation of the assets identified in accordance with IFRS 3, due to the definitive allocation of goodwill generated following the closing of 2i Towers Holding's takeover bid of EI Towers, launched in 2018.
- Consolidated **net financial debt** at 31 March 2020, calculated in accordance with Consob Communication 6064293 of 28 July 2016, amounted to **EUR 1,243.8 million**, a reduction on the EUR 1,348.3 million recorded at the start of the period. Excluding the liabilities recognised under IFRS 16 from 2019 onwards and the financial payable for the equity investments in ProSiebenSat.1 Media SE, **consolidated net financial debt** was **EUR 619.1 million** compared to EUR 768.8 million at 31 December 2019. **Free cash flow** amounted to **EUR 182.2 million**, an improvement on the EUR 146.9 million recorded for the first three months of 2019. Disbursements of EUR 72.9 million were made during the first quarter in connection with the increased equity investment in ProSiebenSat.1 Media SE.

Breaking down income results by geographical area:

In **Italy**:

- In the first quarter of 2020 **consolidated net revenues** from the Group's Italian operations totalled **EUR 452.4 million**, compared to EUR 492.1 million posted in the corresponding period of the previous year.
- **Gross advertising revenues**, 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 427.5 million** (-11.6% compared to the same period in 2019); following a positive performance during the first two months of the period in which advertising revenues grew by 2.1% year on year, the quarterly figure was affected by the impact of the COVID-19 emergency on the advertising market, as the majority of investors were forced to defer or reposition their planned advertising campaigns.
- **Other revenues** stood at **EUR 85.4 million**, an increase on the EUR 77.3 million figure for the first quarter of 2019; the figure for 2019 continued to reflect revenues from the Premium Cinema and Series offering, which was subsequently discontinued in June 2019. If we remove this component so as to compare on a like-for-like basis, the other revenues for the quarter are up +34%, mainly due to the movie distribution activities of Medusa, which in January 2020 released the Italian blockbuster "*Tolo Tolo*", starring Zalone and produced by Taodue, and due to increased revenues from sublicenses and third-party television broadcasters.
- **Total operating costs** for operations in Italy (personnel expenses, purchasing and service costs and other expenses, amortisation and write-downs of television broadcasting rights and other fixed assets) amounted to **EUR 472.7 million**, down (-1.6%) on the same period in 2019. Compared to

the same period of the previous year, operating costs were impacted by the greater costs of distributing films to movie theatres at the beginning of the year and the fact that the redefinition of Premium assets had been debited to expenditure in the previous year. Excluding these components, the review of TV schedules carried out activated in March to deal with the impact of the COVID-19 emergency led to a significant reduction (-7.5%) in direct television broadcasting costs compared to the same period in 2019.

- Total **EBIT** from operations in Italy amounted to **EUR -20.4 million**, compared to EUR 11.9 million for the first quarter of 2019.

In Spain:

- **Consolidated net revenues** for the Mediaset España Group at the end of the first quarter of 2020 amounted to **EUR 229.8 million**, an increase of 1.7% compared to the corresponding period of the previous year.
- **Gross television advertising revenues** stood at **EUR 202.8 million**, a decrease of 9.3% compared to the same period of the previous year, caused by the sharp slowdown in the advertising market during March, together with the adoption of harsh social distancing measures and restrictions on economic activity ordered by government authorities to face up to the COVID-19 public health emergency. Infoadex statistics estimate that television advertising investments fell by 11.7% during the first quarter of the year, whereas the television and digital media advertising market as a whole decreased by 9.8%. Mediaset España maintained its leadership in its television market with a share of 43.7%, whereas its share of the television and digital media market stood at 33.1%.
- **Other revenues** increased significantly to **EUR 35.4 million** compared to EUR 12.1 million for the same period of the previous year, due to the strong influence of content sales and sublicensing to third-party broadcasters and the positive trend in subscriptions to the OTT Mitele Plus service during the period.
- **Total costs** (personnel costs, other operating costs, amortisation, depreciation and write-downs) stood at **EUR 168.0 million**, an increase of 5.3% on the same period of the previous year, mainly due to the performance of costs directly related to non-advertising revenues, whereas television broadcasting costs decreased falling the TV scheduling reviews carried out in March to dampen the economic impacts on advertising revenues due to the COVID-19 emergency.
- Thanks to these performance figures, **EBIT** amounted to **EUR 61.8 million**, compared to EUR 66.6 million for the same period in 2019, corresponding to an operating profitability of **26.9%**, compared to the figure of 29.4% recorded for the first quarter of 2019.

Events and developments after 31 March 2020

In relation to the **MFE - MEDIAFOREUROPE N.V cross-border takeover merger:**

- On **2 April 2020**, the Dutch national newspaper "*Trouw*" and the Dutch Official Journal (*Staatscourant*) published a notice stating that the joint merger project and its annexes had been filed with the Dutch Business Register.
- In relation to the appeal filed by Vivendi and Simon Fiduciaria against the Court of Milan's ruling on 3 February 2020 to throw out all applications for interim relief filed by Vivendi and Simon Fiduciaria (which had called for the suspension of the resolutions passed at Mediaset's extraordinary shareholders' meetings of 4 September 2019 and 10 January 2020), the hearing - originally scheduled for 12 March 2020 and repeatedly postponed - is currently scheduled for **28 May 2020**.
- On **10 April 2020**, the court of appeals in Amsterdam threw out Vivendi's application for the appeal against the first-instance judgment made in favour of the MFE project, as rendered by the Court of Amsterdam on 26 February 2020, to be dealt with as a matter of urgency. The appeal will therefore continue be dealt with as a non-urgent matter.
- Given the suspension on the validity of the resolution passed by the extraordinary shareholders' meeting of Mediaset España on 4 September 2019 and, therefore, the delay in any possible Merger date, the Board of Directors of Mediaset España resolved that withdrawing shareholders could voluntarily revoke their decision to exercise their right of withdrawal between 19 February 2020 and 3 March 2020. By the end of this period, the number of shares in Mediaset España for which withdrawal had been revoked was 3,795,263.
- In light of the exceptional circumstances in Spain caused by the COVID-19 pandemic and the state of emergency declared as a result, which led to the suspension of all court proceedings and a further delay in any possible Merger date, the Board of Directors of Mediaset España resolved that withdrawing shareholders could once again voluntarily revoke their decision to exercise their right of withdrawal between 20 April 2020 and 4 May 2020. By the end of this period, the number of shares in Mediaset España for which withdrawal had been revoked was 3,054,848. By this right of withdrawal being exercised, the number of shares withdrawn in Mediaset España during the two periods mentioned above decreased to 32,175,666 (from 39,025,777).

On **23 April**, Mediaset S.p.A. entered into a reverse collar agreement in order to acquire a further 4.1% stake in the share capital of ProSiebenSat.1 Media SE. Upon completion of the transaction, the Mediaset Group will hold voting rights of up to 24.9% in ProSiebenSat.1 Media SE (excluding treasury shares).

Forecast for the year

As a result of the ongoing situation, short and mid-term visibility remains extremely limited by the ongoing pandemic. At a time when monetary and fiscal measure to support business have still to be finalised and applied, at both the national and European level, leading specialised observers for the moment estimate a global recession in 2020 of the order of -3%, which is expected to be followed by a gradual recovery and return to normal in 2021. However, as things stand, it is not possible to make reliable forecasts on the length and the impact of the emergency on the management and results of the Group.

In this context, the Group will continue to operate on two complementary fronts: firstly by ensuring the safety of the workforce and the company's economic and financial solidity with all the necessary measure to safeguard business results and cash generation (for example, measures have already been taken to reduce costs to offset the eventual impact of trends in the advertising market in the second quarter, even if the lockdown is brought to an end). And, at the same time, pursuing, with even greater determination, the Group's international development and mid-term structural projects.

In this regard, it should be noted that the cross-border merger project MFE, the timing of which remains conditioned by legal proceedings instigated by Vivendi, is expected to provide the Group with advantages in terms of synergies and new opportunities resulting from the pan-European scale of the projects.

*Consolidated accounting tables
and business segments information*

(figures in EUR million)

MEDIASET GROUP <i>Income Statement</i>	1st Quarter 2020	1st Quarter 2019
Total consolidated net revenues	682.1	718.2
Personnel expenses	116.5	124.1
Purchases, services, other costs	381.6	372.7
Operating costs	498.1	496.9
EBITDA	184.0	221.3
TV and movie rights amortization	116.7	119.5
Other amortization and depreciation	25.7	23.3
Amortization and depreciation	142.5	142.8
EBIT	41.6	78.5
Financial income/(losses)	2.4	0.1
Income/(expenses) from equity investments	2.8	1.4
EBT	46.8	80.1
Income taxes	(10.4)	(18.5)
Minority interests in net (profit)/loss	(21.7)	(25.0)
Net result from continuing operations	14.6	36.7
Net profit from discontinued operations	-	-
Group net result	14.6	36.7

(figures in EUR million)

MEDIASET GROUP <i>Balance Sheet Summary</i>	##### ###	31/12/2019
TV and movie rights	1,113.3	974.7
Goodwill	799.4	796.7
Other tangible and intangible non current assets	930.4	968.8
Equity investments and other financial assets	1,034.8	1,026.6
Net working capital and other assets/(liabilities)	301.5	541.0
Post-employment benefit plans	(68.4)	(69.2)
Net invested capital	4,111.0	4,238.7
Group shareholders' equity	2,443.9	2,477.9
Minority interests	423.3	412.5
Total Shareholders' equity	2,867.2	2,890.4
Net financial position		
Debt/(Liquidity)	1,243.8	1,348.3

(figures in EUR million)

ITALY <i>Income Statement</i>	1st Quarter 2020	1st Quarter 2019
Consolidated net revenues	452.4	492.1
Personnel expenses	86.5	94.6
Purchases, services, other costs	274.3	274.9
Operating costs	360.8	369.6
EBITDA	91.6	122.6
TV and movie rights amortization	91.7	91.2
Other amortization and depreciation	20.2	19.5
Amortization and depreciation	112.0	110.7
EBIT	(20.4)	11.9
Financial income/(losses)	2.5	0.1
Income/(expenses) from equity investments	2.1	0.5
EBT	(15.7)	12.4
Income taxes	2.6	(4.4)
Minority interests in net result	0.4	0.3
Net result from continuing operations	(12.7)	8.4
Net result from discontinued operations	-	-
Net result	(12.7)	8.4

(figures in EUR million)

ITALY <i>Net Consolidated Revenues</i>	1st Quarter 2020	1st Quarter 2019
Gross advertising revenues	427.5	483.6
Agency discounts	(60.5)	(68.8)
Total net advertising revenues	367.0	414.8
Other revenues	85.4	77.3
Total net consolidated revenues	452.4	492.1

(figures in EUR million)

SPAIN <i>Income Statement</i>	1st Quarter 2020	1st Quarter 2019
Total consolidated net revenues	229.8	226.1
Personnel expenses	30.0	29.5
Purchases, services, other costs	107.3	97.8
Operating costs	137.4	127.3
EBITDA	92.5	98.7
TV and movie rights amortization	25.2	28.4
Other amortization and depreciation	5.5	3.7
Amortization and depreciation	30.7	32.2
EBIT	61.8	66.6
Financial income/(losses)	(0.1)	0.0
Income/(expenses) from equity investments	0.6	0.8
EBT	62.3	67.4
Income taxes	(13.0)	(14.1)
Minority interests in net (profit)/loss	(0.5)	(0.2)
Net result from continuing operations	48.9	53.1
Net profit from discontinued operations	-	-
Group net result	48.9	53.1

(figures in EUR million)

SPAIN <i>Net Consolidated Revenues</i>	1st Quarter 2020	1st Quarter 2019
Gross advertising revenues	202.8	223.7
Agency discounts	(8.4)	(9.8)
Net advertising revenues	194.4	213.9
Other revenues	35.4	12.1
Total net consolidated revenues	229.8	226.1

(figures in EUR million)

MEDIASET GROUP <i>Summery Cash Flow Statement</i>	1st Quarter 2020	1st Quarter 2019
Net Financial Position at the beginning of the year (Debt)/Liquidity	(1,348.3)	(877.0)
Free Cash Flow	182.2	146.9
Cash Flow from operating activities (*)	183.8	210.1
Investments in fixed assets	(243.4)	(258.8)
Disposals of fixed assets	0.1	1.1
Changes in net working capital and other current assets/liabilities	241.7	194.5
Change in the consolidation area	(3.2)	(6.3)
Own share's (sale)/buyback of the parent company and subsidiaries	-	(49.5)
Equity investments/Investments in other financial assets and change of stake in subsidiaries	(74.5)	(6.0)
Cashed-in dividends	-	-
Dividends paid	-	-
Financial Surplus/(Deficit) from continuing operations	104.5	85.0
Net Financial Position at the end of the year (Debt)/Liquidity	(1,243.8)	(791.9)

(*): Net profit +/- minority interests + amortisations +/- net provisions +/- valuation of investments recorded using the net equity method - gains/losses on equity investments +/- deferred tax

(figures in EUR million)

Cash Flow Statement (geographical breakdown)	ITALY		SPAIN	
	1 st Quarter 2020	1 st Quarter 2019	1 st Quarter 2020	1 st Quarter 2019
Net Financial Position at the beginning of the year (Debt)/Liquidity	(1,318.0)	(1,042.5)	(30.2)	165.5
				-
Free Cash Flow	109.4	62.6	72.7	84.3
Cash Flow from operating activities (*)	95.6	117.6	88.3	92.1
Investments in fixed assets	(191.0)	(182.1)	(52.4)	(76.8)
Disposals of fixed assets	0.1	0.0	0.0	1.1
Changes in net working capital and other current assets/liabilities	204.8	127.0	36.9	67.9
Change in the consolidation area	(3.2)	-	-	(6.3)
Own share's sale/(buyback) of the parent company and subsidiaries	-	-	-	(49.5)
Equity investments/Investments in other financial assets and change of stake in subsidiaries	(13.2)	(5.9)	(61.3)	(0.1)
Cashed-in dividends	-	-	-	-
Dividends paid	-	-	-	-
Financial Surplus/(Deficit) from continuing operations	93.0	56.7	11.4	28.4
Net Financial Position at the end of the period (Debt)/Liquidity	(1,225.0)	(985.8)	(18.8)	193.9

(*) Net profit/loss +/- non-controlling interests + amortisation +/- net provisions +/- gains/losses from measurement of investments at equity +/- gains/losses on equity investments +/- deferred tax assets/liabilities

(figures in EUR million)

Increased in fixed assets	Italy		Spain	
	1 st Quarter 2020	1 st Quarter 2019	1 st Quarter 2020	1 st Quarter 2019
Investments in TV and movie rights	(201.1)	(170.2)	(54.3)	(72.7)
Changes in advances on TV rights	21.8	(3.6)	2.7	(3.4)
TV and movie rights: investments and advances	(179.3)	(173.8)	(51.6)	(76.0)
Investments in other fixed assets	(11.8)	(8.3)	(0.8)	(0.7)
Total investments in fixed assets	(191.0)	(182.1)	(52.4)	(76.8)

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