MEDIASET ANNUAL REPORT 2015

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

Table of contents

Mediaset Group
2015 Consolidated Annual Report

Consolidated Financial Statements

Explanatory Notes

Mediaset S.p.A.
2015 Annual Report

Financial Statements

Explanatory Notes

Mediaset Group 2016 Shareholders' Annual Ordinary Meeting

Notice of Calling

NOTICE OF CALLING

Notice is hereby given that the Ordinary Shareholders' Meeting, in single call, of Mediaset S.p.A. (ticker MS) will be held in Viale Europa, 46, Cologno Monzese, Italy on Wednesday, 27 April 2016, at 10.00 a.m. (local time). All shareholders of ordinary stock (ISIN IT0001063210 — SEDOL 5077946) and holders of American Depositary Receipts (ADR — CUSIP 584469407) are invited to attend in order to transact the following business

AGENDA

A. Financial Statements at 31 December 2015

1. Approval of the Financial Statements at 31 December 2015; Presentation of the Board of Directors' Report on Operations and the Reports of the Independent Auditors and the Board of Statutory Auditors; Presentation of the Consolidated Financial Statements at 31 December 2015.

2. Approval of the allocation of the profit for the year; related resolutions.

B. Compensation Report, pursuant to article 123-ter of Italian Legislative Decree no. 58/1998

3. Compensation Report, pursuant to article 123–ter of Italian Legislative Decree no. 58/1998; Resolutions regarding compensation policy.

C. Authorisation for the Board of Directors to purchase and dispose of treasury shares

4. 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; related resolutions.

The share capital consists of 1,181,227,564 ordinary shares with a nominal amount of EUR 0.52 each. Voting rights attach only to floating shares, totalling 1,136,402,064 shares (excluding the 44,825,500 treasury shares that are held by the company at the date of this notice). This number may vary between the date of this notice and the scheduled date of the Shareholders' Meeting; any change in the number of treasury shares held by the company will be announced at the opening of the Annual General Meeting.

The share ownership structure is published on the company website www.mediaset.it (/Corporate/Governance).

Eligibility to Attend the Meeting

Pursuant to article 11 of the Company Bylaws, only persons entitled to vote at general meetings shall be entitled to attend the Shareholders' Meeting. Entitlement to attend and vote at the Shareholders' Meeting is attested by brokers in notifications made to the company on the basis of shareholder records at the close of business seven trading days prior to the scheduled meeting date (the record date), falling on 18 April 2016. Buy and sell entries recorded after the record date are of no relevance for the purposes of establishing eligibility to vote. As such, shareholders registered after the record date will not be entitled to attend and vote at the Shareholders' Meeting.

Notifications by brokers to the company must be made in compliance with laws in force.

Procedures for postal voting or electronic voting are not contemplated.

Shareholders will be asked to vote only on each of items of business tabled in the agenda disclosed in this notice of calling.

Attendance and voting at the Annual General Meeting is governed by applicable laws and regulations in force and the provisions set forth in the Mediaset General Meeting Regulations, published on the company website www.mediaset.it (/Corporate/Governance/Shareholders' Meeting).

Proxy votes

Pursuant to article 12 of the Company Bylaws, persons entitled to vote may appoint a proxy in writing to attend and vote at the meeting on their behalf, in accordance with law.

Proxies may be appointed using the Proxy Form available at the company's registered office and online on the company website www.mediaset.it (/Corporate/Governance/Shareholders' Meeting). Completed Proxy Forms should be sent to the company by registered mail with return receipt to the following address: Mediaset S.p.A. — Direzione Affari Societari — Viale Europa, 48, 20093 Cologno Monzese (MI), Italy, or by electronic mail to the certified e-mail address: direzione.affarisocietari@mediaset.postecert.it. In these cases, the company must receive the Proxy Form by and no later than the commencement of the general meeting. In the event that the proxy presents or sends to the company a copy of the original Proxy Form, the proxy will be required to make a statutory declaration certifying conformity of the copy to the original and the identity of the shareholder appointing the proxy. In accordance with the article 135-novies(6) of the Consolidated Finance Law, proxies may be appointed using an electronic proxy form, submitted with a digital signature.

The proxy may be granted, providing instructions on voting for each or some of the items of business on the agenda, to Computershare S.p.A., with registered office in Milan, via Lorenzo Mascheroni no. 19, Post Code 20145, appointed as designated representative of the Company pursuant to Article 135-undecies of Italian Legislative Decree 58/1998. Proxies must be appointed using the specific proxy form, prepared by the Designated Representative in agreement with the Company, available on the website www.mediaset.it (/Corporate/Governance/Shareholders' Meeting). The proxy to the Delegated Representative, with voting instructions, must be submitted in original copy to the offices of Computershare S.p.A., via Lorenzo Mascheroni no. 19, 20145 Milan, with the option to send a certified true copy of the original in advance by fax to the number 0039.02.46776850 or as an attachment to an e-mail message to be sent to the address: ufficiomilano@pecserviziotitoli.it, by and no later than the close of business, two trading days prior to the scheduled meeting date, falling on 25 April 2016. The resulting proxy granted is only valid for the proposals for which voting instructions have been given. Proxy Forms and instructions on voting may be revoked within the deadline specified above.

Proxy forms, with the instructions for their compilation and sending, are available at the Company's registered office and online on the Company website www.mediaset.it (/Corporate/Governance/Shareholders' Meeting).

Advance notification does not exempt the representative from the obligation, upon verification for attendance of the meeting, to certify the conformity of the copy to the original and the identity of the shareholder appointing the proxy.

Right to Ask Questions

Persons entitled to vote may submit questions on business items on the agenda even before the meeting itself by sending them via electronic mail to the certified e-mail address: direzione.affarisocietari@mediaset.postecert.it, or by registered letter with receipt notification addressed to Mediaset S.p.A. — Direzione Affari Societari — Viale Europa, 48, 20093 Cologno Monzese (MI), Italy. Questions must be sent to the Company by 24 April 2016 and must be accompanied by a specific notification issued by the custodian of the shares owned by the shareholder; the parties involved must provide information enabling their identification. Replies will be given to questions received before the meeting at the latest during the meeting itself. The company may provide a single reply to questions concerning the same matter.

Right to Request the Addition of New Business and Move New Resolutions

Pursuant to article 126–bis of the Consolidated Finance Law, shareholders representing, jointly or severally, at least one-fortieth of the share capital may request the inclusion of additional items of business to be dealt with at the meeting, to be specified in the request, or move new resolutions on any matter already included in business, within ten (10) days of the publication of this notice of calling.

Requests are to be made in writing and submitted via registered mail to the company's registered office, or by electronic mail to the certified e-mail address: direzione.affarisocietari@mediaset.postecert.it; shareholders submitting requests must show proof of their eligibility to make the request. Specifically, in order to exercise this right shareholders must provide the company with share certificates issued by the custodians of the shares owned by them.

Shareholders requesting the inclusion of additional items of business or moving new resolutions are required to prepare a report stating the motivation for the inclusion of the new business they wish dealt with at the meeting or for the new resolution regarding a matter already included in business they wish moved. The board of directors must receive the report by the same deadline for submitting requests for the inclusion of new business. The report will be published together with the notice announcing the addition of new business.

The addition of new business may not be requested for matters on which by law resolutions at general meetings may only be moved by the directors or on the basis of plans or reports prepared by them.

Documentation

Documentation concerning the business on the meeting agenda will be made public as required by laws in force, and provided at the Company's registered office and online on the Company website www.mediaset.it (/Corporate/Governance/Shareholders' Meeting) and on the eMarket Storage authorised storage system at the web address www.emarketstorage.com. Shareholders are entitled to copies of the documentation.

In particular, all the documentation relating to items of the agenda, including the Corporate Governance and Ownership Report, will be made public by 5 April 2016.

The Company Bylaws are published on the company website www.mediaset.it (/Corporate/Governance/Company Bylaws).

For any further information, please contact Mediaset Corporate Affairs: by telephone on +39 02 25149588; by fax on +39 02 25149590 or by e-mail to direzione.affarisocietari@mediaset.it. Documentation can be viewed and/or obtained from the Company's Registered Office in Via Paleocapa, 3, Milan, open to the public Monday to Friday from 9:00 a.m. to 6:00 p.m..

Shareholders are asked to arrive before the meeting time in order to facilitate registration procedures. Registration will begin one hour before the scheduled time for the commencement of business.

The meeting venue can be reached by means of a shuttle service from the Cascina Gobba MM2 metro station; a return shuttle service will be provided at the end of the meeting.

the Chairman
Fedele Confalonieri

MEDIASET GROUP

Mediaset Group
2015 Annual Report

Mediaset Group

2015 Consolidated Annual Report

Directors' Report on Operations

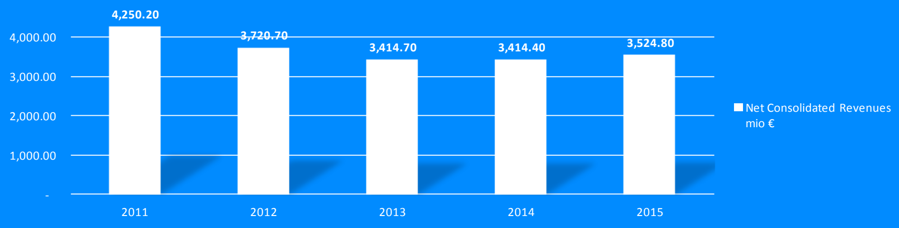
CORPORATE BOARDS

Board of Directors	**Chairman** Fedele Confalonieri **Deputy Chairman and** **Chief Executive Officer** Pier Silvio Berlusconi **Directors** Giuliano Adreani Marina Berlusconi Franco Bruni Pasquale Cannatelli Mauro Crippa Bruno Ermolli Marco Giordani Fernando Napolitano Gina Nieri Michele Perini Alessandra Piccinino Niccolo' Querci Stefano Sala Carlo Secchi Wanda Ternau
Executive Committee	Fedele Confalonieri Pier Silvio Berlusconi Giuliano Adreani Marco Giordani Gina Nieri
Risk and Control Committee	Carlo Secchi (*Chairman*) Franco Bruni Fernando Napolitano
Compensation Committee	Michele Perini (*Chairman*) Bruno Ermolli Fernando Napolitano
Governance and Appointments Committee	Carlo Secchi (*Chairman*) Michele Perini Wanda Ternau
Committee of Independent Directors for Related-Party Transactions	Michele Perini (*Chairman*) Alessandra Piccinino Carlo Secchi
Board of Statutory Auditors	Mauro Lonardo (*Chairman*) Francesca Meneghel (*Regular Auditor*) Ezio Maria Simonelli (*Regular Auditor*) Massimo Gatto (*Alternate Auditor*) Flavia Daunia Minutillo (*Alternate Auditor*) Riccardo Perotta (*Alternate Auditor*)
Independent auditors	Reconta Ernst & Young S.p.A.

FINANCIAL HIGHLIGHTS

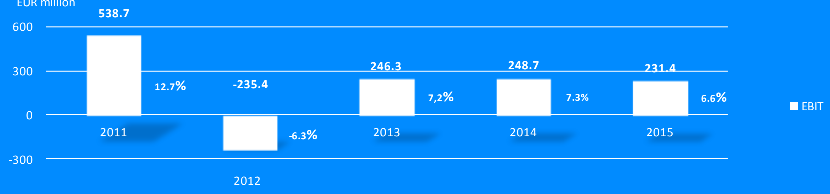
Net Consolidated Revenues

EUR million



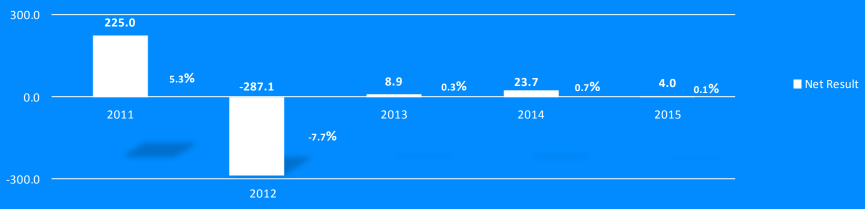
EBIT

EUR million

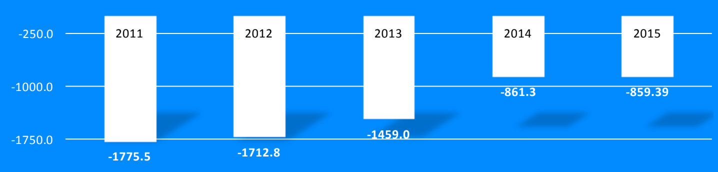


Net Result

EUR million



Net Financial Position



Main Income Statement Data
(EUR million)

	2011	2012	2013	2014	2015
Total net Revenues	4,250.2	3,720.7	3,414.7	3,414.4	3,524.8
Italy	3,241.6	2,834.9	2,588.5	2,483.4	2,554.2
Spain	1,009.3	886.7	826.8	932.1	971.9
EBIT (1)	538.7	(235.4)	246.3	248.7	231.4
Italy	374.2	(284.0)	176.1	104.3	26.8
Spain	164.5	48.8	70.2	144.8	205.2
Result before Tax and Minority Interest	459.2	(287.4)	100.2	138.5	197.2
Net Result	225.0	(287.1)	8.9	23.7	4.0

Main Balance Sheet and Financial Data
(EUR million)

	2011	2012	2013	2014	2015
Net Invested Capital (1)	5,071.2	4,677.9	4,436.7	3,906.8	3,807.1
Total Net Shareholders' Equity	3,295.7	2,965.1	2,977.7	3,045.5	2,947.8
Net Group shareholders' Equity	2,478.3	2,121.9	2,119.9	2,322.8	2,293.9
Minorities Shareholders' Equity	817.4	843.2	857.8	722.6	653.8
Net Financial Position (1)	(1,775.5)	(1,712.8)	(1,459.0)	(861.3)	(859.4)
Operating Cash Flow (1)	1,633.5	1,333.0	1,139.3	1,226.5	1,282.3
Investiments	1,796.9	718.9	549.4	1,705.2	741.8
Dividens paid by the Parent Company	397.7	113.6	-	-	22.7
Dividens paid by Subsidiares	81.2	32.1	4.1	-	44.2

Personnel

	2011	2012	2013	2014	2015
Mediaset Group Personnel (headcount)	6,113.0	5,908.0	5,693.0	5,559.0	5,484.0
Italy	4,735.0	4,573.0	4,401.0	4,299.0	4,210.0
Spain	1,378.0	1,335.0	1,292.0	1,260.0	1,274.0
Mediaset Group Personnel (average)	6,372.0	6,252.0	5,882.0	5,711.0	5,680.0
Italy	4,982.0	4,892.0	4,574.0	4,437.0	4,402.0
Spain	1,390.0	1,360.0	1,308.0	1,274.0	1,278.0

Main Indicators

	2011	2012	2013	2014	2015
EBIT/Net Revenues	12.7%	-6.3%	7.2%	7.3%	6.6%
Italy	11.5%	-10.0%	6.8%	4.2%	1.0%
Spain	16.3%	5.5%	8.5%	15.5%	21.1%
Pre-Tax and Minority Interest/Net Revenues	10.8%	n.s.	2.9%	4.1%	5.6%
Net Result/Net Revenues	5.3%	n.s.	0.3%	0.7%	0.1%
ROI (Return on Net Invested Capital) (2)	10.7%	n.s.	4.7%	4.7%	4.4%
ROE (Return on Equity) (3)	8.8%	n.s.	0.3%	0.9%	0.1%
N. of Shares (4)	1,136,402,064	1,136,402,064	1,136,402,064	1,136,402,064	1,136,402,064
Consolidated Net Result per Share (EUR)	0.20	(0.25)	0.01	0.02	0.00
Dividend per Share (EUR)	0.10	-	-	0.02	0.02

(1) The figures refers to average economic results as well as balance sheet and financial data. Their relative recognition criteria (pursuant CONSOB Resolution n. 6064293 of 28th July 2006 and CESR Recommendation of 3rd November 2005 concerning non GAAP measures) are described on the Directors' Report on Operation.

(2) Group Operating Result (EBIT) / Average Net Capital Invested

(3) Group Net Result / Group Average Net Equity.

(4) Spot datum at 31/12 net of treasury shares.

(5) 2014 datum relative to the distribution proposal of the BOD to the Shareholders' Meeting.

DIRECTORS' REPORT ON OPERATIONS

Shareholders,

In 2015, macroeconomic performance at international level was still very uneven, accompanied by high volatility in the financial markets and growing geopolitical instability. These factors affected the strength of economic recovery in the Eurozone and the effectiveness of the boost from the intensification of the ECB's monetary easing policy.

Within this scenario, and in an increasingly dynamic and complex competitive environment, characterised by a wide variety of players and distribution platforms, and a major shift in methods of production, offerings and content access, driven by the increasing synergy between TV and Web, the Mediaset Group effectively pursued its primary objectives of protecting its market share, strengthening and developing its model as an integrated TV operator, and safeguarding and protecting its broadcasting content.

In an environment of generally more favourable domestic demand and consumption, which however was still not reflected in a recovery in the advertising market, Mediaset was the only major television broadcaster to achieve growth in 2015, in contrast to its competitors. The diversification of the radio segment through the acquisition process initiated in 2015 will also further expand and complete the Group's advertising offering, with an increasingly cross-media approach.

The results from advertising sales reflected the ongoing ability and broadcasting focus on improvement and innovation in terms of the overall offer, through greater concentration on original entertainment content and products and the availability of exclusive multi-platform sports, film and television series content investments and increasing use of TV content on the Web.

In 2015, Mediaset also successfully initiated the strategic repositioning of its pay TV offering, by leveraging its exclusive long-term content (Champions League) and major technological innovations. These actions are aimed at changing the face of competition in the pay TV market in Italy and create the conditions for the sustainability of the Group's pay TV business.

For Mediaset, 2015 was also a fundamental year in terms of protecting its broadcasting content, both by combating piracy through enforcement orders and measures, which immediately blocked systematic copyright infringements, and by implementing a joint content protection strategy through the cooperation agreement signed with Google/You Tube.

In 2015, Mediaset also laid the foundations for more major hits in the area of movie production and distribution, both in terms of the Italian movie offering with "Quo Vado", the new Checco Zalone film, released in cinemas at the beginning of 2016, which beat the record box office takings of the previous film to become the most watched Italian film of all time, and in the international arena with projects such as "Chiamatemi Francesco" (call me Francesco) on the life of Pope Bergoglio and the investment in the co-production of "Il Piccolo Principe" (The Little Prince).

The growth in the value of the subsidiary EI Towers also continued in 2015, reflecting the excellent earnings of the group and the strategic and industrial decisions made in its sector.

The key consolidated financial figures compared to the previous year showed a recovery in revenue in both geographical areas of operations, in addition to the achievement of a net profit and the stabilisation of consolidated financial debt for the third consecutive year.

Performance in 2015 can be summarised in the following results:

- **Consolidated net revenues** amounted to EUR **3,524.8** million, up 3.2% on the previous year.
- **EBIT** was positive at EUR **231.4** million, compared to EUR 248.7 million posted for the previous year. Operating profitability at the end of 2015 stood at 6.6**%**, compared to 7.3% in 2014.
- **Income from continuing operations**, net of tax and minority interests, came to EUR **197.2** million, recording an increase compared to EUR 138.5 million at 31 December 2014. This figure benefited from the significant reduction in financial expenses and the improvement in the earnings from investees, which in 2014 had been heavily impacted by EUR -47.4 million, due to the adjustment of the carrying amount of the investment in Digital Plus recorded following the sale agreement for the aforementioned investment.
- **Net earnings attributable to the Group amounted to a profit of EUR 4.0 million**, compared to a profit of EUR 23.7 million for 2014. This result was impacted by charges of EUR 24.9 million linked to the recalculation of the net deferred tax assets in Italy following the reduction in the IRES tax rate from 27.5% to 24% with effect from 1 January 2017, introduced by the Stability Law for the year 2016 (Law no. 208 of 28 December 2015). Net of this component, consolidated net profit for the year would have been EUR 28.9 million.
- Consolidated **net financial debt** remained essentially stable, moving from EUR 861.3 million at 1 January 2014 to EUR **859.4** million at 31 December 2015; this was attributable to a high level of free cash flow, of EUR **332.7** million (EUR 292.4 million in 2014) and outlays incurred for the dividend payments of Mediaset and the listed subsidiaries and the investment to increase the controlling stake in Mediaset España through that company's own share buyback programme.
- As at 31 December 2015 the **employees** of Mediaset Group companies included in the scope of consolidation numbered 5,484, a decrease compared to the 5,559 employees at 31 December 2014.
- The group parent **Mediaset S.p.A.**, closed the year ended 31 December 2015 with a profit for the year of EUR 50.4 million compared to a profit of EUR 37.1 million for 2014.

Breaking down consolidated performance by geographical area:

In **Italy:**

- **Consolidated net revenues** for the Group's operations in Italy amounted to EUR **2,554.2** million, up 2.9% on 2014;
- **gross advertising revenues** for media held under concessions by the Group (relating to free and pay television channels and the amount of sub-concessions on websites due to it) came to EUR **2,002.8** million in 2015, representing an increase of **1.0%** on 2014. Advertising revenue performance steadily improved during the year culminating in growth of 2.9% in the final quarter. According to figures from Nielsen, the market was essentially stable in 2015, with a slight fall of 0.5% after several consecutive years of decline in

investments. In this scenario, the television segment continued to maintain its central place in investor choices, with growth of 0.7% and representing half the overall advertising spending. While the other broadcasters of generalist and pay channels posted a net decline, in 2015 Mediaset achieved the best performance in the market, on the back of its commercial strategy focused on safeguarding profitability, innovating its organisational and sales models and developing a cross-media offering that is unique in Italy in terms of coverage and profiles;

- in 2015, **the total audience** over the 24-hour period was 10.3 million viewers. The Mediaset networks improved viewer figures compared to 2014 and maintained their leadership in the commercial target audience. Mediaset is the leader in the commercial target audience with 36.2% of share in the early evening slot and 34.1% over the 24-hour period. Canale 5 was the most watched Italian network by the commercial target audience both in the early evening slot (17.1%) and over the 24-hour period (15.8%);
- **Core revenues for Pay TV** from the sale of subscriptions, prepaid cards and revenues from the "Infinity" on demand service amounted to **EUR 558.8 million**, compared to EUR 538.4 million in 2014. In particular, in the second half of the year, these revenues grew by 11.1% compared to the same period of the previous year, capitalising on the strong increase in subscriptions that has accompanied the launch of the new Premium offering, enhanced by the exclusive Champions League rights for this and the next two seasons. As at 31 December 2015, the total number of Mediaset Premium customers was 2,010,000. The rising customer numbers have enabled Mediaset to gain market share compared to its competitors and have been accompanied by an increase in average revenues per subscriber, caused by the higher value of the content offered by Premium since 1 July.
- **EI Towers** revenues from external customers came to EUR 64.3 million, an increase over the EUR 54.8 million for 2014.
- The total **operating costs** of the Italian business (personnel expenses, purchasing and service costs and other expenses, amortisation and write-downs of rights and other fixed assets) increased compared to 2014 by 6.2%, exclusively driven by the higher costs of rights to pay sporting events starting from the new 2015-2016 season – investments that are conducive the strategic repositioning of Mediaset's pay TV offering.
- Total **EBIT** from operations in Italy amounted to EUR **26.8** million, compared to EUR 104.3 million for 2014.
- The **net result** was a loss of EUR **74.4** million, compared to a profit of EUR 1.4 million for 2014.

In **Spain:**

- **Consolidated net revenues** for the Mediaset España Group came to EUR **971.9** million, increasing by 4.3% on 2014.
- **Gross advertising revenues** amounted to EUR **933.3** million, an increase of 5.0% compared to 2014. In a macroeconomic environment in strong recovery, Mediaset España increased its leadership in the television market to 43.4%. Based on Infoadex data, television advertising investments in Spain in 2015 increased by 6.4%, with a sharper rise in the first half of the year.

- In 2015, the overall Free-to-Air TV offering of the Mediaset España Group – including the thematic channels Factoría de Ficción, Boing, Divinity and Energy, in addition to the generalist channels Telecinco and Cuatro – achieved an **average audience share** over the 24-hour period of 31% of total viewers and 33.1% of the commercial target audience. Telecinco achieved a 14.8% audience share over the 24-hour period.
- **Total costs** (personnel expenses, other operating costs, amortisation/depreciation and write-downs) amounted to EUR **766.8** million, a decrease of -2.6% compared to the previous year. Over the last five years, strong cost control and optimisation policies have brought a cumulative saving on total costs of 21.7%, without affecting the quality of the television offering.
- As a result of the above performance, **EBIT** came to EUR **205.2** million, compared to EUR 144.8 million for 2014, corresponding to an operating profitability of 21.1% compared to 15.5% for the previous year.
- **Net profit** came to EUR **166.2** million, compared to EUR 59.5 million for the previous year, when the result included the loss on the disposal of the 22% equity interest in Digital Plus and the loss resulting from the remeasurement of deferred tax assets following the reduction in the tax rates scheduled from 2015.

GENERAL ECONOMIC TRENDS

The global economy recorded average growth of around 3% in 2015, in line with the figure for the previous year. However, the growth of the international economy remained highly uneven and fragmented across the various geographical and monetary areas.

In particular, the US confirmed their role as an engine of growth, while the Eurozone showed initial signs of positive performance in the real economy. Japan also saw modest signs of recovery, while Brazil and Russia were in recession and China experienced a significant slowdown in economic growth. In the second half of the year, weak demand for imports from emerging countries, combined with the sharp depreciation of the Chinese currency, resulted in another sharp fall in the price of oil – in a situation of significant excess supply – and raw materials. This contributed to generating renewed turmoil and increasing volatility in the financial markets, which became a structural feature of the scenario, after a correction phase in the summer.

In the United States, the rise of 25 basis points in the rates applied by the Federal Reserve in December marked the, albeit cautious, start of the expected phase of normalisation of the US monetary policy, which has been characterised by rates at zero since 2008, and the divergence from the ECB, which is instead intensifying its strategy of quantitative easing to support economic recovery in Europe.

In Italy, the moderate economic recovery – initially driven by external conditions consisting of the low price of oil and interest rate levels, as well as the weakening of the euro – progressively eased off over the year, resulting in an average annual GDP growth rate of 0.8% for 2015, with inflation at zero, mainly attributable to the performance of exports. The Italian economy showed the first signs of improvement in the main confidence indicators, but consumer behaviour and household saving rates have been structurally impacted by the crisis situation in recent years. As a result, this process of recovery is still rather slow and is not helped by a situation where access to credit is still very selective and demand for capital goods is still weak.

DEVELOPMENTS IN THE LEGISLATIVE FRAMEWORK FOR THE TELEVISION SECTOR

Reported below are the main changes in the legislative framework in Italy for 2015.

State aid for the purchase of digital terrestrial set-top boxes

By ruling of 11 February 2016, the Court of Rome, upholding the appeal lodged by us, cancelled the injunction order from the Italian Ministry of Economic Development for the return of state aid on set-top boxes, also ordering the Ministry to reimburse the amount paid by the Group (EUR 5,969,442.12), plus statutory interest.

Contribution fees for use of broadcasting rights

With regard to the procedures for the determination of the contribution fees due from the subsidiary Elettronica Industriale S.p.A. for the year 2013 for the use of the digital terrestrial frequency rights, following the AGCOM ruling 568/13 October 2013, on 20 May 2015, and in a subsequent memo of 4 June 2015, the Italian Ministry of Economic Development asked for a supplement to the amount paid; the AGCOM ruling and the subsequent requests were appealed before the Lazio Regional Administrative Court.

By ruling of 15 February 2016, the Lazio Regional Administrative Court, upholding our appeal, cancelled the AGCOM ruling 568/13/CONS, as well as the subsequent acts, including the request made by the Italian Ministry of Economic Development for supplementation of the contribution fee paid.

In addition, the 2016 Stability Law (Italian Law 208/2015) established that the amount of the contribution fees for the use of the digital television frequency rights, due from the network operators in Italy (Elettronica Industriale for the Mediaset Group) from 2016 and also for the years 2014 and 2015, will be set by decree of the Italian Ministry of Economic Development. The decree is to be issued by 28 February 2016 in a transparent, proportionate, non-discriminatory and objective manner based on the geographical range of the right authorised, the market value of the frequencies, and taking into account reward mechanisms aimed at the disposal of broadcasting capacity for competition purposes, as well as the use of innovative technologies. We are awaiting the relevant decisions from the Ministry.

Spanish television concessions

As at 31 December 2014, three appeals against the renewal of the concession of eight digital channels, including four of Mediaset España, were pending before the "Sala Tercera de lo Contencioso Administrativo del Tribunal Supremo". During the year, the aforementioned appeals were dismissed, resulting in no change in current channel allocation with respect to the past.

On **18 April 2015**, the Government issued an invitation to tender for the award of licences for six new channels: three in standard definition and three in high definition. Mediaset España formalised its participation in the tender with the objective of obtaining two channels (the maximum allowed under the conditions of the tender). In October, a high definition channel (HD) was allocated to Mediaset España following the successful outcome of the tender for the allocation of 6 channels promoted by the Spanish government in May. As a result of this allocation, the Mediaset España Group has expanded its TV offering from six to seven channels.

MEDIASET SHARES

Stock market performance

The performance of the Italian stock market was positive in the early months of 2015, helped by expectations of economic growth. These were driven in particular by the expectations of the effects of the quantitative easing process implemented by the ECB in March, which resulted in a progressive depreciation of the euro, favouring a growth in exports, and a further reduction in interest rates. In August, however, the increased international political instability led to a downward adjustment in growth expectations. In the final part of the year, the indications for the growth of Italian GDP and consumer confidence were stronger than the expectations, particularly in November when consumer confidence reached a record high of 118.4. However, the growing instability in the world economy, partly attributable to the progressive slowdown in the growth of the Chinese economy and oil price fluctuations, resulted in renewed uncertainty around recovery expectations, shifting focus towards 2016. The FTSE MIB closed the year with a positive performance of +11.96%. In 2015, the index reached a minimum of 18,123.45 on 7 January and maximum of 24,031.19 on 20 June, posting an average of 22,230.51.

Mediaset shares performed in line with the FTSE MIB, linked to expectations of recovery in spending, investments and the Italian advertising market. The shares closed 2015 with a positive performance (+11.66%).

The performance of the media segment was positive in the first half of 2015, but then fell back due to the reduction in recovery expectations in some countries; the performance of individual shares had in fact been driven by expectations of economic growth and recovery of the advertising market in the target countries.

In particular, in the English and German markets, where the growth of the advertising market and the economic recovery was more robust, the related shares closed the year very strongly (ProSieben +36.12%; ITV +29.63%). The performance of the French media channels, TF1 and M6, was more laboured (-20.05% and +3.02%, respectively), while Mediaset España, with a performance of -4.38%, was affected by the slowdown in expectations regarding the advertising market compared to the very high expectations at the beginning of the year.

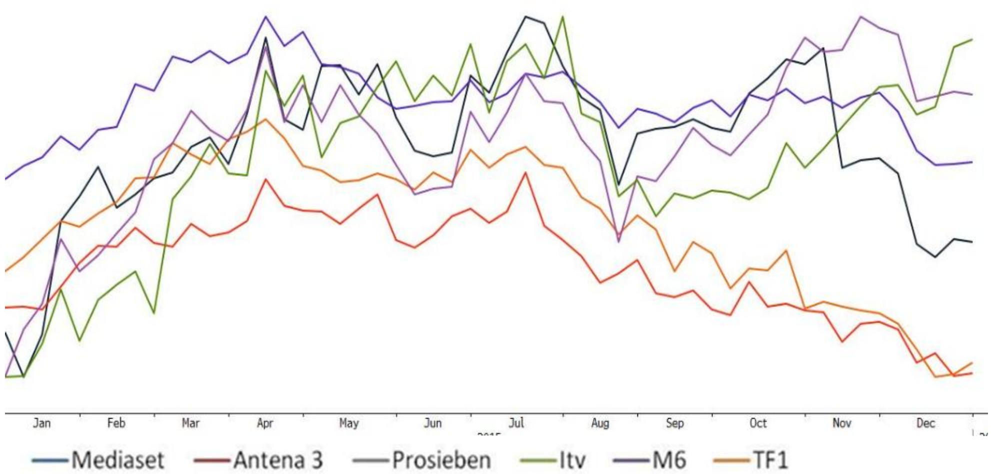
In 2015, the average price of the Mediaset shares was EUR 4.3, with a low of EUR 3.2 recorded on 6 January and a high of EUR 4.9 recorded on 16 July.

Mediaset share price	**2015**	**2014**	**2013**
Maximum Price (EUR)	4.9	4.3	3.9
	16th July	*7th April*	*22nd October*
Minimum Price (EUR)	3.2	2.5	1.5
	6th January	*16th October*	*4th March*
Opening Price 1/1 (EUR)	3.4	3.5	1.6
Closing Price 31/12 (EUR)	3.8	3.4	3.4
Average Volume (m)	10.2	11.0	13.3
Maximum Volume (m)	46.9	31.6	83.3
	11st November	*12th November*	*18th January*
Minimum Volume (m)	2.7	2.8	2.9
	16th December	*30th December*	*25th July*
Number of ordinary shares (m) *	1,136.4	1,136.4	1,136.4
Capitalisation 31/12 (EUR m) *	**4,354.7**	**3,909.2**	**3,863.8**

*own shares not included

Mediaset versus the main market indices (2015)

Mediaset versus other major European broadcasters (2015)



SIGNIFICANT EVENTS AND KEY CORPORATE TRANSACTIONS FOR THE YEAR

Details are provided below of the significant events and transactions in 2015, broken down by the Group's main areas of operations.

Television Operations

On **13 January 2015**, the agreement was completed through which the Spanish operator Telefónica (via the subsidiary Telefónica de Contenidos) acquired 11.1% of the shares of Mediaset Premium S.p.A. for a price of EUR 100 million. The positive difference deriving from the sale of the stake and the minority interests of the company determined at the transaction date (including the adjustment of net debt to the target values established in the contract), amounting to EUR 82.9 million, qualifying the transaction as the sale of a minority interest in a subsidiary, was recognised at the consolidated level as an increase in the specific Group shareholders' equity reserve.

In **March**, R.T.I. S.p.A. signed two volume deal agreements with Warner Bros International Television Distribution Inc. and Universal, which together account for approx. 40% of film production and 50% of television production in the Major world. The agreements signed will provide Mediaset Group the exclusive access for Italy of films and TV series distributed by the two US majors for the periods 2016-2020 and 2016-2018, respectively, for all television platforms and exploitation windows, both in linear (Free/Pay) and non-linear pay (SvoD, On Demand) mode. In quantitative terms, the Group will be able to count on over 900 hours of un-aired serial product and more than 2,400 hours of library product, as well as new films distributed in cinemas and major library films.

On **29 April 2015**, the Ordinary Shareholders' Meeting of Mediaset S.p.A. resolved to approve the establishment of a medium-long term incentive and retention plan for some managers of the Company, for the period 2015-2016-2017. The Shareholders' Meeting granted the Board of Directors the broadest powers necessary for the implementation of the Plan. Subsequently, on 14 July 2015, the Board of Directors, after consulting the Compensation Committee, identified the recipients and determined the rights due for the 2015 financial year based on the criteria set out by the aforementioned Plan approved by the Board of Directors on 12 May 2015. The rights entitle each recipient to the free allocation of an ordinary share for each right assigned, subject to the achievement of performance targets as well as the existence of an Employment Relationship with the Company at the end of the vesting period.

On **14 July 2015**, Tiscali and Mediaset signed an agreement for the broadcasting of the videos of the television broadcaster on the Tiscali.it and Istella.it portals. The Mediamond agency (a Publitalia '80 S.p.A. and Mondadori Pubblicità S.p.A. joint venture) will be responsible for advertising sales for "pre-roll" and "post-roll" formats in the videos that are the subject of the agreement, whilst Tiscali's agency, Veesible, shall continue to be responsible for advertising sales for the two portals Tiscali.it and Istella.it as a whole.

On **5 August 2015**, the Telecom Italia Group and Mediaset signed a partnership agreement that will provide TIM customers access to the new "Premium Online" television offering, through the TIMvision set-top box, thanks to the transmission capacity of TIM's broadband and ultrabroadband networks.

On **21 October 2015**, Google/YouTube and the Mediaset Group signed a cooperation agreement which opens new perspectives for the relations between the two players, while putting an end to almost eight years of litigation. The agreement aims to develop the digital presence of Mediaset contents through a partnership with YouTube and Google Play. It also launches a joint strategy for the protection of content, aimed at maximizing protection of the publisher's copyright.

After various requests were essentially ignored, in **March 2015** R.T.I – after an AGCOM ruling on a similar case of abuse regarding RAI – asked Sky to pay a "retransmission fee" for the usage described above. Given Sky's defiance, RTI had no choice but to encrypt its channels starting from midnight on 7 September 2015. To make its offer more appealing, Sky has allowed its subscribers to receive RTI satellite signals since 2003, without authorisation from RTI, and therefore to use the supplied set-top box not only to watch Sky channels but also Canale 5, Rete 4 and Italia 1, of course using their own channel numbers (104, 105, 106). From 2009, RTI digital terrestrial broadcasts were renumbered as channels 5004, 5005, 5006 to allow its subscribers to watch them through a USB "digital key" inserted in the satellite set-top box.

Sky has also included Canale 5, Rete 4 and Italia 1 in its electronic TV guide available to subscribers. Furthermore, it has introduced a PVR (personal video recorder) service called "My Sky" that has gradually evolved. This service enables subscribers to pay an additional fee (plus rental of an advanced set-top box, including adjustments to the reception system) to record and store RTI programming on an internal memory, as well as to pause, record and rewind them, plus other functions such as remote operation of the system through dedicated PC or mobile phone apps.

On 14 January 2016, RTI filed suit against Sky asking the Court of Milan, Special Business Section, to order Sky to stop this unlawful activity and pay compensation for all economic and non-economic harm caused to RTI by the events in question, and to repay the profits earned through the violation of competition rules described above.

Development of radio broadcasting operations

On **30 July 2015** the Board of Directors of Mediaset S.p.A. – after having examined the results of the associated due diligence process and taken note of the positive recommendation from the Committee of Independent Directors for Related-Party Transactions issued in accordance with the provisions of Consob Regulation 17221 of 12 March 2010 as amended, and the related procedure adopted – authorised the subsidiary R.T.I. S.p.A. to carry out the acquisition of 80% of the share capital of **Monradio S.r.l.**, a 100% controlled subsidiary of Arnoldo Mondadori Editore S.p.A., which owns the radio broadcaster R101. The transaction was completed on **30 September 2015** through the payment of a consideration of EUR 36.8 million by RTI S.p.A..

After the agreement with Arnoldo Mondadori Editore, Mediaset entered into a partnership with the founders of the Finelco group in order to further develop its radio broadcasting operations.

On **15 September 2015** the subsidiary RTI S.p.A., through the subscription of a reserved capital increase for a price of EUR 19.3 million, acquired shares with voting rights corresponding to 19% of the share capital and shares without voting rights convertible into ordinary shares amounting to 50% of the share capital of RB1 S.p.A., which indirectly holds the controlling interest in Finelco S.p.A. (the broadcasting group that includes the radio stations

Radio 105, RMC Italia and Virgin Radio). The Hazan family has retained the majority of the RB1 shares with voting rights.

The agreements include the option, subject to obtaining the necessary regulatory authorisations, for Mediaset to increase its holding.

This investment in the leading Italian radio broadcasting group – three national broadcasters with over 8 million listeners a day – is part of Mediaset's new line of development aimed at radio broadcasting, a modern and lively medium that is attracting increasingly interesting audiences and also represents a cross medial investment with obvious positive repercussions both in terms of content production and distribution and of sales.

EI Towers

On **27 January 2015**, following the preliminary agreement signed on 13 June 2014, EI Towers S.p.A. signed two final agreements with Cairo Network S.r.l., a company wholly owned by Cairo Communication S.p.A.. The agreements related respectively: to the design and implementation of a new national digital terrestrial multiplex intended to operate on the national frequency in UHF technology, for which Cairo Network S.r.l. obtained assignment of the corresponding user rights (the "MUX") from the Ministry of Economic Development; and to the subsequent multi-year technical operation of the MUX in full service mode (hospitality, service and maintenance, use of broadcasting infrastructures, etc.). The agreements provide for a transitional phase, during which implementation, commissioning and an initial period of operation of the MUX will take place, which will run from the date of signing of the agreements to 31 December 2017, followed by a fully operational phase of the MUX lasting 17 years (from 2018 to 2034).

As stated in the Report on Operations of the 2014 Consolidated Financial Statements (Events after 31 December 2014) and the announcements made to the market during the period, on **24 February 2015**, EI Towers S.p.A. made a takeover bid for 100% of the ordinary shares of Rai Way S.p.A., listed on the electronic stock exchange of Milan. On **22 April 2015**, the Board of Directors of EI Towers S.p.A. – having examined the press release of 16 April with which RAI S.p.A., controlling shareholder of Rai Way S.p.A., stated that it would not have agreed in any way to the bid – consequently acknowledged that, even prior to the bid period, the conditions for its continuation did not exist.

On **24 April 2015**, Towertel S.p.A. entered into a preliminary agreement for the purchase of 100% of the share capital of Tecnorad Italia S.p.A., a company that manages 134 transmission stations mainly hosting mobile telecommunications operators, paying an advance on the agreed price of EUR 5 million. The transaction was completed on 10 July, as further detailed in the section Events after 30 June 2015.

In **June**, Towertel S.p.A. signed binding agreements for the purchase of 13 companies that manage 171 transmission stations mainly hosting mobile telecommunications operators, as well as a binding agreement for the purchase of 16 plots of land with transmission stations. Subsequently, between **27** and **28 October**, the subsidiary Towertel S.p.A. acquired 100% of the share capital of those companies, for a provisional price set at a total of EUR 37.5 million.

On **10 July 2015**, the subsidiary Towertel S.p.A. purchased 100% of the share capital of Tecnorad Italia S.p.A., a company that manages 134 transmission stations mainly hosting mobile telecommunications operators. On 24 July 2015, the Shareholders' Meetings of Towertel S.p.A.

and Tecnorad Italia S.p.A. resolved on the merger by incorporation of the latter into its own immediate holding company.

On **24 July 2015**, Towertel S.p.A. purchased 100% of the share capital of DAS Immobiliare S.r.l., a company that manages 11 transmission stations mainly hosting mobile telecommunications operators. On 8 September 2015, the shareholders' meeting of the two companies approved the merger into Towertel S.p.A..

On **6 August 2015**, the subsidiary EI Towers S.p.A., together with a minority shareholder, established the company Nettrotter S.r.l., which will develop the Sigfox network across Italy to provide connection services on a subscription basis for the Internet of Things ("IOT") market. Sigfox is a world leader in the field of mobile telephone networks entirely dedicated to the Internet of Things and to machine-to-machine communications. The company will develop the new IOT network starting from Rome, Milan and other major cities where connectivity will be available to provide services from the first quarter of next year.

Mediaset España Group

As at 31 December 2014, three appeals against the renewal of the concession of eight digital channels, including four of Mediaset España, were pending before the "Sala Tercera de lo Contencioso Administrativo del Tribunal Supremo". During the year, the aforementioned appeals were dismissed, resulting in no change in current channel allocation with respect to the past.

On **18 April 2015**, the Government issued an invitation to tender for the award of licences for six new channels: three in standard definition and three in high definition. Mediaset España formalised its participation in the tender with the objective of obtaining two channels (the maximum allowed under the conditions of the tender). In **October**, a high definition (HD) channel was allocated to Mediaset España following the successful outcome of the tender for the allocation of 6 channels promoted by the Spanish government in May. As a result of this allocation, the Mediaset España Group has expanded its TV offering from six to seven channels.

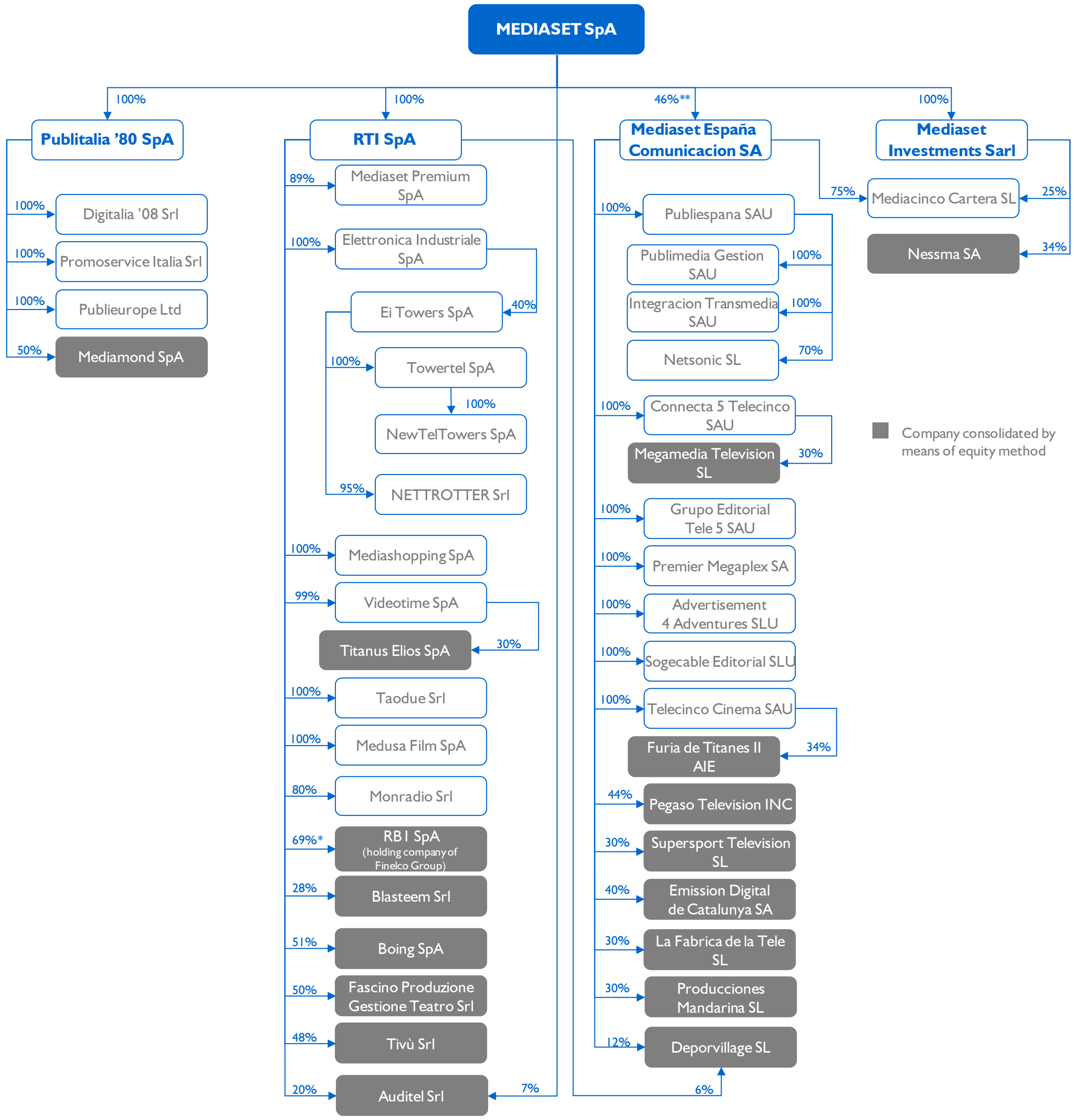
On **15 April 2015**, the Shareholders' Meeting of Mediaset España Comunicación S.A. approved the resolution to cancel shares in portfolio as at 31 March 2015 amounting to 10% of share capital, by a corresponding reduction in share capital. In addition, on **6 May 2015**, the Board of Directors of Mediaset España (by decision later ratified by the Board of Directors on **30 June 2015**) approved an own share buyback programme based on the Shareholders' resolution of 15 April 2015 and in implementation of resolution of the Board of Directors of 3 July 2014, which provided for an own share buyback programme to be able to remunerate shareholders following the sale of DTS Distribuidora de Televisión Digital in the third quarter of 2014. Subsequently, on **20 October 2015, Mediaset España** completed the programme by purchasing 15,225,203 shares or 4.16% of the share capital for a total disbursement of EUR 170 million.

On **30 April 2015,** Promotora de Informaciones S.A. (Prisa Group) announced completion of the sale of the majority stake of 56% of Distribuidora de Televisión Digital S.A. (Digital Plus-DTS) to Telefónica S.A. after having obtained the necessary authorisations from the competent regulatory bodies. As a result of this event, on **4 May 2015**, Mediaset España, as envisaged by the agreements signed on 4 July 2014 concerning the sale to Telefónica of the 22% stake in DTS (Digital Plus), received from Telefónica the further amount of EUR 10 million as an adjustment to the price of EUR 325 million received in the third quarter of 2014 from the sale of the equity investment.

On **28 October 2015**, the Board of Directors of Mediaset España approved a new programme for the buyback of treasury shares pursuant to shareholders' resolution of 15 April 2015 which provides for a maximum disbursement for the Group of EUR 150 million.

2015 saw the continuation of the **AD4Venture** investment initiative in Italy and Spain, which is mainly focused on mid-stage digital B2C companies with high potential growth in significant industry sectors.

THE MAIN GROUP COMPANIES



* 50.00% of which are type B convertible shares with no voting rights
** indirect stake of 48.762%

GROUP PROFILE AND PERFORMANCE REVIEW BY BUSINESS SEGMENT

Mediaset is a multinational media group, which has been listed on the Milan Stock Exchange since 1996, mainly operating in the television industry in Italy and Spain.

In **Italy**, Mediaset has two main areas of business:

- ***Integrated television operations*** consisting of commercial television broadcasting over three of Italy's biggest general interest networks and an extensive portfolio of thematic free-to-air and pay TV channels (linear, non-linear and OTTV), with a broad range of content also exclusively centred on soccer, cinema, TV series, documentaries and children's television channels.
- ***Network infrastructure services and management*** through the 40.1% holding in EI Towers, the leading independent tower operator in Italy, engaged in network infrastructure management and the provision of electronic communications services for television and radio broadcasting and mobile transmissions. The company, which is listed on the Milan Stock Exchange, was created in 2012 following the merger between EI Towers, a Mediaset Group company – which had absorbed the Tower operations in 2011 – and the third-party company DMT. In 2015, the stock market capitalisation of EI Towers rose by 40.7%.
- In **Spain**, Mediaset is the main shareholder of **Mediaset España**, with an interest of 46.16% at 31 December 2015 (48.762% interest net of treasury shares). Mediaset España is the leading Spanish commercial television broadcaster with two main general interest channels (Telecinco and Cuatro) and a bouquet of six free-to-air thematic channels. Mediaset España is listed on the Madrid stock exchange.

ITALY

INTEGRATED TELEVISION OPERATIONS

Media and distribution platforms are becoming more and more integrated in response to developments in the advertising market. In the television sector, in particular, competition has led to a proliferation of multichannel and multi-platform offerings, which has influenced advertising as much as production and editorial strategies.

For advertising, different media need to be managed jointly to maximize their viewer reach and leverage information profiling of the various target audience segments. Production and editorial operations, on the other hand, require coordination and synergy for content planning and strategies acquisition.

In this environment, the Mediaset Group has developed an integrated television free-to-air/pay television, linear/non-linear content model, which generates synergies and leverages the know-how gained over the years from producing entertainment, news and analysis programmes, together with the distinctive expertise developed by the Medusa and Taodue subsidiaries in movie distribution and the production of films and television dramas, in addition to the acquisition of sports, film and television series content from third-parties.

Also in keeping with this model is the development of web activities, increasingly oriented towards free online television-based video – with the capacity to rebroadcast and amplify content and supply, as well as launching original products – and the offering of pay videostreaming on demand.

In 2015, the integrated television model was further enhanced through significant investments in exclusive content and new broadcasting technologies, and the launch of a new avenue of development targeted at radio broadcasters.

The integrated television model consists of the following main activities:

- **content production and third-party acquisition**;
- **content distribution** in linear and non-linear, and free-to-air and pay-per-view format;
- **other ancillary activities** mainly relating to movie production and distribution, teleshopping and broadcasting, licensing and merchandising, foreign advertising concessions handled by the subsidiary Publieurope, and the radio broadcasting operations acquired at the end of the third quarter of the year.

CONTENT PRODUCTION AND ACQUISITION

Productions

In 2015, RTI S.p.A. produced 330 television programmes.

The following table shows the number of productions made in 2015 by type, split by general interest channels, thematic channels, semi-generalist channels and pay TV channels.

Types	Numbers of in-house productions					
	2015			2014		
	Prime Time	Day Time	Total	Prime Time	Day Time	Total
Film	-	-	-	-	-	-
Fiction	6	-	6	4	2	6
Cartoon	-	-	-	-	-	-
News	10	34	44	9	24	33
Sport	3	11	14	4	8	12
Entertainment	37	77	114	29	62	91
Education	4	5	9	9	6	15
Teleshopping	9	18	27	8	22	30
Promotion	-	7	7	-	6	6
Total Generalist Networks	**69**	**152**	**221**	**63**	**130**	**193**
Film	-	-	-	-	-	-
Fiction	-	-	-	-	1	1
Cartoon	-	-	-	-	-	-
News	-	11	11	-	9	9
Sport	-	5	5	-	9	9
Entertainment	2	38	40	-	41	41
Education	-	1	1	-	4	4
Teleshopping	-	3	3	-	3	3
Promotion	-	5	5	-	5	5
Total Multi-Channel	**2**	**63**	**65**	**-**	**72**	**72**
Film	-	-	-	-	-	-
Fiction	-	1	1	-	-	-
Cartoon	-	-	-	-	-	-
News	-	1	1	-	-	-
Sport	6	20	26	5	15	20
Entertainment	-	9	9	-	8	8
Education	-	-	-	-	-	-
Teleshopping	-	-	-	-	-	-
Promotion	-	7	7	-	8	8
Total Pay-tv Networks	**6**	**38**	**44**	**5**	**31**	**36**
TOTAL	**77**	**253**	**330**	**68**	**233**	**301**

A total of 15,142 hours of final programme time was produced in 2015, compared to 15,311 hours in 2014, as detailed in the following table:

Types	Hours of finished products			
	2015	% wheight	2014	% wheight
Film	-	0.0%	-	0.0%
Fiction	72	0.5%	137	0.9%
Cartoon	-	0.0%	-	0.0%
News	3,635	24.0%	3,142	20.5%
Sport	525	3.5%	588	3.8%
Entertainment	2,382	15.7%	2,275	14.9%
Education	113	0.7%	196	1.3%
Teleshopping	122	0.8%	137	0.9%
Promotion	33	0.2%	33	0.2%
Total Generalist Networks	**6,883**	**45.5%**	**6,508**	**42.5%**
Film	-	0.0%	-	0.0%
Fiction	-	0.0%	6	0.0%
Cartoon	-	0.0%	-	0.0%
News	3,088	20.4%	4,963	32.4%
Sport	342	2.3%	683	4.5%
Entertainment	557	3.7%	619	4.0%
Education	6	0.0%	35	0.2%
Teleshopping	-	0.0%	0	0.0%
Promotion	9	0.1%	8	0.1%
Total Multi-Channel	**4,002**	**26.4%**	**6,314**	**41.2%**
Film	-	0.0%	-	0.0%
Fiction	1	0.0%	-	0.0%
Cartoon	-	0.0%	-	0.0%
News	3	0.0%	-	0.0%
Sport	4,213	27.8%	2,439	15.9%
Entertainment	23	0.2%	30	0.2%
Education	-	0.0%	-	0.0%
Teleshopping	-	0.0%	-	0.0%
Promotion	18	0.1%	20	0.1%
Total Pay-tv Networks	**4,257**	**28.1%**	**2,489**	**16.3%**
TOTAL	**15,142**	**100.0%**	**15,311**	**100.0%**

Entertainment productions

In 2015, Mediaset retained its core role in offering mainstream content, while also seeking and testing new procurement models and making increasing use of branded entertainment. During 2015, these continued to be the drivers for entertainment production, alongside a constant focus on optimising the mix between original product and adopting international formats, to provide a large variety of genres and types for different target audiences and cost profiles.

Canale 5 Prime Time: peak audience programs that ensure leadership in Italian Saturday evening television: *C'è posta per te*, now in its 14th season and still leading on Saturday with a share of 27.9% (almost 33% of the female audience); *Amici*, with a share of 27.4% and a season finale watched by an average of over 6.5 million viewers (ind) with a peak of 52% the young female audience (15-34 years). *Tu si que vales* which continues to achieve a share of over 25%.

The best reality programs, with the big relaunch of *Isola dei Famosi* on Canale5, with an average of 27.3% and the return of *Grande Fratello*, which in its 14th series still achieves 21.5%.

There is also innovative, studio-free reality programming such as Temptation Island, which has retained its attraction for the young female target (36.2% of women aged 15-34).

There have also been innovative changes with the revival of historic program Scherzi a parte, which has been updated with the modern style of the "Iene" and enhanced by the presentation of Bonolis: the 2 specials *Le iene presentano Scherzi a Parte* achieved an average share of over 30% and 6 million viewers.

Daytime programmes: in addition to infotainment programmes, the shows *MattinoCinque* and *PomeriggioCinque* have become the channel's main fixtures in the Day Time slot. *Forum and Uomini e donne*, long-standing programs that keep Canale5 the top network by viewers in the morning and afternoon.

In the early evening, *Avanti un altro* continues with 19.5% and over 6 million viewers, and *Caduta Libera* has been introduced.

The new format was launched in the late spring with 19.4% and saw improved performances in autumn of nearly 23% and 7 million viewers.

Canale5's satirical offering continues to attract and entertain: *Striscia la notizia* guarantees a share of over 21%, with peaks of up to 7 million viewers (ind).

Ironic entertainment also features, with *Grand Hotel Chiambretti*, which from February to June brought in 3.5 million viewers in Canale5's late evening slot.

Italia Uno productions: Italia1's reliable favourites remain in place: *le Iene* continues to attract 16% of the commercial target audience, with some episodes over 18%. It achieves over 13% share of 15-34 year-olds, the network's core target.

Colorado, with an average of 10%, covers the spectrum of very young viewers (16.5% of 4-14 year olds).

The network has also experimented with *Shark tank*, which focuses on start-up businesses, with more than 6 million viewers concentrated among graduates, as well as new productions from the Iene: *X-Love*, all about romance (9%), and *Open space*, which sought to combine talk and engagement with social media.

There is also a new space for music arising from the collaboration with Radio Italia, resulting in late-evening shows *Fronte del palco* and the *Radio Italia Live* concert (both 11%) and instant movies dedicated to teen idols Fedez and The Kolors.

Events: Capodanno Gigi D'Alessio, *Concerto di Natale*, *Arena di Verona, lo spettacolo sta per iniziare*, *Coca-Cola Summer Festival on Canale5*; the *Radio Italia concert* on Italia1 and on Rete4 *Una serata Bella* dedicated to Gianni Bella, which achieved a record nearly 12% of viewers for Rete4.

Musical specials that often see successful tie-ups with brands and attract strong target audience figures across the 3 networks, at lower costs than Rai events.

Branded content: The synergy with the sales house continues – which has significantly enhanced its Branded Entertainment structure – thereby creating a virtuous cycle borne out of the group's production expertise, greater cross-media integration and also the increasing involvement of generalist networks. In accordance with the principles of broadcaster editorial autonomy and regulatory guidance on product placement, the number of hours in the schedule that are partially or fully funded has grown both in terms of quantity and quality.

Un viaggio da Campioni, The store of my life, SOS family business and Live a casa tua – to mention only a few – have provided multiple windows of visibility on their host networks, amplifying "tailor made" brand communications that are perfectly integrated in the broadcaster's narrative framework.

This breadth of offering is guaranteed by the 360-degree control over the supply chain, with real-time management of the range of production choices: this is not just a question of make-or-buy decisions, but rather the systematic control of the entire production process, which is broken down into its components and implemented in the most efficient manner. The objective is still the full utilisation of production centres (as evidenced by the stable and consolidated in-housing of Fascino productions), but also the creation of ideal conditions to nurture the artistic abilities, creativity and production capability of the best talent.

Antonio Ricci and his team, Maria de Filippi, Gerry Scotti, Piero Chiambretti, Davide Parenti, Paolo Bonolis, the Zelig or Colorado teams, etc., in no particular order: these are not only individual talents, but veritable working groups, creative workshops that guarantee the quality of the offering.

Long-term agreements, co-productions, equity investments such as in the case of Fascino PGT, every resource is key and deserves tailor-made treatment. This enables great flexibility in supplying the networks, underpinning the constant search for production excellence and, at the same time, the achievement of ambitious cost-saving targets, which were once again met and exceeded in 2015.

News and Sport productions

In 2015, the integrated system model was further consolidated for News and Sports in the Mediaset networks and multimedia platforms.

The system is based on the various components:

Television news broadcasts: Tg5, leader in the commercial target audience (15/64) in the morning front page news (19.1%), morning (21.3% share), afternoon (19.4%) and evening (20.0%) editions; Studio Aperto, which successfully covers the young audiences (15/34) of Italia 1 in both the afternoon (18.6% share) and evening shows (9.2% share); *Tg4*, captures the core audience of Rete 4 (over 55), with a share of 8.5% of this target at 11.30 am and 5.9% share at 6.55 pm. During 2015, Tg4 added Dalla Vostra parte, a new in-depth reportage show broadcast Monday to Friday and obtaining an 8.2% share of over 55s.

Infotainment and journalistic analysis, by Videonews: Canale 5 daytime with Mattino 5, Pomeriggio 5, Verissimo and Domenica Live, which respectively achieve 14.5%, 18.5%, 19.5% and 14.8% of the commercial target audience; late-night programming with Supercinema, X-style (with the male-focused X-style motori) and Matrix (8.2% share of the 15/64 year target); Rete 4 prime time with Quarto Grado and Quinta Colonna (11.2% and 9.3% of over 55s) and, from spring, La strada dei Miracoli, a new program dedicated to religious matters (8.0% of over 55s); in the late evening slot there is Terra!, Dentro la notizia and Confessione Reporter.

Sports information on generalist and free-to-view channels: around 500 hours of news and columns, alongside the schedule of Europa League and Champions League matches; it is worth noting the success of Tiki Taka in the late-night slot of Italia 1 (14.9% of share of 15/34 year-olds, the core network target) and Heroes on Canale 5 (6.8% share of the commercial target audience).

Following the establishment of Mediaset Premium Spa, the sports desk was incorporated into the company under the Premium Sport newsdesk (whose staff comprises around 45 journalists). In RTI, instead, the motor team and sportmediaset.it (around 15 journalists) continued to operate under the umbrella of Videonews.

The motor team produced 320 hours of original Superbike product and 70 hours of Motocross, broadcast on Italia 2 and in simulcast on Italia 1. The "#maxisback" promotion to mark the return to the track of Max Biaggi was particularly successful: the rider attracted the interest of Italia 1 viewers, with excellent audience results (9% peak in share with an average audience of 1.8 million) and helped to promote the World Superbike Championship, in which Mediaset has acquired the exclusive rights for 3 seasons.

Journalistic coverage of events on the Premium Calcio pay channels: around 2,300 hours of programming dedicated to the Italian soccer championship and the European cups, enriched by over 300 hours of specialist programmes. From July 2015, the offering was enhanced by an additional "Premium sport" channel for news, reports and sports other than soccer.

The all-news system Tgcom24, in its various forms, including the television network (available on the DTT Channel 51), the "breaking news" on the free generalist and thematic networks and on the main national radio stations, the website Tgcom24.it, apps for smart phones and tablets. It is also important to mention the further consolidation of multimedia News and Sport, as shown by the indicator of the videos seen on the web and mobile at Tgcom24.it (around 25 million on average per month, around +10% compared to 2014) and SportMediaset.it (monthly average of around 8 million, +11% on 2014). The multimedia offering of TGcom24 is followed by over 27.5 million average multimedia users per month (of which over 8.5 via mobile, +25% on 2014). In particular, the success in the mobile segment was consolidated, with around 305 million page views on average per month, +10% on 2014.

The success of SportMediaset.it is also evident from the pages visited via mobile (over 315 million monthly average, +21% on 2014).

The consolidation of the number of hours of **in-house productions** (in 2015 amounting to over 11,800 hours of in-house productions broadcast: over 6,700 hours of in-house produced News and 5,100 hours of in-house produced Sport broadcast) is the result of a profound change in organizational structure and technological innovation, built around two organizational and technological cornerstones: the internal Mediaset News agency and the Dalet digital production system.

The News Mediaset agency. Established in March 2010, the News Mediaset agency brings together over 110 journalists from Mediaset's various publications into a single unit. The agency provides a constant stream of news for Tgcom24 and supplies content to the three national television news broadcasts (Tg5, Tg4 and Studio Aperto, which has a total staff of around 90 journalists) and for infotainment programmes. It also provides cross-media content for Web and mobile applications. In 2015, News Mediaset produced approx. 58,000 content items for television (around 9% up on 2014), in addition to 1,460 hours of breaking news items for free-to-air generalist and thematic TV channels (about +23% on 2014). A considerable amount of multimedia content was also produced, over 21,000 videos (+31% over 2014), around 12,500 photogalleries; over 820 SMS news alerts, providing content for new media platforms.

The Dalet digital production system. First introduced into newsrooms as of 2011, with a view to integrating all news reporting programmes into a single digital environment, the Dalet system today is fully up and running on the News in Milan and in the regional editorial offices. In 2015, Dalet technology was extended to the Rome Palatino production centre and to TG5; the system is synchronised with the one in Milan and enables users to access the same content from

Rome and Milan. The digitalisation of TG5 will reduce the use of post-production facilities and production costs. The extension of the digital system will make journalists even more autonomous in searching for video material, freeing up resources that can be used more effectively in describing archive material. Also in 2015, the Dalet technology was introduced for Premium Sports production, giving journalists total autonomy in content creation; again, we are seeing a reduction in costs for post production facilities and optimisation of video content description. Thanks to the shared technology, the system enables real-time exchange of services and content without any physical transfer of materials, facilitating synergies between publications.

The result of these two process innovations (the first organisational and the second technological) enabled a significant improvement in productivity compared to 2011, the year in which the Dalet production system was introduced: against a reduction of the total cost for News (approx. 10%), the number of hours produced in-house rose from 3,767 to 6,748.

Tgcom24, Mediaset's all-news system, can be watched on TV on DTT channel 51 and is currently totalling 2.5 million hits on an average day.

Tgcom24 provides a live stream of the main issues of Mediaset's generalist news programmes, from Prima pagina on Tg5, to Studio aperto and Tg4.

From Monday to Friday at 8.40 am, "Carte scoperte", the commented press review of all major newspapers.

From 9 am onwards, every half hour throughout the morning, there is a newsflash live from the studio, with breaking news, newspaper headlines and links with the Premium Sport newsroom.

Every afternoon at 3 pm "Dentro i fatti" takes stock of current events in a live broadcast, with guests, links and reports.

From Monday to Friday at 1.30 pm, "Fatti e misfatti", looks at current affairs; at 8.30 pm "Checkpoint" offers a closer look at the day's main figures.

Every evening, Tgcom24 goes back to the main events of the day, with three live editions of the news, the press review of the following day's newspapers and an in-depth sports news programme at midnight. In particular, starting from February 2016 TgCom24 has a new daily show: "Prima Serata", which gives an in-depth look at the hot issues in Europe and America.

In 2015, the partnership with radio continued and TGCOM24 breaking news reaches a potential market of nearly 10 million radio listeners a day.

TGCOM24's breaking news updates are aired every day at the same time across 14 broadcasters (including R101, Radio Italia, Radio KissKiss, Radio Norba and Radio Subasio), at the 5 times with the highest average listener figures (8.00 am, 9.00 am, 12.00 pm, 6.00 pm, 7.00 pm).

With regard to new media, the Tgcom24.it website attracted around 5.8 billion page views in 2015. In the mobile segment, Tgcom24 is the leading news app in Italy, with almost 6.3 million unique browsers (monthly average, +25% on 2014).

In 2015, the use of the Meteo.it brand was consolidated for weather forecasts on all television networks of the Mediaset Group, on the website and tablet and smartphone apps. The indicators for Meteo.it reveal the popularity among Internet users: over 1.5 billion page views in the year and 180,000 unique browsers on an average day. We must note the new dedicated app, which has been downloaded over 7.6 million times, which has developed a new potential revenue model through so-called "native advertising".

In 2015, the **Production Partnerships** area of the General Information Department, in addition to consolidating the NewsLab initiative on the market (whose objective is to of the broadcasting services to third parties), also contributed to the application of the Branded Contents Model. External financing transactions were finalised in partnership with Publitalia for the creation of some successful editorial formats on generalist networks (I Menù di Cotto e Mangiato, Confessione Reporter, Supercinema, X-Style) and thematic networks (Benfatto).

The activities in 2015 also consolidated and strengthened the partnership with the sales house for the development of integrated projects that created new cross-media editorial initiatives (Storie d'Impresa, Studio Life).

The process of training on the Dalet system, begun in 2011, involved 550 people (120 journalists and 430 technical production staff) during 2015. The entire newsroom staff of the journalistic publications and the Mediaset News agency are now able to use the new digital system in full: for visualizing and selecting images, editing and voice-over tasks, and scheduling and airing news reports.

In 2015, the use of Net Videoboxes (known as Totem) was consolidated in the 9 regional newsrooms. These enable the establishment of audio-video links, without the need for technical staff, helping journalists to operate more independently.

During 2015, the use of Videoboxes also became consolidated in foreign editorial offices in London, Brussels, Jerusalem and New York. In the New York office, which has moved to Reuters' prestigious building, it was also decided that journalists would have access to the same digital system used in the production centres of Milan and Rome. This has enabled better working integration and therefore more effective use of resources.

The use of Field Units (known as Zainetti) has also become systematic and has been improved thanks to broadband. These units allow audio video links to be established very rapidly, with a high degree of flexibility and cost effectiveness, significantly increasing coverage of exceptional events throughout Italy. The New York desk has also acquired 2 dedicated Field Units.

Finally, filming production equipment was enhanced with drone-mounted cameras. These remote-control cameras can shoot high definition video, from angles otherwise unattainable using conventional filming equipment. This has allowed us to significantly improve the quality of video news broadcasts.

Drama productions

RTI S.p.A. possess the know-how and the organisation to select projects and develop the production of highly popular drama series. These products are commissioned to major national partners and, in some cases, are sold abroad or leveraged via the web channel, thus contributing to covering production costs.

In 2015, the sequels of long-running productions were confirmed and new high-profile productions were developed.

RTI continued its strategy of filming drama productions where possible in Italy, avoiding the use of de-localisation by investing in professional expertise in the Italian production chain.

In 2015, RTI continued the production relationship with its subsidiary Taodue S.r.l., the leading Italian producer of drama content. Taodue S.r.l. developed audiovisual content on an exclusive basis for RTI, to be used mainly for television and cinema.

RTI also continued to work in 2015 with the company ARES Film S.r.l., a production company specialized in Italian drama series.

The production approach geared to long-running series resulted in the making of sequels for drama series that were very successful with the public in previous editions, such as Squadra Antimafia and Squadra mobile-Operazione mafia capitale, produced by Taodue S.r.l., as well as Solo per amore 2, produced by Endemol, and the creation of new projects, including: *Il bello delle donne … alcuni anni dopo*, made by ARES Film and *L'infiltrato*, a 4-part series produced by Taodue.

Content acquisition

Acquisition of broadcasting rights (Movies, TV series)

RTI S.p.A. owns the biggest television broadcasting rights library in Italy and one of the biggest in Europe.

The Company's objective is to manage the Mediaset Group's asset base of television broadcasting rights for Italy, by acquiring, developing and producing rights for domestic broadcasting on Free TV and Pay TV.

The following table provides a breakdown of the television broadcasting rights acquired for broadcast on free-to-air and pay TV channels by the Mediaset Group at 31 December 2015:

TV rights library breakdown at 31 December 2015	**Free Tv**		**Pay Tv-PPV**	
	No. of titles	**Episodes**	**No. of titles**	**Episodes**
Film	3,508	3,508	2,869	2,869
Telefilm	771	16,534	450	7,990
Telenovelas	46	4,780	-	-
Mini-series	257	1,006	52	264
Soap	9	1,559	5	485
Tv movies	772	802	200	224
Documentaries	238	1,747	50	605
Others (Musicals, Variety, Short, Docum., ecc.)	129	337	266	318
Total	**5,730**	**30,273**	**3,892**	**12,755**

The television broadcasting rights library is constantly being expanded through acquisitions from:

- *Major American movie studios* RTI S.p.A. has existing agreements with all major U.S. producers and distributors (Universal, Warner Bros. International, Twentieth Century Fox, Paramount, Sony and Walt Disney). Under the agreements, rights are acquired for an average duration of 5 years, with permission for five or six television showings. In 2015, the framework agreements were renewed with Warner Bros. International and Universal for the purchase of original film and free TV, pay TV and SVOD television products. The five-year agreement with Warner runs until 2020, while the agreement with Universal lasts three years until 2018. An agreement has also been reached with Twentieth Century Fox for an important package of film content and series, with rights covering 2015 and in 2016.

- *International television producers:* RTI S.p.A. has long-standing and significant arrangements with U.S. and European producers for the acquisition of television rights to highly-popular productions such as television movies, soap operas, mini-series and television series. The serial nature of the majority of these works, produced in seasons, makes for a long-term producer/user relationship and enables audiences to be retained by the broadcasting network.
- *Italian film producers/distributors:* national operators provide packages consisting of both television broadcasting rights for self-produced films (which, together with European products, are particularly significant also in view of compliance with broadcasting and investment quotas established by the television broadcasting regulations) and broadcasting rights for international films.

In 2015, the Company signed a major three-year agreement with Eagle Pictures for the supply of film products.

An agreement was also signed in 2015 with Lucky Red for the distribution in cinemas of the film "The Little Prince" and the acquisition of the associated free and pay TV broadcasting rights.

Ongoing arrangements for the acquisition of free-to-air and pay TV broadcasting rights are in place with the subsidiary Medusa Film S.p.A., a key player in the Italian film distribution market.

In 2015, RTI S.p.A. strived to further strengthen its free TV and pay TV broadcasting rights library.

The many agreements signed and projects developed include:

- acquisition for free TV and pay TV networks, by virtue of existing agreements, of availability for: 300 Rise of an Empire, Edge of Tomorrow, Into The Storm, Noi e la Giulia, E Fuori Nevica;
- acquisition for free TV networks, by virtue of existing agreements, of availability for: Anna Karenina, Despicable Me 2, Fast & Furious 6, We're The Millers, Un Boss in Salotto, Una Donna per Amica;
- the acquisition of films available for pay TV, such as: La Scuola Piu' Bella Del Mondo, Lucy, Expandables 3, Magic In The Moonlight, Loro Chi?;
- the acquisition of availability of free TV and pay TV first-run series: Satisfaction, Girlfriends' Guide To Divorce, Flash, Mysteries of Laura, Under Suspicion, Undercover, Chasing Life, AD The Bibles Continues, Deadbeat, 100 Code, Bosh;
- acquisition of free and pay TV rights for new episodes of the most successful TV series, such as: Law & Order, Special Victims Unit, Royal Pains, Vampire Diaries, Parenthood, Suits, The Following, Arrow, Chicago Fire, Chicago PD, Big Bang Theory, Last Ship, Il Principe, Night Shift, Hannibal, Sin Identidad;
- acquisition of free and pay TV rights for new episodes of the most successful TV series, such as: Downton Abbey, Bones, Simpsons, Glee, White Collar, Community;
- acquisition of pay TV broadcasting rights for the new episodes of the series: Orange is The New Black, Baby Daddy, Parks&Recreation;
- purchase from Medusa Film S.p.A. of the following films, amongst others, for the current free TV television season: Indovina chi Viene a Natale, Playing for Keeps and Fuga di Cervelli;

- acquisition from Medusa Film S.p.A. of the following films for pay TV: Il Ricco il Povero e il Maggiordomo, Andiamo a Quel Paese, Italiano Medio and Il Mio Amico Nanuk (Midnight Sun).

Acquisition of sports broadcasting rights

On the basis of licence agreements entered into last year and in previous years, at the date of this report the group holds the exploitation rights relating to the following major sporting events:

Serie A league championship for the 2015/2018 seasons, assigned on 27 June 2014 in relation to the tender called on 19 May 2014 by the Lega Nazionale Professionisti Serie A and the subsequent exclusive sub-licensing agreement between RTI and SKY, for each of the three seasons for exclusive use of the group's digital terrestrial pay TV platform and the non-exclusive use of the IPTV, Web and mobile platforms for all the live games of the nine main Italian teams of the Serie A League Championship, in addition to the Live Premium service and highlights of all matches.

Exclusive license for the 2015-2018 seasons for all the *broadcasting rights for stock images, training sessions and media package rights* for the 15 Serie A teams, to be used over the free digital terrestrial and pay TV platform, under the agreement signed on 3 March 2015 between RTI and Infriont Italy Srl. (agreement assigned to Mediaset Premium).

Broadcasting rights for the Serie A 2015-2018 seasons for the *C Package*, relating to ancillary, exclusive rights over extra content and interviews that can be used as addition material, and in relation to the broadcasting rights of the B Package already awarded, assigned to Mediaset Premium by LNP on 22 May 2015.

Non-exclusive license to all the broadcasting rights for stock images, training sessions and interviews to be used over the free and pay TV digital terrestrial platform for *Juventus* for the 2015/2018 seasons, under the agreement signed on 4 September 2015 between Juventus FC and Mediaset Premium.

Non-exclusive rights for the Domestic TV Package, including highlights of Serie A, the Coppa Italia and Supercoppa Italiana for the 2015-2018 football seasons, over free and/or pay TV, restricted to 5 channels, under the agreement signed on 26 September 2015 between Mediaset Premium and LNP Serie A.

UEFA Champions League for seasons 2015/2018: assigned by UEFA on 10 February 2014 at the end of a tender open to all operators relating to the exclusive broadcasting rights for Italy on all platforms for all live matches and highlights. For these three years, Mediaset has the exclusive rights for the live broadcast of all matches in pay TV and for a live game per round and all matches in delayed broadcast on free-to-air TV, plus highlights and live streaming of the games on all fixed and mobile devices.

On 10 November 2015, UEFA and Mediaset Premium signed a contract for 3 seasons ('15-'18) for the broadcasting rights for the Uefa Youth League over the free, pay TV and PPV digital terrestrial platform.

On 15 June 2015, MP&Silva Kft and Mediaset Premium signed the following exclusive agreements for the 2015/2018 seasons, relating to:

- broadcasting programmes from the "Arsenal Channel" including delayed broadcasts of Arsenal's Premier League and Champions League matches and other matches (FA Cup matches and archive materials), over the free and/or pay digital terrestrial TV platform, including internet and mobile simulcast rights;
- live broadcasting of the French first division (Ligue 1) and Coupe de Ligue matches (minimum 10 per season), including weekly previews and archive programmes, over the free and/or pay digital terrestrial platform, including internet and mobile rights
- live broadcasting of the Scottish Premier Football League matches, plus highlights, exclusively over the pay digital terrestrial TV platform, including internet rights.

Superbike: on 27 June 2014 the Superbike contract was extended for a further three years (seasons 2016/2017 and 2018), comprising Superbike (WSBK), World Supersport Championship (SSP), Superstock 1000 FIM CUP, European Superstock Championship 600, with associated exploitation rights for free and pay digital terrestrial TV (exclusive rights), and free IPTV, web and mobile phone platforms (non-exclusive rights), both through free-to-air channels (Italia 1 and Italia 2) and through the pay platform.

On 5 February 2015, RTI Spa and NV3A SAM – Youthstream Organisation signed an agreement to purchase the broadcasting rights for the "Motocross 2015" event, in the following categories: MXGP FIM Motocross World Championship, MXON Monster Energy FIM Motocross of Nations and FIM Snowcross World Championship for the 2015 season (01/01/2015 - 31/12/2015). Broadcasting rights on an exclusive basis for live event coverage and on a non-exclusive basis for repeats on Free Terrestrial TV, satellite, Pay TV, and Internet (IPTV and/or mobile) platforms.

On 27 July 2015, Pro League NV and Mediaset Premium signed a non-exclusive licensing agreement for the broadcast of highlights of the Belgian League and Belgian Supercup for the '15-'16 season, over the free and pay digital terrestrial platform, including internet and mobile rights.

On 1 September 2015, NFL International LLC and Mediaset Premium signed an agreement for the seasons 2015-2016-2017 relative to the audiovisual broadcasting rights to the US National Football League, divided into 16 regular season matches, play-offs, the Super Bowl and the Pro Bowl, on an exclusive basis in the Italian language, over free and pay digital terrestrial TV and on a non-exclusive basis via IPTV and free on the web.

LINEAR AND NON LINEAR, FREE-TO-AIR AND PAY PER VIEW CONTENT DISTRIBUTION

Free-to-air and pay linear offering

Mediaset Group's free-to-air offering currently consists of 11 channels covering all major targets for advertisers, including three long-standing general interest channels (Canale 5, Italia 1 and Rete 4), and the thematic and semi-generalist channels Boing, Cartoonito, Iris, La 5, Mediaset Extra, Italia 2, Top Crime and TgCom 24.

The Group's **general interest channels** — Canale 5, Italia 1 and Rete 4 — are controlled by RTI S.p.A., which is responsible for the creation and development of programme schedules, the production of original content and the acquisition of television rights. The Mediaset networks' overall offering is designed to attract audiences between the ages of 15 and 64, which is the target audience of greatest interest for advertisers and a segment in which Mediaset is a strong market leader.

Canale 5 is the Group's main network and is targeted at the modern Italian family.

Italia 1 is the leading Italian channel for younger viewers.

Rete 4 targets its scheduling at a more mature audience, in terms of age and income.

The free-to-air **multichannel offering** includes the following channels:

Boing, launched on 20 November 2004, was the first Italian free-to-air children's channel. The channel was set up as a joint venture between RTI S.p.A., which holds 51% of the share capital of Boing S.p.A., and Turner Broadcasting Systems Europe Limited, a Time Warner Group company, which owns the rights to some of the world's most popular cartoons. Despite growing competition, the channel has capitalised on its strong position by promoting and boosting the fame and attractiveness of the brand.

Cartoonito, launched on 22 August 2011, is a channel aimed at pre-school-age children (up to 6 years old). Like Boing, it is a joint venture between Mediaset and Turner Broadcasting Systems Europe Limited. Cartoonito is targeted at a more specific audience than Boing.

Iris is a thematic channel focused on quality films. In addition to all the great movie classics, it also broadcasts programmes about cinema news, film stars and leading film festivals.

La 5 features programmes targeted at a modern female audience.

Mediaset Extra is a thematic channel that broadcasts a selection of the best in Mediaset entertainment programmes from the past and present. The channel also reruns the most interesting programmes aired on Mediaset channels the previous day, in a different time slot.

Italia 2 is targeted at younger male viewers, featuring TV series, sitcoms, cult cartoons and sports and music programmes, in addition to live sports coverage of events such as world championship motorcycle racing.

Top Crime is the network dedicated to the investigation and police drama genre launched in June 2013.

TgCom24 is Mediaset's all-news channel. Broadcast free-to-air, 24-hours a day, it also online at TgCom24.it and viewable on smart phones and tablets through free apps.

The **Mediaset Premium** pay linear offering launched in 2005 provides customers with film channels, TV series, live soccer, children's programmes and documentaries and, to subscribers, also the viewing of individual on-demand contents via the Premium Play service.

The Group's free and pay linear TV offering is delivered through digital multiplexes owned by the subsidiary Elettronica Industriale, which manages contribution traffic to and from the various production centres of the holding company R.T.I. S.p.A. and the affiliate Mediaset Premium S.p.A. The MDS1, MDS2, MDS3, and MDS5 multiplexes have a coverage of 95% of the population, whereas the MDS4 multiplex has a coverage of 96% of the population.

The Company's commitment to improve multiplex coverage and the quality of the television signal was substantial and resulted in the submission of 132 requests for authorisation to install new equipment, modify aerials or change broadcasting power to Municipalities and the Ministry. 87% of changes were authorised and implemented during the year. The authorisation process for the remainder of changes is still under way and is expected to be successfully completed in early 2016.

In 2012, the Italian Ministry of Economic Development cancelled the beauty contest to assign six new national multiplexes, in which Elettronica Industriale S.p.A. had applied for one multiplex. The beauty contest was transformed into a competitive bidding process called on 12 February 2014 to assign three multiplexes, starting at around EUR 30 million for each multiplex. Elettronica Industriale S.p.A. could not participate in the bidding process as it held five digital multiplexes. Only one of the three multiplexes was awarded as no bids were submitted for the other two. Elettronica Industriale has appealed against the cancellation of the beauty contest. By decree dated 6 November 2015, the Italian Ministry of Economic Development awarded Elettronica Industriale compensation of EUR 93,000.

Programme Schedules and Audience Share

The following tables show details of the programme schedules for 2015 and 2014, for the different types of offerings (generalist, multi-channel, and pay TV networks), broken down by the main television genres attributable to in-house productions and purchased rights.

In particular, in 2015 each of the generalist networks broadcast 8,760 hours of scheduled programmes for a total of 26,280 hours of air time. A total 47% of those programmes were original in-house productions.

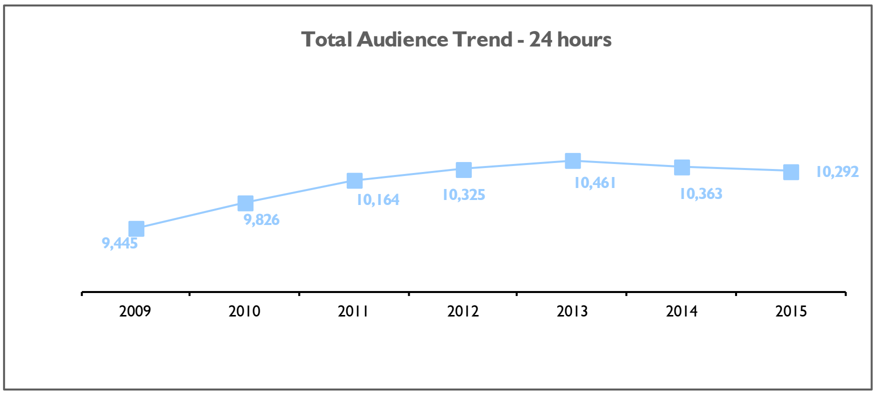
Mediaset Networks Schedule - Broadcasted Hours 2015

Types	Generalist Networks		Multi-Channel		Pay-tv Networks		Total Mediaset Networks	
Film	4,250	16.2%	8,232	11.7%	45,787	28.4%	58,269	22.6%
Fiction	8,874	33.8%	21,929	31.3%	46,522	28.9%	77,325	30.0%
Cartoons	811	3.1%	16,882	24.1%	17,931	11.1%	35,624	13.8%
Total tv rights	**13,935**	**53.0%**	**47,043**	**67.1%**	**110,240**	**68.4%**	**171,218**	**66.5%**
News	5,753	21.9%	9,381	13.4%	2,685	1.7%	17,819	6.9%
Sport	809	3.1%	1,802	2.6%	19,015	11.8%	21,626	8.4%
Entertainment	4,653	17.7%	8,278	11.8%	10,685	6.6%	23,616	9.2%
Education	210	0.8%	2,131	3.0%	18,466	11.5%	20,807	8.1%
Teleshopping	920	3.5%	1,445	2.1%	-	0.0%	2,365	0.9%
Total in-house productions	**12,345**	**47.0%**	**23,037**	**32.9%**	**50,851**	**31.6%**	**86,233**	**33.5%**
Total	**26,280**	**100.0%**	**70,080**	**100.0%**	**161,091**	**100.0%**	**257,451**	**100.0%**

Mediaset Networks Schedule - Broadcasted Hours 2014

Types	Generalist Networks		Multi-Channel		Pay-tv Networks		Total Mediaset Networks	
Film	4,253	16.2%	7,842	11.2%	40,406	27.7%	52,501	21.7%
Fiction	9,175	34.9%	19,910	28.4%	46,928	32.2%	76,013	31.4%
Cartoons	101	0.4%	16,994	24.2%	17,712	12.1%	34,807	14.4%
Total tv rights	**13,529**	**51.5%**	**44,746**	**63.8%**	**105,046**	**72.0%**	**163,321**	**67.4%**
News	5,451	20.7%	9,831	14.0%	2,222	1.5%	17,504	7.2%
Sport	861	3.3%	1,704	2.4%	9,593	6.6%	12,158	5.0%
Entertainment	4,951	18.8%	8,222	11.7%	10,896	7.5%	24,069	9.9%
Education	553	2.1%	3,708	5.3%	18,090	12.4%	22,351	9.2%
Teleshopping	935	3.6%	1,869	2.7%	-	0.0%	2,804	1.2%
Total in-house productions	**12,751**	**48.5%**	**25,334**	**36.2%**	**40,801**	**28.0%**	**78,886**	**32.6%**
Total	**26,280**	**100.0%**	**70,080**	**100.0%**	**145,847**	**100.0%**	**242,207**	**100.0%**

In 2015, total audience figures for Mediaset over the 24-hour period exceeded 10 million average viewers.



Mediaset channels closed 2015 with a 33.9% audience share in the prime time slot, a 32.2% share over the 24-hour period and a 32.0% share of daytime viewers.

Mediaset continued its leadership of the market, gaining the biggest share of the commercial target in all three time slots, in both the general interest segment and for total channels. For this target segment, Canale 5 attracted the highest number of viewers in all the time slots and Italia 1 continued to be the third network.

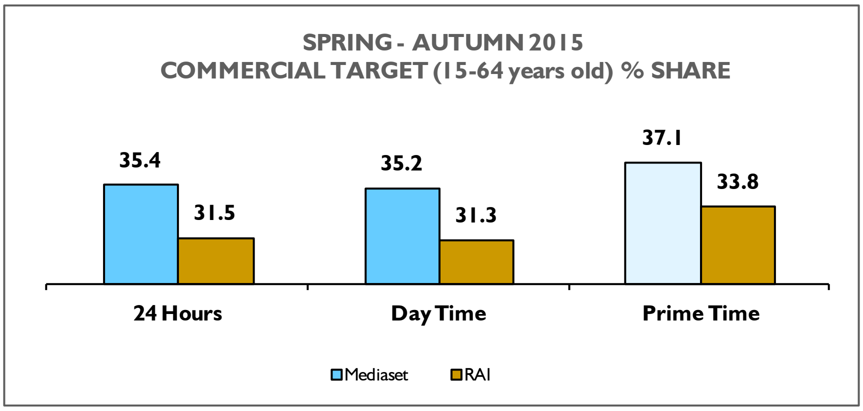
Of particular note was the strong performance of the Multichannel Free and Pay networks, which together raised Mediaset's total audience share by 6 points and its commercial target audience share by 7 points in all time slots.

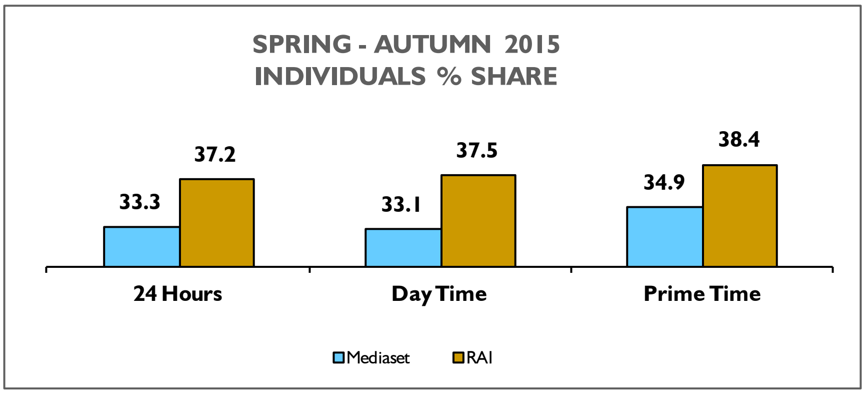
Boing and Cartoonito continued to be the favourite channels for children aged 4-14, with a big lead over other kids' channels. La 5 confirmed its strong positioning with women aged 15-44, while Iris covered the over-55 male target audience.

2015	Individuals			Commercial Target		
	24 Hours	Prime Time	Day Time 7:00-2:00	24 Hours	Prime Time	Day Time 7:00-2:00
	15.4%	16.0%	15.4%	15.8%	17.1%	15.6%
	5.7%	6.1%	5.6%	7.4%	7.7%	7.5%
	4.6%	4.9%	4.6%	3.8%	4.0%	3.9%
TOTAL GENERALIST CHANNELS	**25.7%**	**27.0%**	**25.6%**	**27.0%**	**28.8%**	**27.0%**
TOTAL MULTI CHANNEL AND PREMIUM CALCIO	**6.5%**	**6.9%**	**6.4%**	**7.1%**	**7.4%**	**7.0%**
MEDIASET	**32.2%**	**33.9%**	**32.0%**	**34.1%**	**36.2%**	**34.0%**

Peak Season Schedules

Mediaset's spring and autumn schedules won a total audience share of 34.9% in the prime time slot: 33.3% over the 24-hour period and 33.1% in the daytime slot for all viewers. It was the ratings leader for the commercial target in all time slots, in both the general interest segment and total channels.





Revenues and the advertising market

The Mediaset Group operates through two fully-owned advertising sales agencies in Italy: Publitalia '80, the sales house that exclusively serves the free-to-air Mediaset networks; and Digitalia '08, the sales house specialized in selling advertising space on the pay TV platform.

The Group also owns a 50% interest in Mediamond, which sells advertising space on Mediaset Group and Mondadori websites.

In 2015, Publitalia acquired 295 new clients, generating new revenues amounting to 3.9% of the total. Publitalia's top 10 groups generated approximately 20% of its total revenues.

Italian advertising market

The advertising market closed the year 2015 with total sales of EUR 6.3 billion, down 0.5% with a loss in value of EUR 33 million. However, advertising on mainstream media was up 0.2%, with sales of EUR 5.5 billion. It was a two-speed year: the first half still showed a decline (-2.9%), whereas the second half showed recovery over the previous year (+2.1%), after July, which was still negative.

Television confirmed its central position in the market, with growth of 0.7%. Mediaset (+1.0%) performed better than the market, both in the television segment and across all media, with a consequent increase in its share of the television advertising market (+0.2 percentage points) and in the market as a whole (+0.4). As a result, together with Discovery

(+21.7% – Nielsen estimate not confirmed by the broadcaster), it was the only broadcaster to see growth.

Rai ended 2015 with a decline of -2.3%, consequently losing 0.6% of the TV market share. La7's result was heavily down (-7.7%), causing its market share to fall below 4%. Sky, too, saw advertising sales decline (-1.4%). The modest decline was due to the improved performance of the two free channels, while sales on pay channels fell sharply (-8%). The advertising investment on Premium channels was up strongly.

2015 saw continued difficulties for the Press, which saw advertising revenues fall 5.7%, with drops in eleven months out of twelve. It was a different situation for the Internet, which despite an annual decrease of -0.7% saw a recovery from July and grew every month except October in the final 6 months of the year. Radio saw further growth in December (+5.1%), as well as an increase in annual sales of 8.8%, equivalent to EUR 30 million more than 2014.

In other media, over the course of the year both static and dynamic billboards benefited from the Expo effect, ending the year with growth: Billboards +3.3%, Transit +15.6% and Out Of Home TV +13.1%. Cinema was down 4.1%.

Media	2015		2014		%
	EUR m	% share	EUR m	%share	change
Press	1,231	20.8%	1,305	22.4%	-5.7%
Television	3,650	61.7%	3,510	60.4%	4.0%
Radio	374	6.3%	347	6.0%	7.7%
Outdoors	85	1.4%	82	1.4%	3.2%
Cinema	23	0.4%	24	0.4%	-4.0%
Internet	428	7.2%	436	7.5%	-1.8%
Transit	110	1.9%	95	1.6%	15.5%
Out of home TV	17	0.3%	15	0.3%	11.9%
Total Market (classic area*)	**5,916**	**100.0%**	**5,814**	**100.0%**	**1.8%**

(*) Not including direct mail and Internet advertising for the FCP-Assointernet figures.

Linear Pay TV offering

Mediaset Premium is the pay TV service broadcast on digital terrestrial television that complements the Mediaset free-to-air offering. Mediaset Premium consists of two main packages: Cinema and Soccer. These are marketed together with the Series and Documentaries channels and can be further enhanced with the Kids option.

From March 2015, sales points are distributing the new Premium SMART CAM Wi-Fi, a revolutionary device that not only allows you to watch Mediaset Premium without an external set-top box or additional cables, also has a Wi-Fi functionality that means it is possible to quickly and easily access HD-quality content available on Premium Play.

Premium Play is the Over The Top service included in the Mediaset Premium subscription. Play contains a library of over six thousand content items across Cinema, Soccer, Series, Documentaries, Kids, and Infinity, in addition to a catch-up service for the free networks. Play is available on Smart Cam Wi-Fi, connected TVs and set-top boxes, consoles, tablets, personal computers and smartphones.

Premium Online was created in 2015 – a new Premium subscription offering accessible via internet, allowed users to access the best linear and non-linear Premium and Infinity content via streaming, wherever and whenever they want. Premium Online allows you to watch your favourite programs wherever you are and at any time, through TV, PC, games console, tablet or smartphone.

2015 saw the launch of the new Mediaset Premium, enhanced by the exclusive broadcasting rights for the Champions League for the period 2015-2018, which in the previous three years had been exclusive to a competitor. The Soccer offering also includes the rights for the nine main TIM Serie A teams, also for the three years 2015-2018.

Mediaset Premium has become the benchmark for the most complete Pay TV offering of football in Italy, complemented by the exclusivity of the Premium Cinema package which provides TV premieres of films, as well as series and sit-coms thanks to agreements with Warner Bros (until 2020) and Universal (until 2018).

In a macroeconomic and market scenario of continuing crisis, Mediaset Premium has overcome a particularly difficult challenge, with a clear improvement on the past in its key performance indicators, consisting of the number of customers, ARPU and churn rate.

At 31 December 2015, Mediaset Premium had a total of 2,010,000 customers, a figure confirmed by an international independent company specifically engaged by Mediaset Premium. In 2015, the trend of acquisitions made by Mediaset Premium enabled it to increase its market share compared to its main competitor. This is all the more remarkable considering that these acquisitions brought increased ARPU alongside the lowest ever recorded churn rate.

Non-linear free-to-air offering

R.T.I. S.p.A. operates in the field of multi media and cross media editorial activities through the Interactive Media Department, with the objective of developing service and content that can be delivered over different platforms (internet, teletext, mobile devices and wearables), promoting content and brand extension initiatives.

On the internet, and, specifically through the enhancement of and greater focus on activities linked to mobile devices, in 2015 RTI Interactive Media generated around 15.1 billion multimedia pages via the overall set of the properties managed, of which 7.6 billion on mobile (source: Shinystat). The offering is characterised by the presence in two thematic areas:

- **Entertainment:** this area is characterised by the website mediaset.it (www.mediaset.it), which underwent a front-end and back-end redesign in October 2015, which enables users to access the vast majority of Mediaset free-to-air schedule both in full and clip mode (full episodes and thousands of TV programme clips, respectively), as well as programmes made specially for the web (videochats and miniseries);
- **Information:** this area, in turn, is split into general information, weather information and sports information.

General information content is managed by the TGCOM24 newsroom, which supplies journalistic content over various technological platforms:

- the all-news television channel (on digital terrestrial television, satellite platform and, in live streaming mode, over computer, tablet and smartphone)
- the web and mobile site *www.tgcom24.it*;

- teletext (Mediavideo)
- smartphone and tablet, with free dedicated apps for mobile devices on the Apple, Android, Windows and Blackberry platforms;

Tgcom24's multimedia offering is used by more than 27.5 million users (of which 8.6 million on mobile) on average per month (source: Shinystat). Its multimedia system (web+mobile) is third in the ranking of the main Italian news sites with over one million daily unique users (source: Audiweb, November 2015).

Weather information is provided through video forecasts on the Mediaset networks, as well as the dedicated www.meteo.it website and the new dedicated app, which has developed a new potential revenue model through "native advertising". It has been downloaded more than 7.6 million times (source: download stores).

Sports information, on the other hand, consists of the *www.sportmediaset.it* website, with an average of 7.3 million multimedia users per month, of which 1.3 million via Mobile (source: Shinystat), managed by the Mediaset sports news desk; it can also be accessed via a free app, with over 3 million downloads (source: download stores), for the same mobile and tablet operating systems as TGCOM24.

With respect to the entertainment area, the *mediaset.it* video portal plays a significant strategic and advertising role. As already mentioned, the site hosts the majority of TV content broadcast on the previous day both as short clips for key programmes in the schedule and as full episodes. In 2015, the digital offering was further enhanced by providing users with the ability to watch a live simulcast of the free Mediaset networks (Canale 5, Italia 1, Rete 4, LA5 etc...), replacing the television adverts with dedicated spaces sold by the sales house. This combination of television and internet enabled the achievement of excellent traffic results, with over 1.2 billion videos delivered (source: Audiweb Object Video) and 34 million apps downloaded (source: download stores).

Mediaset.it is the first Italian video portal, thus guaranteeing highly lucrative advertising formats to Publitalia (through the subsidiary Mediamond), such as the pre-roll at the beginning of all videos, mid-rolls (advertising breaks in full episodes), as well as the advertising personalisation of the various home pages (so-called customisations).

A commercial agreement has been signed with the Italia on Line group (which combines the first two Italian internet portals: (Libero and Virgilio), plus agreements with Microsoft (msn.it) and Tiscali (tiscali.it) and a pending agreement with blogo.it. This makes it possible to provide Mediaset video content within the portals of these groups through embedding, also enhancing Mediaset's brand exposure among a different target from TV viewers, as well as increasing revenues with advertising sold by Publitalia.

The teletext service of the RTI S.p.A. networks (Mediavideo), active since 1997, is a multimedia TV newspaper available on both analogue and digital television.

RTI Interactive Media is also becoming increasingly active in the mobile devices space, with the objective of bringing innovative content and service to smart phones and tablets through:

- **brand extension**, aimed at leveraging brands and/or formats already known to TV audiences (e.g. multimedia game shows such as Avanti un altro, etc.), infonews services such as "TG5 sms", "TG5 mms" and "App Tg5" (more than 1 million downloads), information videos and live broadcasts by TGCOM24;

- **interactivity,** aimed at creating opportunities for interaction between users and TV programmes (e.g. multi-platform voting). In 2015 the new Mediaset app was launched, which is a free smartphone and tablet app that supports live broadcasts with social interactions and in-depth content, and enables users to follow live streams of Mediaset's free networks.

The Mediaset app is integrated with all major social networks and mediaset.it's social system and offers real-time interaction, also with exclusive content.

Interactive Media supporting TV brands continued to get closer to the world of social networks, with the presence of major programmes in the schedule on the main social networks (Facebook, Twitter, Instagram, Snapchat, etc.), thus becoming one of the European media companies best able to create engagement with its TV audience.

We have over 25 million fans in total on our Facebook pages, over 4.3 million followers on our Twitter profiles and more than 3.1 million followers on our Instagram profiles.

Non-linear pay offering - Infinity

In 2013, the Mediaset Group launched Infinity: an innovative paid content service that offers its customers the ability to access streaming from a catalogue of over titles including thousands of movies, TV series, dramas and TV programmes.

Through Infinity, the Mediaset Group aims to capture a new type of audience with the needs more typical of the internet world than traditional TV. With this objective in mind, 4 principles have been identified around which Infinity's entire commercial offering has been built: thousands of content items always available; a simple, clear commercial offer and without constraints; available on a wide range of connected devices; and able to satisfy even the most technologically sophisticated customers through value-added features.

Thousands of content items always available: Infinity provides its customers a constantly updated catalogue of movies, TV series, dramas and TV programmes. During 2015, the catalogue of content has been further enhanced by important new launches and initiatives including: the availability of Big Bang Theory series 9 at the same time as its broadcast in the United States. the launch of the Infinity Premiére initiative, allowing Infinity customers to access a different movie premiere each week, even before the window opens for watching it on pay TV. Furthermore, 4K quality content was broadcast for the first time in December, which was extremely successful with Infinity customers who own enabled devices.

A simple, clear commercial offer and without constraints: Infinity is offered at a monthly price of 7.99 euro. Customers who want to subscribe to the offer may do so in complete autonomy over the internet. There is a cooling-off period of 1 month for all new customers. The customer can suspend or resume the payment of the monthly price without penalty at any time. This sale offering is typical of over-the -top services, and aims to attract customers who are not inclined to subscribe to the traditional subscription contracts because of the constraints they impose. During 2015, various partnership initiatives were launched whereby Infinity is offered bundled with other products and services provided by partner companies. In 2015, initiatives were launched with Samsung, Paypal and Unipol.

Available on a wide range of connected devices: today Infinity is available on over 400 different device models, including: PC, Mac, Android tablet, iPad, smart TV, Smart phone, Playstation, XBOX and digital terrestrial set-top boxes. In particular, during 2015, Panasonic Smart TVs and all of the new Samsung and SONY ranges were made compatible. The proprietary "cast" functionalities of the device manufacturers SONY, Philips and Sharp were also enabled.

Able to satisfy even the most technologically sophisticated customers through value-added features: A range of features is available on Infinity that aim to enrich the user experience of customers. The content is available in high definition, with subtitles and audio both in Italian and original language. Infinity also features a recommendation engine for content which, analysing consumer habits, offers each customer content that is always new and in line with their preferences.

Radio broadcasting operations

As part of its new avenue of development targeted at radio broadcasters, on 30 September 2015 Mediaset completed the acquisition of 80% of the company Monradio S.p.A. from the Mondadori Group.

Monradio is present in the national radio market with R101, whose broadcasting policy based on music and entertainment principally aims to cater to the musical interests of the adult audience, adding further synergies with the Group's broadcasting services and its other products and services. As of mid-2014, the entertainment offering has been enhanced by the launch of the new TV channel R101TV, broadcast on DTT. R101 operates at national level within the commercial radio sector and competes with 12 national broadcasters.

Its strong, music-focused positioning sees it categorised as a "music station" with a purely "adult" target listener. R101 represents a genuinely integrated system that focuses on music and entertainment across any channel a consumer wishes to use, embracing all types of media and various different touch points (TV, radio, digital and events).

It has a team of professional presenters who add to the music with their high-quality presentation skills. The editorial focus is on both the music, which plays a dominant role in all programming, and the morning show "La Banda di R101", which is the broadcaster's flagship program, presented by Cristiano Militello, Paolo Dini and Lester, which is a huge on-air success and also has a significant following the station's social media channels.

The model, which puts music at the centre of the R101 system, drives its communication strategies, which are consistently aimed at strengthening the editorial positioning of the station:

- listen to music: on air, online and on the app

- watch music: on TV, on channel 167 DDT

- bring music alive: through digital and social platforms, including working with important musical events of international scope, making it possible for listeners to experience them first hand.

Many R101 communication initiatives were activated during the course of 2015.

Its geographical market has remained unchanged and its partnerships have been twofold in nature: to increase brand visibility and to strengthen the broadcaster's musical positioning.

In terms of brand visibility, aside from the Stramilano and Energizer Night Run for Unicef, the most important was without doubt the partnership with Grande Fratello 14 which covered TV – with the Grande Fratello Social Room – and on air, with a special episode at the radio station every Thursday evening.

In general, throughout the year, the collaboration with the Mediaset Group has been very intense, with R101 acting as partner for major programs such as Isola dei Famosi, Grand Hotel Chiambretti and Karaoke (led by Angelo Pintus).

As regards partnerships to strengthen the broadcaster's brand identity, some huge artists have chosen R101 as their official broadcaster during the year, e.g.: Kiss, Mark Knopfler, Paul Simon & Sting, Santana, Mika, Madonna, Simple Minds and Malika Ayane.

One very interesting project has been Fronte del Palco, a program entirely produced by R101 and presented by Simone Annichiarico which was aired on Italy 1 in the late evening. It attracted major Italian and international musical artists (Lorenzo Fragola, Charli XCX, Negrita etc.), who performed live and gave exclusive interviews to R101.

Alongside all these initiatives, the broadcaster has maintained consistent visibility through planned spot campaigns on Mediaset channels to communicate its music partnerships, which over the months have generated a considerable advertising, thus ensuring a continuous brand exposure.

In December 2015, the R101 website was redesigned in terms of its 'look and feel'. By the end of the year, the page had an average of 2.5 million page views (source: Google Analytics), while social media activities continued with pleasing results, mainly on Twitter (+24% in December vs. January 2015, source: Twitter Insight).

R101 listener numbers were stable over the previous year, ending 2015 with over 1.6 million average daily listeners.

Movie distribution

Medusa Film S.p.A. is a major film distribution company in Italy. The company produces and distributes Italian and foreign films in Italy, throughout the life-cycle of the product: from cinema releases to the sale of television rights in all their various forms.

In terms of box-office takings from the sale of cinema tickets, Medusa Film, with a market share of 6% in 2015 (source: Cinetel), remained 6th in the ranking of distributions, behind the four American majors and 01 Distribution (in 4th, first Italian company).

Once again, the company stood out for its focus on Italian cinema: of the 50 highest-taking films of the year, 16 were Italian films and of these a good 7 were from Medusa Film.

Medusa's highest takings were from "Vacanze ai Caraibi" (EUR 6.6 million in 2015, total EUR 7.4 million) which signalled the return of the classic "cinepanettone" – a light-hearted Italian comedy film released at Christmas time; "Youth – La giovinezza", the Oscar-winning film of Paolo Sorrentino, took in excess of EUR 6 million – an exceptional result for a film with a high artistic value; Medusa's next 3 highest-taking films ("Ma che bella sorpresa", EUR 5.3 million, "Belli di papà", EUR 4.2 million and "Italiano medio", 4.1 million), confirm the success of the focus on both classic and more innovative "comedy" – the latter represented by "Italiano medio", directed by and starring Maccio Capatonda, who is a web sensation but was making his film debut.

In 2015, total box-office takings came to EUR 637 million, equivalent to 99 million cinema tickets, compared with EUR 575 million and 92 million cinema tickets sold in the previous year.

After a 2014 marked by steep decline (-7.1%), the cinema market has posted encouraging growth (+10.8% for takings and +8.6% for audience numbers).

The number of films distributed in the year was basically stable, 473 against 470 the previous year. On average, therefore, the commercial appeal of the cinema releases has improved, thanks mainly to the "strong" product: indeed, some 12 had takings of over EUR 10 million (3 out of 20). However, this phenomenon is entirely due to the success of American cinema, with 13 of the top 15 films in terms of takings (US films' share of the market rose from 50.2% in 2014 to 61% in 2015). Conversely, the market share of Italian cinema fell from 27.2% to 21.4%, a sign of a difficult year for the domestic film industry.

Despite being below the normal values (25-28%), Italian films still represent a significant component of the market. Medusa plays a fundamental role in this situation, again confirming that the correct strategic positioning of the company, which has always been a landmark in Italian cinema.

Media Shopping

Media Shopping S.p.A. uses a business model based on a multichannel commercial platform. Operations during the year focused on the company's core business, involving the selection and purchase of goods, the development of home shopping channels and customer services and commercial operations to support business activities.

The company continued to promote direct response TV campaigns over the year, featuring a growing range of mostly unbranded, select, complementary products.

Inbound activity in 2015 reached a conversion rate of calls received into orders of over 67% (+17.5% compared to 2014). The conversion rate for internet traffic was 1.5% (desktop: 2.2%, mobile: 0.8%). Mobile traffic accounted for 48% (+108% compared to 2014) of total internet traffic and mobile orders accounted for over 25% (+92% compared to 2014) of total internet orders.

Over 3.6 million customers have purchased goods from Mediashopping S.p.A. since the start of operations. On the logistics side, the partnership continued with the company Geodis, which manages the warehouse in (Latina). Delivery of B2C goods is managed by the company Sda Express Courier (Poste Italiane Group), whereas delivery of B2B goods is handled by SDA (17%), Bartolini (78%) and Geodis (5%). In 2015, about 200,000 orders were handled for around 571,000 shipped products.

Thanks to the support of a specialised agency, Media Shopping products are now available in over 2,000 third-party stores (Large Scale Retailers and Specialised Retailers). Over 2015, more than 43% of buyers chose premium express delivery, up 38% on the previous year.

Licensing, Merchandising and Broadcasting

Through the subsidiary R.T.I. S.p.A., the group performs licensing activities by entering into contracts to acquire brands and trademarks from their owners and the sale of licences to customers users to use them and those owned exclusively by R.T.I., as well as merchandising activities through the exploitation of the television brands, by creating products (books, DVDs, CDs) sold directly through the brand Fivestore, thanks also to the continuous growth of transactions driven by the e-commerce site.

With reference to licensing activities, the brand and trademark acquisition agreements have an average term of five years, while sub-licensing agreements have an average term of around 18 months. As part of these activities, we note the successful launch of the brand magazines *"Cotto e Mangiato"* and *"Arca di Noè"*.

With reference to merchandising activities, we note the positive results of the new property, *Il Segreto* (monthly magazine, calendar and video collection) and, in the home video sector, Fivestore has established itself as the outright leader in the sale of drama series DVDs.

International advertising

Publieurope Ltd. is the Mediaset Group company responsible for managing the Group's strategy on the European advertising market. Its mission is to raise Group revenue through advertising sales to international investors.

Specifically, this objective is pursued by:

- ongoing liaison with headquarters of multinational companies;
- sourcing of new licences and new products in other countries.

These activities are conducted from offices in London, Munich, Paris and Lausanne, in cooperation with partners located in Milan (Publitalia '80) and Madrid (Publiespaña and Publimedia Gestión).

Publieurope's product portfolio has expanded and grown more varied over the years, ensuring a cross-media commercial offering consisting of:

- all the Group's Italian and Spanish television networks;
- magazines and websites managed by Mediamond, the sales agent that manages sales of advertising space on the web properties of Mediaset and Mondadori magazines;
- traditional and thematic TV channels as well as websites of the German group ProSiebenSat1;
- the SBS group of commercial television channels that broadcast in Flanders (Belgium) and the Netherlands;
- all the TV networks and websites of the British Channel 4 group;
- the TV channels, websites and radio stations of the French group TF1;
- the various media operated by Rotana Media Services, a media group working in the Middle East and North Africa.

Since Publieurope acts as an advertising sales house, its contribution to Group earnings needs to be considered in terms of commission income generated, which totalled almost EUR 200 million, of which EUR 171 million relating to Group media. In 2015, 45 new customers were acquired across the Group's television networks.

EI TOWERS

EI Towers is the business enterprise created in 2012 from the merger with the DMT Group of the Mediaset Group's tower business, consisting of network infrastructure assets and operations, including the management of network towers and contribution links to and from production centres.

the EI Towers Group is one of the biggest operators of electronic communications networks in Italy, serving radio and television broadcasters and mobile telecommunications providers under long-term agreements.

In particular, the Group provides hosting on its infrastructure (transmission "towers" or "stations") as well as a range of related services such as technical assistance, ordinary and extraordinary maintenance, logistics, planning.

In addition, the Group manages broadcast contribution links for the Mediaset Group through its own operations centres and network infrastructure.

The core business is not subject to seasonal variations and is not closely linked to economic cycles, as hosting contracts at transmission stations are long term and the service offered is particularly critical for customers, as it is essential for signal transmission.

To this end, it should be noted that, despite a prolonged economic recession in Italy in recent years, the Group has been able to continually increase its turnover and margins, also thanks to careful management of operating costs.

The year just ended was characterised by a series of events that have significantly changed the shape of the industry in which the EI Towers Group operates.

In particular, after the IPO of Rai Way S.p.A. in 2014, in March 2015 Wind Telecomunicazioni S.p.A. sold part of its portfolio of towers, which were collected into a newco called Galata S.p.A. and sold to Cellnex Telecom, the tower operator of the Albertis, a Spanish infrastructure group, which in May completed its IPO on the Madrid Stock Exchange.

As a result of the acquisition of these towers from Wind, Cellnex Telecom operates about 7,700 towers in Italy, which exclusively host mobile telecommunications operators. As noted, EI Towers was also involved in the sale of Galata, in an attempt to make an active contribution to consolidation in the tower sector in Italy.

Also in March, Telecom Italia S.p.A. spun off around 11,500 towers – most of which host Telecom Italia radio base stations – to a newco called Inwit S.p.A., which then became listed (June 2015) on Milan Stock Exchange; following the IPO, Telecom Italia now holds 60% of Inwit's share capital.

As a result of these operations, the competitive landscape in Italy now includes two listed tower operators (EI Towers and Rai Way) present both in the mobile telecoms sector (mobile telephone services and complementary technologies) and the broadcasting sector (radio and television), with a significant position in the latter sector, and also two listed operators (Inwit and Cellnex Telecom), with a significant presence in the mobile telecoms sector. With three listed operators and Cellnex Telecom, which despite being listed in Spain has a significant presence in our country, the Italian market is currently the largest in Europe and one of the most important in the world for wireless telecommunications infrastructure.

The process of streamlining, consolidation and pursuit of greater efficiency in the tower sector during the year just ended also included EI Towers's cash and share offer in February to acquire all the shares of Rai Way, which was not successful – as described in detail in the subsequent events section of the 2014 Financial Statements – as well as Telecom Italia's move to sell part of Inwit, which began in November and is still under way.

The sector is therefore experiencing a particularly dynamic phase, which is expected to lead to progressive aggregation among tower operators. EI Towers has as central role in this due to its expertise accumulated over the past decade, initially as DMT, as the first listed operator in Europe (since 2004) and the only that is truly open to the entire telecommunications market. It retains this quality to this day as the others (in particular Inwit and Cellnex Telecom) operate overwhelming for their main clients (Telecom Italia and Wind Telecomunicazioni, respectively).

As further evidence of this, we highlight the agreement with Cairo Network Srl, a company wholly owned by Cairo Communication S.p.A., for the design and construction of a new transmission network and its subsequent full-service management (hosting, assistance and maintenance, use of transmission infrastructure, etc.). This agreement is testament to EI Towers' recognised ability to provide broadcasters high-quality integrated services, in line with its approach of making its infrastructure available at fair, transparent and non-discriminatory market conditions, thereby underlining its central role in the market.

In addition, EI Towers is strengthening its strategic position in the mobile telecoms sector by acquiring transmission stations that mainly host operators in this sector, via its subsidiary Towertel S.p.A. During 2015, in fact, 15 company acquisitions were completed that have brought the number of towers owned by Towertel and its subsidiary Newtel Towers S.p.A. to nearly 1,000, plus over 600 towers in the EI Towers portfolio that currently host mobile telecommunications operators.

This strategy will also continue in the coming years by acquiring small tower operators that still operate in the mobile telecommunications sector, as well as operators in the broadcast world that mainly host radio clients, with a view to diversifying customer type, which remains biased towards television operators.

As regards the main clients of tower operators, in August, CK Hutchison Holdings Ltd., the holding company of the mobile operator 3 Italia S.p.A. and VimpelCom Ltd., the holding company of Wind Telecomunicazioni, announced their intention to form a 50/50 joint venture to jointly manage the Italian business of the country's 3rd and 4th largest mobile operators. Finalisation of the deal – which is subject to approval by European regulators – is expected by the end of August 2016. If the deal is completed, as well as changing the competitive landscape of the mobile telephone services industry by creating the leading operator with a market share of around 36%, some observers also say that it might result in 3 Italia selling all or part of its towers portfolio.

In confirmation of the innovative and dynamic approach of EI Towers, with a view to anticipating future telecommunications market trends and diversifying its business, in August EI Towers and a minority shareholder, established the company Nettrotter S.r.l., which will have exclusive rights to develop the Sigfox network across Italy to provide connection services on a subscription basis for the Internet of Things ("IOT") market.

Sigfox, based in France, is a world leader in the field of mobile telephone networks entirely dedicated to the Internet of Things and to machine-to-machine communications. To date, the Sigfox network is active or being activated in 14 countries worldwide.

Nettrotter is rapidly developing its new IoT network in national territory, so that it can provide connectivity services from as early as the second quarter of 2016.

SPAIN

Mediaset has a controlling interest in Mediaset España Comunicación S.A., the holding company of the Spanish television group that owns the Telecinco television network, which began broadcasting in 1990.

Mediaset España is the leading broadcaster in Spain in terms of viewers and advertising share, and one of the most profitable groups in the sector in Europe.

The company is listed on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia. It was first included in the Ibex 35 index on 3 January 2005, where it still remains one of the thirty-five biggest companies in Spain.

Mediaset España Group's mission is to consolidate its leadership of the commercial television market in Spain. Its strategic approach reflects that of Mediaset Group in Italy, operating as an integrated broadcasting group in the following key business areas:

- Advertising (Publiespaña)
- Advertising on non-television media, both Group-owned and third-party
- General interest television broadcasting (Telecinco, Cuatro)
- Multichannel broadcasting: free-to-air thematic channels (Divinity, Factoría de Ficción, Boing and Energy)
- Internet (through the company Conecta 5)

The Advertising Market

Spain's television advertising market is the fifth-biggest in Europe and is second only to Italy's in terms of television's share of all advertising on mainstream media. According to Infoadex data, the percentage of that market in 2015 stood at 40.1%.

In 2015, the macro-economic data for the Spanish economy – one of the most severely hit by the global crisis in recent years – confirmed its recovery, with one of the strongest growth rates in the European Union. Against this background of economic recovery, advertising investment performance also benefited from improved conditions, particularly due to an increase in domestic demand. In 2015, television advertising investments increased by 6.4%, with a sharper rise in the first half of the year than in the second. Mediaset España Group's market share stood at 43.4%, slightly down on 2014.

Media	**2015**		**2014**		**Change**
	€ million	**% share**	**€ million**	**% share**	**%**
Press	697	13.9%	694	14.9%	0.4%
Television	2,011	40.1%	1,890	40.5%	6.4%
Magazine	255	5.1%	254	5.4%	0.4%
Radio	454	9.1%	420	9.0%	8.1%
Outdoor	327	6.5%	315	6.7%	4.0%
Cinema	22	0.4%	16	0.3%	35.5%
Internet	1,250	24.9%	1,076	23.1%	16.1%
Total Market	**5,017**	**100.0%**	**4,666**	**100.0%**	**7.5%**

Other domestic market players in 2015, besides Mediaset España, included:

- the Atresmedia Group (established in 2012 with the merger of Antena3 and Sexta);
- a federation of independent local broadcasters, operating under the name La Forta;
- the digital satellite pay TV platform Digital+ (from April combined with the IPTV system of the Telefonica Group in a single platform called *Moviestar Fusion*), and the cable TV offering of Vodafone, which acquired Ono cable TV in 2015.

Broadcasting and Audience Share

With respect to viewing figures, during the year the Mediaset España Group continued to be the leader in terms of total viewers over the 24-hour period, with an increase of 0.3 percentage points compared to 2014, bringing its market share to 31%, with a gap of four percentage points from its main competitor, the Atresmedia Group.

In terms of the commercial target audience, the Mediaset España Group reached a 33.1% share, an increase over the previous year.

As for the main channel, in 2015 Telecinco achieved a 14.8% audience share over the 24-hour period and an average of 14.4% of the commercial target.

Cuatro captured an average audience share of 7.2% of all viewers over the 24-hour period and 8.2% in the commercial target segment.

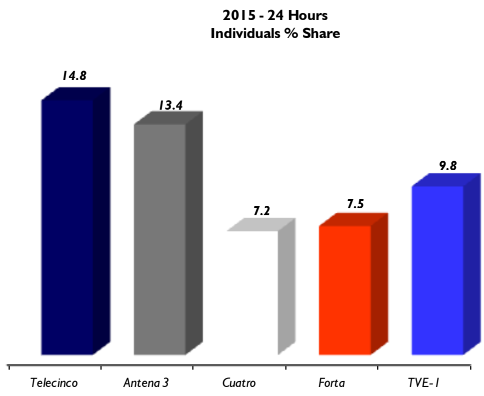
With regard to Prime Time, Telecinco was the leader in the all viewers total with an average of 15.2 %, while Cuatro had a share of 6.4%.

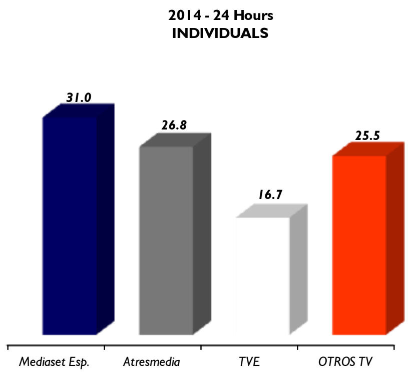
In 2015, the audience over the 24-hour period of new generation channels reached a total of 9.0% of all viewers and 10.4% of the commercial target audience. The FDF, Divinity and Energy channels continued to post excellent results in terms of viewing figures in 2015.

Results for the commercial target audience are detailed below:

- Boing, the thematic channel dedicated to children from 4 to 12 years, achieved an audience share of 12.5%;
- FDF reached a share of 9.3% on the commercial target audience (13-24 age range);
- Divinity, a channel dedicated to the female audience, achieved a share of 3.7% of its commercial target audience (16-44 age range);
- Energy, a channel dedicated to a male audience, achieved a share of 2.2% of the commercial target audience (men between 25 and 44 years).

2015	Individuals			Commercial Target		
	24 hours	Prime Time	Day Time	24 hours	Prime Time	Day Time
	14.8%	15.2%	14.6%	14.4%	14.2%	14.5%
	7.2%	6.4%	7.5%	8.2%	7.7%	8.5%
TOTAL GENERALIST NETWORKS	**22.1%**	**21.6%**	**22.2%**	**22.6%**	**21.9%**	**23.0%**
TOTAL MULTI CHANNEL	**9.0%**	**8.4%**	**9.4%**	**10.4%**	**9.3%**	**10.9%**
MEDIASET españa.	**31.0%**	**29.9%**	**31.5%**	**33.1%**	**31.2%**	**33.9%**





As the following table shows, in 2015, Mediaset España devoted significant air time on the general interest networks Telecinco and Cuatro to its in-house productions, which accounted for 72.5% of scheduling (71.2% in 2014), with just 27.4% of air time left for external acquisitions and productions (28.8% in 2014).

Mediaset España schedules - Broadcasted Hours 2015

Types	Generalist Networks		Multi-Channel		Total Mediaset Networks	
Film	1,375	7.8%	1,581	4.5%	2,956	5.6%
Fiction	3,425	19.5%	13,285	37.9%	16,710	31.8%
Cartoons	14	0.1%	8,143	23.2%	8,158	15.5%
Total tv rights	**4,815**	**27.4%**	**23,009**	**65.6%**	**27,824**	**52.9%**
News	2,253	12.9%	414	1.2%	2,667	5.1%
Sport	201	1.1%	84	0.2%	285	0.5%
Entertainment	2,897	16.5%	4,654	13.3%	7,551	14.4%
Education	7,355	42.0%	6,879	19.6%	14,233	27.1%
Teleshopping	-	0.0%	-	0.0%	-	0.0%
Total in-house productions	**12,706**	**72.5%**	**12,031**	**34.3%**	**24,736**	**47.1%**
Total	**17,520**	**99.9%**	**35,040**	**100.0%**	**52,560**	**100.0%**

Mediaset España schedules - Broadcasted Hours 2014

Types	Generalist Networks		Multi-Channel		Total Mediaset Networks	
Film	1,196	6.8%	1,465	3.6%	2,661	4.5%
Fiction	3,820	21.8%	13,983	34.0%	17,803	30.4%
Cartoons	35	0.2%	8,083	19.7%	8,118	13.9%
Total tv rights	**5,051**	**28.8%**	**23,530**	**57.3%**	**28,581**	**48.8%**
News	2,380	13.6%	610	1.5%	2,990	5.1%
Sport	419	2.4%	474	1.2%	893	1.5%
Entertainment	2,430	13.9%	5,100	12.4%	7,530	12.8%
Education	7,240	41.3%	11,373	27.7%	18,613	31.8%
Teleshopping	-	0.0%	-	0.0%	-	0.0%
Total in-house productions	**12,469**	**71.2%**	**17,558**	**42.8%**	**30,027**	**51.2%**
Total	**17,520**	**100.0%**	**41,088**	**100.0%**	**58,608**	**100.0%**

Multichannel Broadcasting

Mediaset España's Broadcasting Centre is a digital platform fully equipped to broadcast and receive audiovisual transmissions via satellite, optical fibre, the mobile network and ADSL.

In 2015, the Mediaset España Group continued to consolidate its multi-channel diversification strategy. In fact, in addition to Telecinco and Cuatro, the Mediaset España Group's generalist networks, the offering is completed by firmly established thematic channels:

- Energy, thematic channel with sport content targeted at a young male audience;
- FDF (Factoría de Ficción), featuring Spanish and international drama series;
- Boing, dedicated to children's entertainment;
- Divinity, targeted at a young female audience.

Investments in Television Broadcasting Rights

In 2015, Mediaset España continued to invest in television broadcasting rights. Investment policy was focused not only on acquiring Spanish drama series but also on providing a stream of high-quality content to the main channel and the new digital channels, with a view to building up its television rights library and defending audience share in the future, and with it the Spanish group's advertising revenues.

Spanish television broadcasters are required by law to invest at least 3% of their operating revenues in Spanish and European film productions. At Mediaset España, this legal obligation has been taken up as a business opportunity, and through the subsidiary **Telecinco Cinema SAU** the group has been producing quality feature films for some years. Again in 2015, film writing and production continued to be a focus for the group, with the aim of matching and bettering the successes of the past.

2015 was another exceptional year for film production, which saw the launch of three new movies in different genres: *Atrapa la Bandera*, a film aimed at a public of children and families, which achieved box office takings of EUR 11 million, to become the second ranked movie in terms of audience; *Regresión*, a Spanish-Canadian co-production in the thriller genre, which earned EUR 9 million; and *Ocho Apellidos Catalanes*, the second instalment of the hit comedy Ocho Apellidos Vascos, which was enormously successful with the public and critics, and even surpassed Star Wars – The Force Awakens, with box office takings of EUR 36 million.

Internet

The Mediaset España Group considers its Internet business a strategic factor for its success, enabling the diversification of business both now and in the future.

With respect to web traffic for Mediaset España, in 2015, the Mediaset.es website once again achieved excellent results in terms of page views, with an increase of 33.8%. Telecinco.es was the most visited website in 2015, with 9.8 million monthly users. Divinity.it, the Mediaset España Group's fashion portal achieved record results with 1.5 million average monthly users, while the Cuatro.com website performed strongly with an average of 3.9 million monthly users.

In 2015, the figures again showed an increase in interactivity with the audience, with the downloading of the "Mitele" (television via web) app on smartphones and tablets, thereby enhancing the specific non-linear content offering for cinema, sport and entertainment programmes.

MAIN INVESTMENTS

Mediamond S.p.A. is a joint venture between Publitalia'80 and Mondadori Pubblicità. Mediamond is the Mediaset Group's advertising sales house, specialised in selling advertising space on the Group's television and video websites and websites linked to Mondadori Group publications, as well as space on third-party websites.

Boing S.p.A. is a joint venture between R.T.I. S.p.A. (51%) and Turner Broadcasting System Europe (49%), which produces and manages the two free-to-air children's channels Boing and Cartoonito, broadcast respectively since 2004 and 2011 on the digital terrestrial platform.

Fascino Produzione Gestione Teatro Srl is a joint venture between RTI S.p.A. and Maria De Filippi, which, availing of the venturer's unique artistic and creative skill, conceives, designs and realises entertainment TV programmes mainly for prime time and day time on Canale 5, including C'è Posta per te, Amici, Uomini e Donne.

RB1 S.p.A. is a holding company part-owned by RTI with a stake of 19% and an economic interest of 69%, which indirectly controls the Finelco Group, an integrated media group that controls three of the main Italian radio networks (Radio 105, Radio Montecarlo, Virgin Radio). It also includes a series of companies that provide creation, production, marketing, and broadcasting services to the three radio stations, in addition to services to associated businesses. The three radio stations have a complementary positioning: Radio 105 is a station focused on general entertainment programmes with a mass audience, although designed with younger listeners in mind; Radio Montecarlo has a generally more adult audience, with a balanced mix of music and entertainment programmes; while Virgin Radio has an across-the-board audience, with a predominance of music programmes focusing on the rock genre.

Tivù Srl is a company established in 2008 and owned by RTI S.p.A., Rai Radiotelevisione Italiana S.p.A. (each holding 48.16%), La7 Srl (3.49%) and other members, which performs promotional and planned communication activities for users of the free digital terrestrial and satellite platform, and in particular manages the range of services connected to the satellite platform for the free digital TV offering called "TivùSat", which supplements the digital terrestrial platform for users of some regions and autonomous provinces that this signal does not reach.

Nessma S.A. is a company owned 34.12% by the subsidiary Mediaset Investment S.A. which manages the freesat TV channel broadcast in Tunisia and the countries of North Africa.

Pegaso Televisión Inc. is a company owned 43.7% by Mediaset España Comunicación S.A., which controls the activities of Caribevision Network, a television channel aimed at the Spanish-speaking public in the United States and Puerto Rico.

CONSOLIDATED PERFORMANCE BY GEOGRAPHICAL AREA AND BUSINESS SEGMENT

In this section, we give a breakdown of the consolidated income statement, balance sheet and cash flow statement to show the contribution to Group performance of the two geographical areas of business, Italy and Spain. For each geographical area, revenues and operating performance are reported, broken down by business segment.

The income, balance sheet and cash flow figures shown below have been restated, with respect to the Group financial statements, in order to highlight the intermediate aggregates considered most significant for understanding the performance of the Group and of the individual business units. Although not required by law, the criteria adopted in preparing the aggregates and notes referring the reader to the relevant statutory financial statement items have been disclosed in accordance with guidance provided by Consob Communication no. 6064293 of 28 July 2006 and the CESR Recommendation on alternative performance measures (or non-GAAP measures) dated 3 November 2005 (CESR/05-178b).

Group Performance

The consolidated income statement reported below shows the intermediate aggregates making up earnings before interest, taxes, depreciation and amortization (EBITDA) and earnings before interest and taxes (EBIT).

EBITDA measures the difference between consolidated net revenues and operating costs, including costs of a non-monetary nature relating to amortisation, depreciation and write-downs (net of any write-backs) of current and non-current assets.

EBIT is measured by deducting from EBITDA costs of a non-monetary nature relating to *amortisation, depreciation and write-downs* (net of any write-backs) of current and non-current assets.

(values in EUR million)

Mediaset Group: Income Statement		
	2015	**2014**
Total consolidated net revenues	**3,524.8**	**3,414.4**
Personnel expenses	520.5	537.5
Purchases, services, other costs	1,638.4	1,544.5
Operating costs	**2,158.9**	**2,082.0**
EBITDA	**1,365.9**	**1,332.4**
Rights amortization	997.3	924.1
Other amortization and depreciation	137.2	159.7
Amortization and depreciation	**1,134.4**	**1,083.7**
EBIT	**231.4**	**248.7**
Financial income/(losses)	(49.3)	(70.4)
Income/(expenses) from equity investments	15.0	(39.8)
EBT	**197.2**	**138.5**
Income taxes	(86.6)	(61.7)
Net profit from continuing operations	**110.6**	**77.0**
Net profit from discontinued operations	-	-
Minority interests in net profit	(106.6)	(53.3)
Group net result	**4.0**	**23.7**

The following table shows key Group income statement figures stated as a percentage of consolidated net revenues.

	2015	**2014**
Total consolidated net revenues	**100.0%**	**100.0%**
Operating costs	61.2%	61.0%
EBITDA	**38.8%**	**39.0%**
Amortisation, depreciation and write-down	32.2%	31.7%
EBIT	**6.6%**	**7.3%**
EBT	**5.6%**	**4.1%**
Group net profit	**0.1%**	**0.7%**
Tax rate (EBT %)	43.9%	44.5%

Below we look at the breakdown of the income statement by geographical area to report the contribution to performance of the Group's Italian and Spanish operations. For the purpose, the income statements of the two business units are stated net of any dividends received by Mediaset España.

Breakdown by geographical area: Italy

The following is a condensed income statement of Mediaset Group's domestic business:

(values in EUR million)

Italy: Income Statement	2015	2014
Total consolidated net revenues	**2,554.2**	**2,483.4**
Personnel expenses	415.5	431.3
Purchases, services, other costs	1,199.9	1,082.3
Operating costs	**1,615.4**	**1,513.7**
EBITDA	**938.8**	**969.8**
Rights amortization	792.3	724.9
Other amortization and depreciation	119.7	140.5
Amortization and depreciation	**912.0**	**865.5**
EBIT	**26.8**	**104.3**
Financial income/(losses)	(49.4)	(70.4)
Income/(expenses) from equity investments	1.1	19.4
EBT	**(21.4)**	**53.3**
Income taxes	(33.7)	(31.7)
Net profit from continuing operations	**(55.2)**	**21.7**
Net profit from discontinued operations	-	-
Minority interests in net profit	(19.2)	(20.3)
Group net result	**(74.4)**	**1.4**

The following table shows key income statement figures stated as a percentage of consolidated net revenues.

	2015	2014
Total consolidated net revenues	**100.0%**	**100.0%**
Operating costs	63.2%	61.0%
EBITDA	**36.8%**	**39.1%**
Amortisation, depreciation and write-down	35.7%	34.8%
EBIT	**1.0%**	**4.2%**
EBT	**-0.8%**	**2.2%**
Group net profit	**-2.9%**	**0.1%**
Tax rate (EBT %)	n.s.	59.4%

Below we report the performance of the Group's Italian operations broken down by business segment, which corresponds to the levels at which management makes its strategic decisions for the allocation of resources and the assessment of results.

- ***Integrated Television Operations***, including free-to-air and pay television broadcasting and accessory operations consisting of Web publishing, teleshopping, publishing, licensing and merchandising, and movie production and distribution.
- ***EI Towers***, including hosting, maintenance and management operations in relation to radio, television and wireless telecommunications networks run by the listed company EI Towers SpA, the corporate entity resulting from the merger at the beginning of 2012 of Mediaset Group's Tower business and DMT.

The following table shows the breakdown for the two periods of revenues and EBIT by business segment.

	Revenues				*EBIT*			
	2015	**2014**	*var.ml/euro*	*var.%*	**2015**	**2014**	*var.ml/euro*	*var.%*
Integrated Television Operations	2,490.0	2,428.6	61.3	2.5%	(46.9)	38.6	(85.5)	n.s.
EI Towers	244.4	235.0	9.4	4.0%	73.7	65.7	8.0	12.2%
Eliminations	(180.2)	(180.2)	-	0.0%	-	-	-	0.0%
Total	**2,554.2**	**2,483.4**	**70.8**	**2.9%**	**26.8**	**104.3**	**(77.4)**	**-74.3%**

Reported below are the income statements for the two areas identified.

Integrated Television Operations	**2015**	**2014**	**change € million**	*% change*
Gross advertising revenues	2,002.8	1,982.4	20.3	1.0%
Agency discounts	(292.9)	(288.4)	(4.5)	-1.6%
Total net advertising revenues	**1,709.9**	**1,694.1**	**15.8**	**0.9%**
Revenues from subscriptions/pre-paid cards	558.8	538.4	20.4	3.8%
Other revenues	221.3	196.2	25.1	12.8%
Total Revenues	**2,490.0**	**2,428.6**	**61.3**	**2.5%**
Personnel expenses	373.3	388.1	(14.7)	-3.8%
Operating costs	1,113.9	1,002.7	111.2	11.1%
TV and movie rights amortisation	792.3	724.9	67.4	9.3%
Other amortisation and write-downs	80.4	97.5	(17.1)	-17.6%
Inter-segment costs	176.9	176.8	0.1	0.0%
Total Costs	**2,536.8**	**2,390.0**	**146.8**	**6.1%**
Operating Result	**(46.9)**	**38.6**	**(85.5)**	**n.s.**
% on total revenues	***-1.9%***	***1.6%***		

As mentioned above, in 2015 advertising revenues and core Pay TV revenues both performed strongly, while the increase in *other revenues* was linked to the proceeds from agreements for cooperation and the development of digital content signed in the last quarter of the year.

Television broadcasting achieved a negative EBIT of EUR -46.9 million in 2015, compared to a positive figure of EUR 38.6 million for 2014. These were impacted, from the third quarter, by higher costs mainly relating to the new Champions League season, for which the Group has the exclusive rights for the next three seasons, and the Serie A League Championship, also due to the higher number of events in the calendars of the respective competitions compared to the same period of the prior year.

The decrease in *Personnel Expenses* reflected the changes in the average workforce during the two years, whereas the decrease in overall *Other amortisation and write-downs* was mainly related to the lower proportion of losses on receivables and the impacts from the structural reduction of investments in recent years.

Inter-segment costs refer to the use of network infrastructure and to assistance, maintenance, logistics and engineering services provided by EI Towers to the subsidiary Elettronica Industriale, recognised net of charge-backs of costs for services rendered by the television operations segment.

(values in EUR million)

EI Towers	**2015**	**2014**	**change € million**	*% change*
Revenues toward third parties	64.3	54.8	9.5	*17.3%*
Intersegment revenues	180.2	180.2	-	*0.0%*
Total revenues	**244.4**	**235.0**	**9.4**	***4.0%***
Personnel expenses	42.2	43.3	1.1	*2.5%*
Operating costs	86.0	79.6	(6.4)	*-8.0%*
Amortization and depreciation	39.3	43.1	3.8	*8.7%*
Inter-segment costs	3.3	3.4	0.1	*2.3%*
Total Costs	**170.8**	**169.3**	**(1.5)**	***-0.9%***
Operating Result	**73.7**	**65.7**	**8.0**	***12.2%***
% on total revenues	***30.2%***	***28.0%***		

Despite the ongoing economic crisis for EI Towers' key customers – and especially for local TV operators – the company managed to improve its operating results in 2015.

Specifically, an increase in revenues compared to 2014 – mainly as a result of the contribution of newly-acquired companies – together with a reduction in operating costs brought about a more than proportional increase in EBIT, causing a significant rise in earnings.

The revenues of the EI Towers Group comprise both *inter-segment revenues* relating to the use of its transmission infrastructure and the provision of assistance, maintenance, logistics and planning and ancillary services to the subsidiary Elettronica Industriale S.p.A., as well as hosting, maintenance and logistics contracts with other broadcasters and wireless telecommunications providers.

Breakdown by geographical area: Spain

The following is an abridged income statement of the Group's Spanish business; figures are those of the Mediaset España Group (consolidated figures).

(values in EUR million)

Spain: Income Statement	2015	2014
Total consolidated net revenues	**971.9**	**932.1**
Personnel expenses	105.0	106.2
Purchases, services, other costs	439.1	462.8
Operating costs	**544.1**	**569.0**
EBITDA	**427.8**	**363.1**
Rights amortization	205.2	199.2
Other amortization and depreciation	17.5	19.1
Amortization and depreciation	**222.6**	**218.3**
EBIT	**205.2**	**144.8**
Financial income/(losses)	0.1	-
Income/(expenses) from equity investments	13.9	(59.2)
EBT	**219.1**	**85.5**
Income taxes	(53.2)	(30.0)
Net profit from continuing operations	**166.0**	**55.6**
Net profit from discontinued operations	-	-
Minority interests in net profit	0.2	3.9
Group net result	**166.2**	**59.5**

The following table shows key income statement figures stated as a percentage of consolidated net revenues from Spanish operations.

	2015	2014
Total consolidated net revenues	**100.0%**	**100.0%**
Operating costs	56.0%	61.0%
EBITDA	**44.0%**	**39.0%**
Amortisation, depreciation and write-down	22.9%	23.4%
EBIT	**21.1%**	**15.5%**
EBT	**22.5%**	**9.2%**
Group net profit	**17.1%**	**6.4%**
Tax rate (EBT %)	24.3%	35.1%

The breakdown of Mediaset España Group's revenues is shown below:

(values in EUR million)

	2015	2014	change € million	% change
Gross advertising revenues	**933.3**	**889.2**	**44.1**	**5.0%**
Agency discounts	(35.3)	(33.5)	1.8	5.3%
Net advertising revenues	**898.0**	**855.7**	**42.3**	**4.9%**
Other revenues	74.0	76.4	(2.4)	-3.2%
Total net consolidated revenues	**971.9**	**932.1**	**39.9**	**4.3%**

The item **other revenues** mainly refers to revenues from the distribution of movie co-productions and merchandising. Revenues from the distribution of the three movies "*Atrapa la bandera*", "*Regresión*" and "*Ocho apellidos catalanes*" contributed significantly to the increase in this item.

	2015	2014	% change
Operating costs	**766.8**	**787.3**	**-2.6%**
Personnel expenses	105.0	106.2	-1.1%
Purchases, services, other costs	439.1	462.8	-5.1%
TV and movie rights amortization	205.2	199.2	3.0%
Other amortization and depreciation	17.5	19.1	-8.5%

Total costs for the Mediaset España Group fell by 2.6% over the same period of the previous year, thanks to concerted cost optimisation and control policies and also in view of the fact that in 2014 the costs related to the main matches of the first round of Brazil 2014 World Cup. These cost optimisation policies have resulted in a reduction of EUR 210.7 million (-21.7%) in operating costs over the last five years, without affecting the quality of the television product.

EBIT for the Group's Spanish business at 31 December 2015 totalled EUR **205.2** million, compared with EUR 144.8 million in 2014.

Other income statement components for the Mediaset Group as a whole are shown below.

	2015	2014	% change
Financial (income)/losses	**-49.3**	-70.4	21.1

The significant reduction in financial expenses in the first nine months of 2015 compared to the same period of the previous year was mainly due to the lower average financial debt in the two periods. In 2014, this item reflected the effect of the charges and commissions connected to the early termination of certain medium and long term committed credit facilities.

	2015	2014	% change
Income/(expenses) from equity investments	**15.0**	-39.8	54.8

Income/(expenses) from equity investments includes income from measurement at equity of investments where the Group has significant influence over the investee, value adjustments to the financial assets connected with those or other equity investments, and gains/losses generated from the disposal of those assets.

In 2015, the balance of this item mainly included:

- proceeds of EUR 10 million for the amount received by Mediaset España as a price adjustment for the sale of its 22% stake in Digital Plus (DTS) to Telefonica at the beginning of the third quarter;
- a gain of EUR 5.4 million realised by Mediaset España following the disposal of the equity interest held in the company Grupo Yamm Comida a Domicilio S.L., purchased in 2014 within the course of operations.

In the same period of the previous year, the item included the loss resulting from the value adjustment of the equity investment held in Digital Plus to its estimated realisable value, concerning the part of the negotiated price unconditioned on future events, on the basis of the sale agreements with Telefonica S.A. signed early in July this year.

	2015	2014	% change
EBT	**197.2**	**138.5**	42.4%
Income taxes	**-86.6**	**-61.7**	-40.4%
Tax Rate (%)	*43.9%*	*44.5%*	*0.0%*
Net profit from discontinued operations	**0.0**	**0.0**	0.0%
Minority interests in net result	**-106.6**	**-53.3**	n.s.
Group Net Result	**4.0**	**23.7**	n.s.

The calculation of the *consolidated tax rate* in 2015 reflected the adjustment of the net deferred tax assets in Italy following the reduction in the IRES (corporate income) tax rate from 27.5% to 24% with effect from 1 January 2017, introduced by the Stability Law for the year 2016 (Italian Law no. 208 of 28 December 2015). This adjustment resulted in the recognition of net charges totalling EUR 22.7 million. In 2014, charges totalling EUR 14.4 million were recognised as a result of the adjustment in Spain of the net deferred tax assets following the reduction in tax rates (from 30% for 2014 to 28% in 2015 and 25% in 2016) approved by Law 27/2014 of 27 November 2014.

Net of these items, the consolidated tax rate would have been 32.4% in 2015 and 34.2% in 2014, a change which in Italy reflects the application from 2015 of the rule on the full deductibility of personnel expenses for full time employees for IRAP (regional business) tax purposes and the reduction of the tax rate from 30% to 28% in Spain.

Minority Interests refer to the share of consolidated net earnings of Mediaset España, EI Towers, and Mediaset Premium, and, from the last quarter of 2015, Monradio. In 2015, the Group's equity interest in Mediaset España increased from 45.99% to 48.76%, following the buyback of ordinary shares (for an amount corresponding to 5.3% of its capital) carried out by the Spanish subsidiary in 2015.

Balance Sheet and Financial Position

The Group's balance sheet and its breakdown by geographical area are reported below in abridged form, restated to show the two main aggregates ***Net Invested Capital*** and ***Net Financial Position***; the latter consisting of *Total Financial Debt*, *Cash and Other Cash Equivalents* and Other Financial Assets. Details of the items making up the *net financial position* are provided in Note 5.9.

The following tables therefore differ in their layout from the statutory balance sheet, which primarily distinguishes current from non-current assets and liabilities.

Equity Investments and Other Financial Assets include assets recognised in the *consolidated statement of financial position* as *equity Investments in associates and joint ventures*, and *Other Financial Assets* recognised in the consolidated statement of financial position as *equity investments* and *non-current financial receivables* (thus excluding *hedging derivatives*, which are included as *Net Working Capital* and *Other Assets/Liabilities*).

Net Working Capital and *Other Assets/Liabilities* include *current assets* (apart from *cash and cash equivalents* and *current financial assets* included in the *Net Financial Position*), *deferred tax assets and liabilities*, *non-current assets held for sale*, *provisions for risks and charges*, *trade payables* and *taxes payable*.

At 31 December 2015, the balance sheet included the assets and liabilities acquired as a result of business combinations, as discussed below in the Note *Business combinations*. Specifically, the item *Other tangible and intangible fixed assets* includes EUR 47.7 million relating to the carrying amount of radio frequencies recognised following the acquisition of 80% of the share capital of the company Monradio S.r.l., while the increase in the item *Goodwill* relates to the provisional allocation to goodwill of the difference between the price paid and the net assets acquired in 2015 from the purchase of 100% of the share capital of the companies Tecnorad S.p.A and DAS Immobiliare S.r.l.. The statement of financial position as at 31 December 2014 has been restated compared to the statement presented in the 2014 Annual Report to reflect the recalculation of the amounts for *Goodwill and other tangible and intangible assets* following the completion of the purchase price allocation process for the company Hightel S.p.A. (now called NewTelTower S.p.A.) carried out last year.

(values in EUR million)

Balance Sheet Summary	**31/12/2015**	**31/12/2014**
Film and television rights	2,205.9	2,581.4
Goodwill and differences arising from consolidation	975.1	920.2
Other tangible and intangible non current assets	1,166.5	1,111.9
Equity investments and other financial assets	105.7	70.3
Net working capital and other assets/(liabilities)	(556.8)	(680.0)
Post-employment benefit plans	(89.1)	(96.9)
Net invested capital	**3,807.1**	**3,906.8**
Group shareholders' equity	2,293.9	2,322.8
Minority interests	653.8	722.6
Total Shareholders' equity	**2,947.8**	**3,045.5**
Net financial debt	**859.4**	**861.3**

The breakdown of the balance sheet by geographical area (Italy and Spain) is shown below.

(values in EUR million)

Balance Sheet Summary (geographical breakdown)	Italy		Spain	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Film and television rights	2,017.9	2,370.2	189.0	211.8
Goodwill and differences arising from consolidation	323.9	269.7	288.1	287.4
Other tangible and intangible non current assets	890.9	829.1	275.5	282.8
Equity investments and other financial assets	1,028.7	1,006.8	29.7	16.3
Net working capital and other assets/(liabilities)	(652.3)	(805.7)	95.1	125.5
Post-employment benefit plans	(89.1)	(96.9)	-	-
Net invested capital	**3,520.0**	**3,573.1**	**877.5**	**923.7**
Group shareholders' equity	2,358.3	2,362.2	1,061.7	1,181.1
Minority interests	109.9	83.9	8.2	8.3
Total Shareholders' equity	**2,468.2**	**2,446.2**	**1,069.9**	**1,189.4**
Net financial debt	**1,051.8**	**1,127.0**	**(192.4)**	**(265.7)**

In the table below, the Group's summary balance sheet as at 31 December 2015 is broken to show the effects of the line-by-line consolidation of Mediaset España.

(values in EUR million)

Balance Sheet Summary (geographical breakdown)	Italy	Spain	Eliminations/ Adjustments	Mediaset Group
Film and television rights	2,017.9	189.0	(1.1)	2,205.9
Goodwill and differences arising from consolidation	323.9	288.1	363.2	975.1
Other tangible and intangible non current assets	890.9	275.5	0.0	1,166.5
Equity investments and other financial assets	1,028.7	29.7	(952.7)	105.7
Net working capital and other assets/(liabilities)	(652.3)	95.1	0.3	(556.8)
Post-employment benefit plans	(89.1)	-	-	(89.1)
Net invested capital	**3,520.0**	**877.5**	**(590.4)**	**3,807.1**
Group shareholders' equity	2,358.3	1,061.7	(1,126.2)	2,293.9
Minority interests	109.9	8.2	535.8	653.8
Total Shareholders' equity	**2,468.2**	**1,069.9**	**(590.4)**	**2,947.8**
Net financial debt	**1,051.8**	**(192.4)**	**0.0**	**859.4**

The table below is a summary ***cash flow statement*** broken down by geographical area, showing cash flows over the two periods. Unlike the standard IAS 7 layout used to prepare the statutory cash flow statement, the table shows changes in Net Financial Position, considered the most significant indicator of the Group's ability to meet its financial obligations.

(values in EUR million)

Summary Cash Flow Statement at the end of ther year	Mediaset Group		Italy		Spain	
	2015	2014	2015	2014	2015	2014
Net financial position at the beginning of the year	**(861.3)**	**(1,459.0)**	**(1,127.0)**	**(1,552.5)**	**265.7**	**93.5**
Free Cash Flow	**332.7**	**292.4**	**113.0**	**135.7**	**219.8**	**156.6**
Cash Flow from operating activities (*)	1,282.3	1,226.5	862.3	869.9	420.5	356.6
Investments in fixed assets	(741.8)	(1,705.2)	(549.3)	(1,502.5)	(193.2)	(203.3)
Disposals of fixed assets	3.7	19.2	3.0	16.6	0.7	2.7
Changes in net working capital and other current assets/liabilities	(211.5)	751.8	(203.0)	751.8	(8.2)	0.7
Change in consolidation area	**(85.4)**	**(16.6)**	**(85.4)**	**(16.6)**	**-**	**-**
(Re-purchases)/Sales of treasury shares	**(238.6)**	**(307.5)**	**-**	**-**	**(238.6)**	**(307.5)**
Equity investments / other financial assets	**57.4**	**626.7**	**66.4**	**305.5**	**(9.1)**	**321.2**
Chashed-in dividends	**2.6**	**2.8**	**22.5**	**0.9**	**2.1**	**1.9**
Dividends paid	**(66.9)**	**-**	**(41.3)**	**-**	**(47.5)**	**-**
Financial Surplus/Deficit	**1.9**	**597.8**	**75.2**	**425.5**	**(73.3)**	**172.2**
Net financial position at the end of the year	**(859.4)**	**(861.3)**	**(1,051.8)**	**(1,127.0)**	**192.4**	**265.7**

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

The Group's ***free cash flow*** amounted to ***EUR 332.7 million***. In particular, in Italy free cash flow of EUR 113.0 million was generated compared to EUR 135.7 million for 2014. The table below shows the ***increase of fixed assets*** reported in the cash flow statement.

(values in EUR million)

Increase of fixed assets at the end of the year	Mediaset Group		Italy		Spain	
	2015	2014	2015	2014	2015	2014
Investment in TV an movie rights	(623.3)	(1,672.9)	(441.0)	(1,483.8)	(182.9)	(189.7)
Change in advances for TV and movie rights	(33.3)	(0.8)	(38.0)	4.6	4.7	(5.4)
Total TV and movie rights	**(656.5)**	**(1,673.7)**	**(479.0)**	**(1,479.2)**	**(178.2)**	**(195.1)**
Investment in other fixed assets	(85.3)	(31.4)	(70.3)	(23.2)	(15.0)	(8.2)
Total increase of fixed assets	**(741.8)**	**(1,705.2)**	**(549.3)**	**(1,502.5)**	**(193.2)**	**(203.3)**

The item ***Investments in television and movie broadcasting rights*** in 2014 included the purchase of the Serie A League Championship rights for the 2015-2018 seasons, for an amount of approximately EUR 1,110 million, with contra-entry in working capital.

The negative cash flow of EUR 54.7 million related to the item ***Change in the scope of consolidation*** consisted of EUR 36.4 million for the acquisition of 80% of Monradio S.p.A. and the remainder for cash disbursements incurred by the EI Towers Group to complete 15 company acquisitions in the mobile telecommunications segment.

The item ***Buy-back/sale of treasury shares*** relates to the disbursements incurred by the subsidiary Mediaset España in relation to approved buy-back programmes.

For the first nine months of 2015, the item ***Investments/other financial assets*** mainly included the proceeds of EUR 100 million from the sale of 11.1% of the subsidiary Mediaset Premium S.p.A., the disbursement of EUR 21.4 million for the acquisition of an interest in RB1 S.p.A., the holding company of the radio broadcasting group Finelco, and investments/disinvestments as part of the *Ad4Ventures* operations, as detailed in note 5.2. In 2014, the item included the proceeds from the sale of the 25% equity investment in the subsidiary EI Towers S.p.A. for EUR 280.2 million and of the 22% equity investment in Digital Plus to Telefónica for EUR 325 million.

Dividends paid in 2015 relate to income distributed by Mediaset S.p.A. for EUR 22.7 million and by the subsidiaries EI Towers for EUR 18.6 million and Mediaset España for EUR 25.6 million.

PARENT COMPANY PERFORMANCE

We now turn to the earnings performance and financial results of the Company during the year.

Group Performance

An abridged income statement is reported below, with commentary and comparative data for the previous year provided.

(values in EUR million)

	2015	2014
Total revenues	**7.7**	**6.1**
Personnel expenses	17.3	17.3
Purchases, services, other costs	14.7	13.5
Sundry operating costs	1.3	1.2
Amortisation, depreciation and write downs	(6.1)	(0.1)
Impairment losses and reversal of impairment on fixed assets	-	-
Total costs	**27.2**	**32.0**
Gain/losses from disposal of non-current assets	-	-
EBIT	**(19.5)**	**(25.9)**
Dividends and other income/(losses) from equity investments	49.0	40.0
Financial income/(losses)	23.0	23.2
Total income/(losses) from financial activities and equity investments	**72.0**	**63.2**
EBT	**52.5**	**37.3**
Income taxes for the year	2.1	0.2
Net Gains/(Losses) from discontinued operations	-	-
Net profit/(loss)	**50.4**	**37.1**

Total Revenues

Revenues, amounting to EUR 7.7 million, mainly comprised revenues from bank guarantees granted to the subsidiaries of EUR 5.8 million. The change with respect to the previous year was caused by an increase in other revenues and income, mainly attributable to insurance reimbursements received.

Total Costs

Costs fell by EUR 4.8 million, from EUR 32.0 million in 2014 to EUR 27.2 million in 2015.

The change was mainly due to an increase of EUR 1.2 million in costs for purchases, services and other operating costs, which was offset by the decrease generated by the use of EUR 6.1 million of the risk provision allocated in 2009 for the risk of reimbursements to the Italian government for subsidies for the purchase of digital set-top boxes as per European Commission Decision of 24 January 2007 notified under document no. C2006-6634. The use was made following the ruling of 11 February 2016, through which the Court of Rome, in upholding the appeal lodged by us, cancelled the injunction order from the Italian Ministry of Economic Development for the return of state aid on set-top boxes, also ordering the Ministry to reimburse the amount paid, plus statutory interest.

EBIT

As a result of the increase in revenues and the decrease in operating costs, EBIT went from a negative figure of EUR 25.9 million for 2014 to a negative figure of EUR 19.5 million for 2015, representing an improvement of EUR 6.4 million on the previous year.

Financial Assets and Equity Investments

Financial management in 2015 generated an overall income of EUR 72.0 million, representing an increase of EUR 8.8 million over 2014.

The result was generated by the:

- ***earnings from investments***, which rose from EUR 40.0 million for 2014 to EUR 49.0 million for 2015, with an increase of EUR 9.0 million produced by higher dividends received from investees;
- ***net financial income***, of EUR 23.0 million, which decreased by EUR 0.2 million on the previous year, as a result of:
  - *income and expenses from subsidiaries, associates and joint ventures,* expense of EUR 10 million.
  - the interest income and expenses on the intercompany current account include: income moved from EUR 85.0 million in 2014 to EUR 70.1 million in 2015, representing a decrease of EUR 14.9 million, while expenses amounted to EUR 2.1 million, representing a decrease of EUR 4.9 million over the previous year;
  - *income and expenses from others*, income of EUR 9.8 million.

  Interest and financial income/(charges) due from/to others recorded an improvement, reducing the negative balance from EUR 54.8 million in 2014 to EUR 45.0 million in 2014. This item was made up of:

  - interest expense of EUR 35.7 million on corporate bonds: the first bond was issued on 1 February 2010 for a total nominal amount of EUR 300 million, with a 5% gross annual coupon payable on 1 February of every year, and a term of 7 years; the second bond was issued on 24 October 2013 for a nominal amount of EUR 375 million, with a 5.125% gross annual coupon, payable on 23 January of every year. The maturity date of this bond is 24 January 2019;
  - IRR interest of EUR 2.7 million, and transaction costs on loans of EUR 5.9 million;
  - income from statutory interest of EUR 0.5 million.
- ***net foreign exchange gains***: this refers to the overall outcome from hedging foreign exchange risk. In 2015, the net figure was substantially balanced.

EBT and Income Taxes

Earnings before tax show a profit of EUR 52.5 million, up EUR 15.2 million on the previous year.

The income statement has been charged with a tax expense of EUR 2.1 million, representing an increase of EUR 1.9 million compared to 2014.

Profit for the Year

Profit for the year amounted to EUR 50.4 million, an improvement of EUR 13.3 million compared to 2014.

Balance Sheet and Financial Position

An ***abridged balance sheet*** is reported below. Items have been restated with respect to the statutory balance sheet, which states assets and liabilities as current and non-current, in order to show the two main aggregates **Net Invested Capital** and **Net Financial Position**; the latter consisting of *Cash and Cash Equivalents* and *Other Financial Assets*, minus *Total Financial Debt* and *Other Current Liabilities*.

Equity Investments and *Other Non-Current Financial Assets* include assets recognised in the statement of financial position as *Investments in Subsidiaries* and in *Other Companies*, and as *Receivables* and *Financial Assets*. *Net Working Capital and Other Assets/(Liabilities)* include *current assets* (excluding *cash and cash equivalents* and *current financial assets* included in the *Net Financial Position*), *provisions for current risks and charges*, *trade payables* and *taxes payable*.

A detailed breakdown of the main components of the *Net Financial Position* is provided in the Notes.

(values in EUR million)

	31/12/15	31/12/14
Investments and other financial non-current financial assets	1,473.9	1,474.4
Tangible and intangible assets	4.6	4.7
Advanced/(deferred) tax assets	73.2	49.7
Post-employment benefit plans	(1.3)	(1.3)
Provision for non-current risks and charges	-	-
Total non-current assets/(liabilities)	**1,550.4**	**1,527.5**
Net working capital and other current financial assets/(liabilities)	**(50.9)**	**(44.3)**
Net invested capital	**1,499.5**	**1,483.2**
Shareholders' equity	**1,877.8**	**1,849.9**
Net financial position	**378.3**	**366.7**

The main changes in the balance sheet at 31 December 2015 compared to positions at 31 December 2014 are summarised below.

The value of **Equity investments and other non-current financial assets** amounting to EUR 1,473.9 million, shows a decrease of EUR 0.5 million and refers to the value of the stock options granted to resigning employees of subsidiaries for the 2009 and 2010 Stock Option Plans.

As at 31 December 2015, Mediaset España Comunicación S.A.'s equity interest amounted to a total of 41.552% of the share capital. The ordinary shares of Mediaset España Comunicación S.A. are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and on the Spanish electronic market (SIB).

The changes reported in the *Statement of changes* in **Shareholders' equity**, included in the financial statements, were mainly attributable, in addition to the net profit or loss for the period, to the stock option plan valuation reserve recognising changes in the value of the options since the year of their assignment.

The following table is an abridged **cash flow statement** showing cash flows over the two periods. Items have been restated with respect to the standard IAS 7 layout used to prepare the statutory cash flow statement in order to show changes in *Net Financial Position*, considered the most significant indicator of the company's ability to meet its financial obligations.

(values in EUR million)

	31/12/15	**31/12/14**
Net financial position at the beginning of the year	366.7	**338.1**
Free cash flow	(12.3)	**(11.4)**
- Cash flow from operating activities	(112.2)	(282.8)
- Equity investments and other current financial assets	102.1	275.3
- Change in working capital and other assets/liabilities	(2.2)	(3.9)
Dividends received	**49.0**	**40.0**
Dividends paid	**(22.7)**	**-**
Financial surplus/deficit	**14.0**	**28.6**
Net financial position at the end of the year	**380.7**	**366.7**

During the year the Company generated cash of EUR 14.0 million, mainly attributable to the receipt of the dividend paid by the subsidiary Publitalia '80 S.p.A., partially offset by uses for operational activities and dividends paid.

RECONCILIATION BETWEEN CONSOLIDATED AND PARENT COMPANY NET PROFIT AND SHAREHOLDERS' EQUITY

(CONSOB Communication 6064293 of 27 July 2006)

(values in EUR million)

	Shareholders' equity at 31/12/2015	Net profit 2015	Shareholders' equity at 31/12/2014	Net profit 2014
As per balance sheet and income statement of Mediaset S.p.A.	**1,877.8**	**50.4**	**1,849.9**	**37.1**
Excess of shareholders'equity, including gross income for the period over book value of investments in subsidiary and affiliated companies	1,497.5	197.9	1,632.2	389.6
Consolidation adjustments arising from:				
Eliminations of unrealised intra-group gains/losses	(373.3)	(66.9)	(239.5)	14.0
Dividend eliminations		(68.6)		(208.2)
Other consolidation adjustment	(54.3)	(2.2)	(197.1)	(155.6)
Total	**2,947.8**	**110.6**	**3,045.5**	**77.0**
Profit/(loss) attributable to minority interests	(653.8)	(106.6)	(722.6)	(53.3)
As per consolidated financial statements	**2,293.9**	**4.0**	**2,322.8**	**23.7**

DISCLOSURE OF THE MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The Enterprise Risk Management system in the Mediaset Group

As an integral part of its Internal Controls and Risks Management System, the Mediaset Group has adopted a Risk Management model, both in Italy and in Spain, in order to be able to respond better to the risks to which it is structurally exposed.

The Internal Controls and Risks Management System, as defined by the Corporate Governance Code, is "the set of rules, procedures and the organisational structures designed to enable a business to be performed in a healthy and proper manner in accordance with pre-set objectives, through an adequate process of identification, measurement, management and monitoring of the main risks. An effective system of internal controls contributes to ensuring the protection of company assets, the efficiency and effectiveness of the business operations, the reliability of the financial information, and compliance with applicable laws and regulations".

The Group has adopted the Enterprise Risk Management (ERM) methodology, already identified as the reference methodology by the Guidelines for the Internal Controls and Risks Management System issued by the Board of Directors with effect from 2008 and updated by the Board of Directors in its meeting of 18 December 2012.

The Guidelines have been implemented by establishing a series of operational measures aimed at identifying and regulating the activities, the responsibilities and the information flows necessary for the management of risks ("Policy of the Internal Controls System").

The periodic risk identification and assessment process found that the control of company risks is being managed adequately overall. In recent years, the Group has demonstrated a willingness and ability to progressively adapt the methods of control of strategic and process risks, both in relation to developments in the competitive environment and to the growth opportunities offered by the market, in the knowledge that the current economic situation and the major changes in market and industry sector trends generate high levels of uncertainty and therefore require continuous monitoring and a high degree of attention.

The main risks and uncertainties

The pursuit of strategic objectives, as well as the operating, equity and financial performance of the Mediaset Group, are influenced by various contingent risk factors and uncertainties that are mainly of the following types:

- External and industry sector risks, which are mainly linked to the economic cycle, to the evolution of the intermediate and end markets of reference (consisting of the demand for the consumption of audio-visual content and entertainment and demand for advertising slots) and to the evolution of the competition and regulatory environment.
- The risks connected with the strategic approaches and policies adopted and the management of the main "operational" processes linked to the management, also on a progressive basis (for example through partnerships and alliances) of the broadcasting, commercial, technical and infrastructure models used to coordinate and manage the production inputs and strategic assets (managerial personnel, content and distribution

network) employed in the core business of producing and broadcasting the television offering, also in relation to aspects of risk linked to the Company's reputation and social responsibility;

- financial risks connected to the management of financing needs and interest and exchange rate fluctuations;
- risks connected to the management of legal disputes;
- risks connected to environmental policies;
- risks connected to Corporate Governance.

A description is provided below, for each of the main sources of risk and uncertainty, of their nature and the related main management and mitigation measures put in place by the management.

External and industry sector risks

Risks linked to the performance of the economy

The core business of the Mediaset Group depends to a large extent on the performance of advertising investments, which are structurally cyclical and very closely related - albeit with differences between the various product sectors - to the general performance of the economy and the growth of end markets, where customer companies operate. The prolonged phrase of economic crisis, which has engulfed the world economy since 2008 and has worsened over the subsequent years, following the sovereign debt crisis in Europe, which saw Italy and Spain as two of the most structurally exposed countries, started a phase of substantial stabilisation in 2015, but with significant differences between the various economic areas.

In both these markets the recession has had a highly negative impact on the advertising market (the TV Market in Italy has lost around 24% since 2011), although the traditional tendency of advertising investments to focus in times of difficulty on generalist television, which offers greater visibility in the mass market, has enabled the consolidation of market share.

In this environment, the Mediaset Group has operated, both in Italy and Spain, with the objective of strengthening its leadership, both in terms of its advertising market share and its broadcasting results in its target segments and responding, particularly in Italy, with a concentrated focus on cost reduction plans, through a continuous and structural review of its operational processes, in order to strengthen its financial stability in the medium term and allow the Group to more effectively and dynamically recover financial profitability, as soon as general market conditions have stabilised.

In 2015, Italy was still characterised by slow economic recovery with signs of a recovery in advertising investments from the second half, while the pay television market returned to growth in terms of subscribers thanks to Mediaset Premium. In Spain, by contrast, the positive trend in recovery continued in terms of GDP and consumer spending, which enabled further growth in advertising investments.

The evolution of the general economic environment, albeit with these differences, will therefore continue in the near term to affect the advertising market prospects within the Group's two geographical areas of operations.

More details on the analysis of the general economic trend and the main economic and financial indicators during 2015 can be found in "The General Economic Trend" section earlier in this document.

Risks connected to the development of the media & communications market

Technological changes, audience fragmentation and the increase in competition

The traditional broadcaster models are now constantly exposed to the process of enlargement of the traditional competitive scenario, mainly driven by the technological progress. The establishment of new and innovative broadcasting and distribution platforms are steadily changing the methods of consumption of end users, channelling them towards increasingly customised and less standardised models in terms of usage of services, content and advertising.

The main market trends that represent new competitive forces may be summarised as follows:

- technological progress has steadily changed methods of usage of content, towards more interactive/on demand media, which specifically favour the migration of younger members of the public towards more "customised" forms;
- demand for entertainment content continues to record rates of growth, both in traditional media and on new platforms;
- for the general commercial television sector, the convergence of broadcasting platforms is, on the one hand, creating growth opportunities (multi-channel offers and Pay TV) but, on the other hand, is posing potential threats such as audience fragmentation and an increase in the total overall number of available platforms for accessing television content (satellite, internet, mobile, etc.), resulting in greater complexity in the competitive environment;
- the multiplication of broadcasting platforms is increasing the value of broadcasting content and strengthening the competitive advantage of "traditional" operators who have the know-how for the conception, development and packaging of content and the building of programme schedules;
- the absence of technological barriers is increasing the risk of traditional broadcasters being bypassed by groups that own original content and formats, or by Internet operators, some of whom are beginning to move towards purchasing content on the market, in an attempt to duplicate offering models that compete with those of broadcasters;
- In particular, the Italian market is currently characterised by various Pay TV operators, with two leading players. Over the last two years this market has experience a substantial stabilisation in the overall customer base and intense competition in the area of content;
- In Spain, the competitive scenario in the generalist television sector, until a few years ago, was characterised by a higher number of operators and, consequently, stronger audience fragmentation and competition for valuable content. Subsequently, through business amalgamations, the market has consolidated around the two main private hubs, consisting of Mediaset España and Atresmedia.

The situation described above could result in the risk of less interest in the free-to-air generalist television by the TV viewing public, part of which has been made more sophisticated and demanding by new communication media and, consequently, there may be the risk for the Group of not adequately covering opportunities resulting from new emerging businesses. Mediaset's strategic approach to the main risk generated by these competitive forces is to strengthen its current model of multichannel and multi-platform aggregator and broadcaster which, for the Group, represents the appropriate response to dealing with the challenges of the market and the development of consumption models, establishing an integrated broadcasting system in which the various components (free-to-air generalist TV, free multichannel TV, Linear Pay TV and Non-linear Pay TV) are positioned in line with the "market" and by setting up organisational mechanisms capable of ensuring effective operational coordination, both in terms of content production/acquisition strategies and of sales. This approach enables the Group to maintain coverage, through free-to-air generalist television and the most attractive free-to-air themed channels, of the most highly concentrated audience, as well as coverage, through the model mainly based on the Pay TV offering, of the more highly fragmented audience. To that end, Mediaset was the first generalist television broadcaster to enter the Pay TV market and be involved in the development of new platforms (DTT) and business models (pre-paid pay per view model).

The development projects for the Premium Play service and the launch of TGCom 24 were accompanied in 2013 by the innovative *Infinity* on-demand content offering.

In implementing this strategy, Mediaset has a competitive advantage, consisting of its well rooted culture gained within the business of generalist TV. The Group can draw on highly trained resources that are experts in different areas of the "free TV" segment, and in recent years has also appointed persons bringing new professional expertise to consolidate the Group's skills set in the areas of innovation and development.

Coverage of the content market

A further element that characterises the evolution of the media & communications sector is the growing value of the content.

In Italy, Mediaset, through its subsidiary company R.T.I. SpA owns the biggest Italian library of television broadcasting rights and one of the biggest in Europe, thanks to long-term agreements with the leading American major studios and distributors and independent American and European producers (TV movies, soap operas, miniseries and TV serials), which ensure coverage of the needs of the Group's Free TV and Pay TV businesses.

The Mediaset Group, through its investments in the companies Medusa Film and Taodue, leading companies in the distribution and in-house production of television and movie content and products, has control and access to the best domestic movie and television products. As a result of significant investments entered into in 2014, the Group has ensured long-term access to the most important sporting events to supply the Premium channels offering (ranging from the Serie A League Championship with the top Italian football clubs up to the 2017/2018 season, to which the Group holds the exclusive rights in Italy for all platforms from the season in the three year period 2015/2018), which represents a major shift in the pay broadcasting rights market at national level, and the availability for the same three-year period of the pay broadcasting rights on the DDT platform for the Serie A League Championship.

The coverage of the risks connected to control of the content market also means greater attention to content produced in markets that are constantly monitored to seek innovative content and through the continuous effort by the Group in conjunction with other international players before the competent bodies to safeguard the industrial model of the broadcasters, ensuring protection of copyright on the web.

Risks connected to the evolution of the advertising market

The sale of television advertising continues to be the Group's main source of revenue although, in recent years, the Pay TV business has been launched and a number of diversification initiatives have been developed (sale of multi-platform content, teleshopping, and movie distribution).

In the current general and industry sector environment, advertising sales are subject to shorter economic cycles. They are also extremely sensitive to the general economic trend and to the evolution of the markets where its customers operate and are structurally impacted by the expansion of the competitive environment due to continuous technological progress, which generates structural processes of fragmentation and diversification in the consumption of products and multi-platform audio-visual media.

In this scenario, the data on total television viewing in Italy show an essentially stable trend in television consumption. However, this growth is spread across a greater variety and number of channels, which has accompanied the increase in recent years in the penetration of the digital terrestrial platform, resulting in the steady and natural erosion of the television viewing share held by the historical and generalist TV channels.

In coming years the generalist free-to-air television model will still represent the main medium able to reach a high number of viewers, however, it is clear that, particularly in the current economic recession, there has been an increase in the attractiveness of and, consequently, the competition from semi-generalist channels, which have a greater ability to focus on profiling specific targets.

Accordingly, the Group's commercial strategy is aimed, in the current period of economic recession, at maintaining and strengthening its overall viewing shares ensured by its set of broadcasting offerings, which, with growing total viewing numbers, in itself ensures a higher number of advertising contacts, but also, and above all, it harnesses them commercially by optimising their mix, by leveraging the availability of an integrated multi-platform offering that is unique within Italy.

Mediaset pursues this strategy both in Italy and in Spain, where the Group operates with its own exclusive internal advertising sales houses Publitalia '80 and Publiespaña. Over the years, these firms have consolidated their market leadership, by developing operational and management models able to rapidly respond to the changing needs of advertising investors and market developments, by attracting new investors, and by developing commercial policies designed to maximise the television broadcaster's ability to segment the most commercially attractive targets and to optimise the positioning of advertising slots within programme schedules.

Using this know-how, the Group, through the creation of highly specialised agents – Digitalia '08 in Italy, specialised in advertising sales for digital Pay TV channels, and Publimedia Gestión in Spain, and the fifty-fifty equity investment with Mondadori in the Mediamond joint venture – also controls advertising sales in other media developed by the Group. In particular, from 2014 Mediamond has been strengthened by the transfer from the Mondadori Group of the activities and the licence contracts over the media previously managed by Mondadori Pubblicità. The Group, internal advertising sales houses aims to focus on cross-media sales, leveraging advertising sales on television, the web, printed media and radio with unrivalled coverage across the national scene. The figures for the market shares achieved by the Group's agents, within their respective advertising markets, are shown in the specific sections of this Report that analyse the Group's business activities. The figures for customer concentration are presented in the section on the management financial risks in the Explanatory Notes to the Financial Statements.

Risks related to regulatory changes

The Mediaset Group operates in various business areas that are governed by strict regulations. Any failure to comply with regulations therefore constitutes a risk factor for its core business and a possible source of financial (application of administrative sanctions), image and reputational damage.

Compliance risks refer to the expansion of the business areas governed by regulations, or the introduction of regulations that are stricter than existing regulations on antitrust limits, the protection of minors from listening to and viewing certain types of content, overcrowding, slots, advertising breaks, safeguarding pluralism and equal treatment, the limitation of electromagnetic emissions and urban planning restrictions on infrastructure construction; the regulatory review process arising from the need to take action concerning regulatory asymmetry between the TV sector and new services, particularly services that may be used via the Internet; stabilisation of the reference infrastructure scenario, i.e. the identification, at least for a suitable period of time, of digital terrestrial as the platform of choice for broadcasting TV channels and in particular free channels; reform of the public broadcaster, in terms of governance and operating configurations.

The diversity of the production and managerial processes, the multiplicity of actors involved in each of these, the complexity and high number of regulations applicable to the various processes and the wide margins for interpreting the various regulations mean that, in order to limit risks, it is fundamentally important to monitor the development of regulations and ensure that they are adhered to.

The research, disclosure and operational monitoring is, as whole, well-established and effective in managing the risks of non-compliance with the applicable regulations, also thanks to the creation of specific company functions.

No matter how effective the monitoring is, there may still be certain non-governable elements and situations or for which it is difficult to predict the effects on operations or the impact on the public.

A more detailed explanation of the regulatory scenario is given in the section "Development of legislative situation in the television sector".

Risks related to the implementation of strategies and the main operating processes

Reputation and relations with stakeholders

One of the Mediaset Group's key strategic objectives is the ability to maintain and increase content innovation and brand value perception over time in keeping with the development of the business model.

In relation to this objective, there is a risk of establishing broadcasting and communications strategies and initiatives aimed at the financial market and the public that could have an adverse impact on the perception of the Mediaset brand.

The risk of developing broadcasting and communications initiatives that could have an adverse impact on the Mediaset brand is primarily controlled by continuously focusing on certain elements and processes, in particular:

- programme scheduling is monitored through daily analysis of television viewer behaviour, both in terms of audience share and rating of broadcast programmes, and, consequently, of viewer perception of the editorial approach adopted by the Networks, as well as through ongoing initiatives to ensure the protection and respect of minors and attention to issues of social responsibility (more detailed information on these activities can be found in the next section of this Report);
- the processes of communication to the financial market and to the public;
- the production processes and their ability to generate high-quality innovative products.

Risks related to the policy on the establishment of partnerships and alliances

Historically, the Group has pursued a strategy of external growth based on a policy centred on the establishment of highly targeted partnerships and alliances, with the objective of ensuring that the business integration and/or internationalisation opportunities identified are consistent with objectives of financial return on the initial investment. These types of operations expose the Group to approval risks relating to authorisations, the implementation of business models and associated business plans, as well as the risk of changes in the political and regulatory scenarios in industry sectors and/or geographical areas other than the usual ones, and deterioration of the know-how of the participants in partnerships and alliances, with resulting potential risk of loss in value of the investments made.

Risks related to business interruption

The risk of an interruption or reduction in the business may be divided into the following circumstances:

- risk that network infrastructure is not adequate to ensure the level of service in terms of availability;
- risks of a partial local area coverage failure due to limitations imposed by international coordination.
- Risks of a partial local area coverage failure due to the assignment of part of the frequencies, currently by broadcast, to other services.

Elettronica Industriale S.p.A. holds a network operator license and the rights to use the frequencies necessary to transmit 5 multiplexes with national coverage.

The transmitters of the transmission and broadcasting frequencies, for which Elettronica Industriale S.p.A. holds the rights of use, are owned by it and are attached to 1,700 technological towers operated by the subsidiary EI Towers S.p.A., under a master agreement between the two companies (hereinafter the "Agreement"). The towers of EI Towers S.p.A. cover on average 95% of the Italian population.

The signal transmission and broadcasting systems meet the requirements for high availability levels using equipment that ensures a high level of reliability (high availability or fault tolerance systems). In addition, the main signal distribution systems are equipped with backup systems.

The design process for the network infrastructure is well-established and is based on an architecture that uses various alternative resources (radio bridge networks, satellites, fibre optics), thereby guaranteeing greater security in signal transport and optimal infrastructure in terms of reliability.

Through its local centres, EI Towers S.p.A. performs continuous monitoring in accordance with the terms of the Agreement, in order to ensure the quality and availability of the television signal broadcast by Elettronica Industriale S.p.A. (remote monitoring is provided on a 24-hour basis for the main locations, and 19 out of 24 hours for the others). In addition, the signal control station (MCR) at Cologno Monzese performs specific checks, also in response to alerts from external clients who rent the network.

EI Towers S.p.A. performs preventive maintenance on the various items of equipment in accordance with the terms of the Agreement.

In Italy, since mid-2012, all television broadcasts have been made exclusively using digital technology. The Mediaset Group, which has believed in this new technology since its birth in 2003, has taken on a decisive role in the conversion of the Italian television system to digital technology, thanks to its expertise (also recognised by the competent authorities) and knowledge of the overall framework of reference.

Through Elettronica Industriale S.p.A., the Group has made significant efforts to ensure growth in coverage, which now reaches 95% of the population for the Mediaset 1, 2, 3 and 5 multiplexes, and 96% for the Mediaset 4 multiplex.

The Group is a member of the business industry association Confindustria Radio TV, together with RAI, SKY and other national and local operators, whose objectives include safeguarding the frequencies currently reserved for broadcasting.

Financial risks

The global economy recorded average growth of around 3% in 2015, in line with the figure for the previous year. However, the growth of the international economy remained highly uneven and fragmented across the various geographical and monetary areas.

The Eurozone showed initial signs of positive performance in the real economy. The recovery in the Italian economy – which started at the beginning of the year, driven by external conditions (low price of oil, interest rate levels, and the weakening of the euro) – progressively eased off over the year, resulting in an average GDP growth rate of 0.8% for 2015, with inflation at zero, mainly attributable to the performance of exports. The Italian economy showed the first signs of improvement in the main confidence indicators, however consumer behaviour and household saving rates have been structurally impacted by the crisis situation in recent years, which has made this process of recovery still rather slow.

In this economic environment, the Mediaset Group continued its strategy of attention to costs and investments, which has enabled the Group to further reduce net financial debt, also thanks to extraordinary sales of minority equity investments (Mediaset Premium).

As a result of lower financial requirements, in 2015, the expiring credit facilities totalling EUR 50 million were not renewed.

Credit facilities were also renegotiated with the aim of reducing costs in relation to EUR 100 million.

The proportion of committed loans due within the next 12 months is below 8% of total committed credit facilities, and these will be covered partly through free cash flow and partly through applications to renew the maturity dates of those loans.

In accordance with the Group's policy on liquidity (Policy on Financial Risks, latest version December 2013), the average financial exposure does not exceed 80% of the total amount currently provided by lenders.

The presence of variable rate debt and the acquisition of television and movie broadcasting rights in currencies other than the euro (mainly the US dollar) clearly exposes the Group to risks related to fluctuations in interest and exchange rates. In accordance with its financial risk management policies, the Group, through derivative contracts entered into with third parties, has adopted a management approach for such risks aimed at eliminating the effect of the exchange rate fluctuations by establishing in advance the value at which such rights will be recognised once acquired, and setting or limiting the free cash flow differences due to market changes in interest rates on medium/long-term debt.

More detailed information regarding financial risk management policies, including those relative to sensitivity analyses on exchange rates can be found in the specific section of the Explanatory Notes in the Group's Consolidated Financial Statements under "Additional disclosures about financial instruments and risk management policies".

Risks connected with the management of legal disputes

Due to the nature of its business, the Group is subject to the risk of legal litigation in the performance of its activities. In view of current obligations relating to past events of a legal or contractual nature or deriving from statements or actions taken by the company that could give rise to well-founded expectations by third parties that the company is responsible for or has to accept responsibility regarding the fulfilment of an obligation, the Group has made appropriate allocations to risk provisions, recognised under liabilities in the Group's Financial Statements.

More detailed information regarding the main legal disputes that are currently pending can be found in the comments contained in the specific section of the Explanatory Notes.

Risks connected to environmental policies

In Italy, exposure to electrical, magnetic and electromagnetic fields is governed by Italian Framework Law no. 36 of 2001 and Italian Presidential Decree of the Council of Ministers of

8/7/2003, which set exposure limits for the population to electrical, magnetic and electromagnetic fields with a frequency ranging from between 100 kHz to 300 GHz, as shown in the table below:

	Electric field strength E (V/m)	Magnetic field strength H (A/m)	Power density D (W/m2)
Exposure limit	20	0.05	1
Attention value	6	0.016	0.10
Quality target	6	0.016	0.10

The exposure limit is the value of the electrical, magnetic and electromagnetic field, regarded as the emission value, set to protect health from severe effects, which must not be exceeded under any condition of exposure of the population and workers.

The attention value is the value of the electrical, magnetic and electromagnetic field, regarded as the emission value, which must not be exceeded in residential areas, schools and places of extended stay.

The quality goals are:

- location criteria, urban-planning standards, requirements and incentives for the use of the best available technologies, as indicated in regional laws;
- the electrical, magnetic and electromagnetic field values, set by the government for the progressive mitigation of exposure to those fields.

Despite extensive concerns among the population linked to the effects of electromagnetic fields, the World Health Organisation and all the latest updates of the scientific literature have concluded that current evidence does provide proof of any health damage resulting from exposure to weak electromagnetic fields. Therefore compliance with the exposure limits recommended by domestic and international guidelines enable monitoring of the risks of exposure to electromagnetic fields, which may be harmful to health.

Moreover, the limits under Italian regulations are up to 100 times lower than those set by the International Commission on Non Ionizing Radiation Protection (ICNIRP) and applied in the rest of Europe.

The critical factors for constructing transmission equipment and adhering to legal limits are:

- the need to emit high power levels;
- the difficulty of erecting tall towers for the installation of transmission antennas;
- the proximity of residential properties to the transmitter or the issuance by Municipalities of new building permits for the construction of residential units close to the plant;
- the presence on the same site of other broadcasters (particularly radio broadcasters), which can result in the limits being exceeded when emissions are summed together.

Mediaset's installations are designed, developed and operated in compliance with Italian law. In accordance with the Group's operating practices, all necessary measures are taken, when designing new sites or modifying existing ones, to keep the electromagnetic field levels within the parameters set by the regulations in force. In particular:

- the construction of tall towers for transmission antennas in order to keep them as far as possible from areas accessible to the population;
- improved orientation of transmission antennas, to concentrate the signal in the area to be served in order to use less power and minimise the portion of emissions detectable at ground level (areas accessible to the population);
- identification, where possible, of installation sites far from residential areas;
- submission of the project for the prior assessment and authorisation by Local Authorities and Regional Environmental Protection Agencies, as required by the Code of Electronic Communications (Italian Legislative Decree 259/03).

In addition, specific company functions are responsible for mapping installations with a risk of exceeding the electromagnetic field limits and establishing monitoring plans as well as, where necessary, the use of internal and external resources (certified external advisors).

Risks connected to Corporate Governance

The typical corporate governance-related risks, such as the risk of non-compliance with laws and regulations, improper assignment of powers and authorities, or inappropriate remuneration policies, are mitigated through the implementation of a strong system of Corporate Governance.

Since 2000, Mediaset has adopted the provisions of the Corporate Governance Code for Listed Companies and, over the years, it has continued to bring its own Corporate Governance system into line with applicable domestic and international best practices, the recommendations of the Corporate Governance Code of the Italian Stock Exchange and applicable regulatory provisions. More detailed information on the Group's organisational structure and Corporate Governance can be found in the Annual Report on Corporate Governance and the Ownership Structure.

HUMAN RESOURCES

The complex macroeconomic scenario of recent years has not prevented the Mediaset Group from continuing its policy of investing in its employees, which it considers to be a precious and essential asset for the future development of the enterprise.

In fact, ensuring the welfare of its human resources and appreciating their talents are core components of the Mediaset Group's strategy, fully aware that this is the factor on which the pursuit of corporate objectives depends.

Employee commitment and motivation are important ingredients for the Group's success, and the Group continues to provide its staff career development opportunities that take account of the benefits offered by their diverse backgrounds, skills and experience.

With that in mind, tools and processes are designed and supervised with a view to ensuring that staff are properly assessed and their careers in the Group constantly monitored right from the initial selection stage, by designing pathways of professional and managerial training that will develop its hallmark characteristics of behaviour.

In carrying out these activities and initiatives the Mediaset Group respects its employees rights, safeguards the their health and safety at work, guarantees equal opportunities, and fosters the career development of all staff whatever their gender, category or grade within the organization.

Staff composition

On 31 December 2015, the Mediaset Group had 5,484 employees (5,413 of whom in permanent posts). This was fewer than the 5,559 employees (5,491 permanent) at the end of 2014.

Number of employees (including temporary staff)	ITALY		SPAIN	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Managers	280	297	118	111
Journalists	337	323	141	142
Middle managers	845	853	82	82
Office workers	2,748	2,825	910	902
Industry workers	-	1	23	23
Total	**4,210**	**4,299**	**1,274**	**1,260**

Average workforce (including temporary staff)	ITALY		SPAIN	
	2015	2014	2015	2014
Managers	285	301	118	113
Journalists	337	327	145	145
Middle managers	851	858	82	79
Office workers	2,857	2,899	909	914
Industry workers	72	52	24	23
Total	**4,402**	**4,437**	**1,278**	**1,274**

In 2015, the Italian Group companies had 4,183 employees (4,126 permanent) while 2014 figures were 4,271 and 4,221 respectively.

In addition, there were 27 employees of companies operating abroad, of which 25 employees of Publieurope International Ltd, mainly working in its London office, plus two employees of the Luxembourg company Mediaset Investment Sarl.

The staff in Italy are located throughout the country, concentrated primarily in the Milan area, where 72% of all employees work in the Cologno Monzese, Segrate and Lissone offices.

ITALY: staff breakdown by geographical distribution (not including temporary staff)	**2015**	**%**	**2014**	**%**
Milan	2,971	72.5%	3,031	72.0%
Rome	793	19.4%	805	19.0%
Other offices	334	8.2%	385	9.0%
Total	**4,098**	**100.0%**	**4,221**	**100.0%**

Age and length of service

The employee average age and length of service demonstrate the firm's commitment to staff retention and the care it takes not to lose the professional expertise built up over time, especially in those jobs where skill depends largely on experience.

ITALY: Staff Breakdown by average age (not including temporary staff)	**2015 (age)**	**2014 (age)**
Executives	52	51
Journalists	48	48
Middle managers	49	48
Office workers	48	47
Industry workers	-	-
Total	**48**	**48**

ITALY: staff breakdown by year range (not including temporary staff)	**2015**	**%**	**2014**	**%**
since 30 years old	43	1.0%	66	1.6%
between 30 and 45 years old	1,064	26.0%	1,214	29.6%
more than 45 years old	2,991	73.0%	2,941	71.8%
Total	**4,098**	**100.0%**	**4,221**	**100.0%**

ITALY: Staff Breakdown by average seniority (not including temporary staff)	**2015 (years)**	**2014 (years)**
Executives	21	20
Journalists	16	15
Middle managers	21	21
Office workers	22	21
Industry workers	-	-
Total	**21**	**20**

Equal opportunities

The Group also places great importance on its Equal Opportunities Policy, as shown by the significant proportion of women at all levels of responsibility. Women account for 44% of total staff numbers.

ITALY: Staff Breakdown by role and gender (not including temporary staff)	2015			2014		
	men	women	%	men	women	%
Executives	211	63	23.0%	228	64	22.0%
Journalists	171	146	46.0%	171	145	46.0%
Middle managers	450	383	46.0%	457	390	46.0%
Office workers	1,471	1,203	45.0%	1,521	1,245	45.0%
Industry workers	-	-	0.0%	-	-	0.0%
Total	**2,303**	**1,795**	**44.0%**	**2,377**	**1,844**	**44.0%**

In **Spain**, TV production employees are concentrated in Madrid. Publiespaña staff work there and also in the Barcelona, Alicante, Seville and Bilbao offices.

The geographical distribution is as follows:

SPAIN: staff breakdown by geographical distribution	31/12/2015	%	31/12/2014	%
Madrid	1,223	96.0%	1,226	96.2%
Barcellona	27	2.1%	24	1.9%
Other offices	24	1.9%	10	0.8%
Total	**1,274**	**100.0%**	**1,260**	**100.0%**

The average age and the length of service of Mediaset España Group staff gives the company a young and dynamic profile. Staff retention is very high.

SPAIN: Staff Breakdown by average age and seniority	Average Age	Average Seniority
Executives	48	15
Journalists	42	12
Middle managers	47	18
Office workers	45	17
Industry worker	42	12
Total	**45**	**15**

Human resources are a crucial factor in the Group's success. In this regard, it has continued its policy of empowering internally-developed resources for creating and producing TV content. Training schemes have been implemented to develop creative and managerial skills, improve IT knowledge, foster multilingualism and the use of new technology, prevent safety hazards at work, and support individual initiatives. This year's figures again confirm the impact in 2015 of the Mediaset España Group's Equal Opportunities Policy, which matches the Mediaset Group's achievements in Italy: women have a significant presence at every level throughout the business.

SPAIN: Staff Breakdown by role and gender (not including temporary staff)	2015			2014		
	men	women	%	men	women	%
Executives	80	39	32.8%	74	37	33.3%
Journalists	52	86	62.3%	54	88	62.0%
Middle managers	40	45	52.9%	38	44	53.7%
Office workers	448	461	50.7%	450	452	50.1%
Industry workers	21	2	8.7%	20	3	13.0%
Total	**641**	**633**	**49.7%**	**636**	**624**	**49.5%**

Selection and recruitment

The Mediaset Group pays constant attention to initial selection in order to ensure that it hires skilled and qualified staff, with the attitudes and motivation needed to work effectively within the organization's production and cultural environment, also with a view to aiding the process of internal career development.

The Group has always enjoyed a high profile and an attractive reputation as an employer, as shown by the number of unsolicited CVs sent in electronically through the company website or in hard copy: around 26,000 in 2015.

More than 400 applicants were interviewed during 2015 for specific positions or for internships with the Group.

The Group's constant and ongoing collaboration with leading Italian universities has enabled a good number of young people to undertake internships: 223 students were given this educational opportunity in 2015, with the average internship lasting around four months.

Training initiatives

In 2015, managerial, professional and compulsory training initiatives continued on a regular basis.

The main projects involved the digitisation of television production systems and, in general, the technological evolution that is sweeping through the industry, in addition to support for organisational development projects for the individual areas, aimed at refining specific expertise in relation to the roles performed, interpreting and managing change, and developing the ability to manage highly complex activities. The courses were designed by adapting educational methods to the specific training objectives: in addition to the traditional classrooms, greater use was made of online courses, experience-based activities, case study workshops, and seminars.

The more important initiatives are briefly described below:

- for management, projects were implemented dedicated to the individual company areas, focused on developing strategic vision and the ability to interpret the evolution of the market, in addition to the subjects of people management, team building, and empowerment. Wide ranging self-development initiatives for the Group's managers, focused on managerial skills and including classroom sessions and individual meetings, were also completed, continuing on from the similar initiative implemented for the Group's executives in previous years;
- in terms of professional training, in 2015 courses, considerable focus was given to the extension of the adoption of the Dalet digital production system to the production and journalistic areas of the Sports programmes and TG5. The project involved around 500 workers, consisting of production staff and journalists of the Milan and Rome offices, with over 11,000 hours of training, and a major investment in terms of professional retraining for the entire population involved. Alongside the training on the new Dalet system, the editing and post-production skills of technical personnel were strengthened through courses on the main applications used within the Group (After Effect, Premiere, Final Cut, Avid);
- with regard to statutory compliance, classroom-based and online programmes were delivered, designed according to the specific company characteristics, in order to align the

staff training to regulatory developments. Online courses on the Corporate Liability Act (Italian Legislative Decree 231/01) were provided for all the Group's workers, with content adapted for each company. The Group continued its mandatory Health and Safety training for workers required under Article 37 of the Workplace Safety Act (Italian Legislative Decree no. 81/08) and under the Convention of the Standing National/Regional Conference of 21 December 2011, with targeted programmes for the specific roles identified by the regulations (Workers, Health & Safety Representatives, Health & Safety Managers, Health & Safety Officers, etc.) designed to promote specific expertise and strengthen the sense of responsibility in the various roles to support the entire company Safety system. In the area of Data Privacy (Italian Legislative Decree 196/03), classroom training on the processing of personal data was given to data controllers, together with online courses for data processors and for the other roles involved more generally in the Group's Data Privacy System.

The following specific programmes were held for employees of the Publitalia '80 and Digitalia '08 agencies:

- training of sales staff, aimed at strengthening the message of combining excellence of the offering with relationship and marketing excellence as a key ingredient for success in the management of the business in the medium to long term. For executives, the main objective was to develop working practices to help collaboration and coordination between the different people involved in the new organisation, based on the goals to be achieved. For the sales managers, specific training projects were created to maximise the development of marketing effectiveness in managing projects or clients, through capacity strengthening;
- For the Marketing Department a specific training programme was developed, aimed at supporting the development of the expertise required for the people within the area, in response to the needs arising within the business and based on the Department's specific role. In particular, courses were provided on public speaking, together with workshops on self-efficacy and empowerment, leadership and staff management;
- specific training for the Operations Department was completed, in line with the change in internal processes;
- ongoing training on statutory compliance matters (Workplace Safety Act, Corporate Liability Act, and Data Privacy Act);
- computer training and language courses targeting specific requests and needs.

Structural use continued to be made of resources from Fondi Paritetici Interprofessionali (Inter-professional Joint Funds: Fondimpresa and For.te for the training of middle managers and employees, and Fondirigenti for executives) to fund a considerable portion of the Group's training activities.

The main training initiatives carried out during 2015 are listed below:

Training hous	**2015**
Managerial skills development	3,138
Professional update	18,105
Legal duty	16,083
Foreing language courses	888
On-line training	-
Total	**38,214**

Public initiatives

Education programmes for non-employees, designed to develop skills linked with the world of commercial TV, continued in 2015 as in earlier years.

In particular, in February 2015 the Meeting of the consortium Consorzio Campus Multimedia In.Formazione approved the sale of Mediaset S.p.A.'s holding in the consortium to IULM Communication Management Scarl.

In consideration of more than ten years of extensive commitment by IULM University and the Mediaset Group, during which the organisations have worked alongside in running the Two-Year University Masters Programme in Journalism (recognised by the National Council of Journalists), in March the IULM University and the Mediaset Group signed an agreement designed to strengthen their partnership, with the commitment to continue developing new synergies for the most effective organisation of the Masters Programme in Journalism.

Masters programme in Journalism: a training course for professional journalists, combining the communications and information capabilities of IULM University and Mediaset. The objective of this Masters course (which is recognised by the National Association of Journalists as the equivalent of an apprenticeship) is to give fledgling journalists the professional armoury of cultural and multimedia skills they need to access any journalistic speciality and produce multimedia content suitable for all kinds of communication media.

The two-year Masters course, limited to 15 students, is made up of classroom and workshop sessions, and includes multimedia training.

The technology workshop organised and run by the consortium using professionals made available by Mediaset is outstanding among Italian journalism courses – indeed the only one of its kind.

Masters course in Marketing, Digital Communication & Sales Management: this course was established in 1988 by Publitalia'80. It is a 13-month full-time post-graduate course with limited admission and targeted at graduates who have decided to start their professional future in the field of marketing, trade marketing, sales and digital communications.

Companies collaborate in this initiative contributing with lectures, tutorials, and specific information about the labour market, providing a great opportunity for the continuous updating of the educational program. As a result, the Master course is a continually up-to-date "bridge" between Universities and the Company.

The training is based on two main areas: a broad-ranging, general management area; a more in-depth area, specialising in marketing, trade marketing, sales and digital communication. The aim of the training is to develop "specialist know-how" combined with strategic thinking and an international mindset. The other educational objectives consist of sense of responsibility, and developing the spirit of initiative and the ability to take decisions in situations of risks and competitive environments.

The teaching methods used involve a significant element of active learning: guidance lessons providing basic knowledge, practical exercises, case studies (many of which in English), presentation of business cases by companies and relevant group works, and role play on public speaking, international communications and negotiation. The programme also includes visits to companies, to study the most advanced production and distribution processes, and to television studios.

The course is accredited by ASFOR, the Italian Association for Management Education, as a specialist Masters course.

Services for employees

Mediacentre has long been a well-established company facility, offering a number of services to improve employee quality of life and enable a better work/life balance.

Its services range from personal care to the many vital activities involved in running a family: they include a nursery, bank, post office, book shop, mini-mart, travel agency, pharmacy, fitness centre, doctor's surgery, catering (bar, sandwich bar and restaurant), laundry/repair service and shopping area.

These are all provided in an area totalling more than 3,000 m^2 at the Group's Cologno Monzese facility in Milan and the Elios premises in Rome.

A group of contractors have been commissioned to provide the services, all selected for their relevant specialist expertise and capability.

As well as this physical presence there is also a website offering up-to-date details of various deals negotiated by the company for its staff – with banks, insurance companies and over a hundred retailers near the Mediaset Group's main offices.

Occupational health and safety; accident prevention

The main occupational health and safety (OHS) initiatives carried out in 2015 are as follows:

- implementation in all Mediaset Group companies of an OHS Management System compliant with the British Standard OHSAS 18001/2007, and certified by the Norwegian certification body DNV GL (Det Norske Veritas) for the parent company Mediaset S.p.A. and for the subsidiaries R.T.I. S.p.A. and TAO DUE S.r.l.; activities involved maintaining this certification for Mediaset S.p.A. and carrying out the associated audits for all Group companies;
- implementation of IT arrangements to support the Accident Management and Health Surveillance systems and to manage other activities such as those for compliance, audits and legal obligations, etc., and the updating of the corporate Health & Safety website;
- implementation of the Healthcare Plan by means of approximately 1,122 medical check-ups, specialist investigations and eye/sight examinations for video terminal operators, and other tasks with particular risks;
- influenza vaccinations for all Group employees, free of charge;
- on-site inspections carried out by the Group's OHS Officers and company doctors;
- special training and fire drills/evacuation exercises at the Group's main offices;
- holding regular safety meetings (Article 35), consulting and engaging workers' representatives regarding the assessment of risks and the update of the related document, identifying, planning, implementing and verifying prevention within the company;
- a continuing focus on safety and the monitoring of protection in all workplaces, including those of outside contractors, with the issuance of specific Procedures – Operational Instructions;
- environmental workplace studies measuring chemical pollutants (man-made vitreous fibres) and biological contaminants (legionella), electromagnetic fields, radon gas, noise, etc..

HUMAN RESOURCES (MEDIASET SPA)

General profile

The complex macroeconomic scenario of recent years has not prevented Mediaset from continuing its policy of investing in its employees, which it considers to be a valuable and essential asset for the future development of the enterprise.

In fact, ensuring staff welfare and appreciating their talents are core components of Mediaset's strategy, in the full knowledge that this is the factor on which the pursuit of corporate objectives depends.

Employee commitment and motivation are important ingredients for the Company's success, and Mediaset continues to provide its staff career development opportunities that take account of the benefits offered by their diverse backgrounds, skills and experience.

With that in mind, tools and processes are designed and supervised with a view to ensuring that staff are properly assessed and their careers in the Group constantly monitored right from the initial selection stage, by designing pathways of professional and managerial training that will develop its hallmark characteristics of behaviour.

In carrying out these activities and initiatives, Mediaset respects its employees rights, safeguards their health and safety at work, provides equal opportunities, and fosters the career development of all staff whatever their gender, category or grade within the organization.

Staff composition

- ***Staff numbers and geographical distribution***

At the end of 2015, Mediaset's permanent employees numbered 69, essentially in line with the figure of 72 at the end of 2014.

These employees are mainly concentrated in the Milan area, where 87% of the staff work.

- ***Geographical distribution of permanent employees in Italy (FTE)***

Headquarters	31/12/2015		31/12/2014	
	numbers	%	numbers	%
Milan	60	87%	63	88%
Rome	9	13%	9	12%
Total	**69**	**100%**	**72**	**100%**

- ***Age and length of service***

The employee average age and length of service demonstrate the firm's commitment to staff retention and the care it takes not to lose the professional expertise built up over time, especially in those jobs where skill depends largely on experience.

- ***Average age of permanent employees by grade***

Age	2015 years	2014 years
Executives	53	52
Journalists	55	54
Middle managers	46	47
Office-workers	45	44
Total	**48**	**47**

- ***Permanent employees: age groups***

Age	31/12/2015	31/12/2014
	numbers	numbers
Up to 30 years old	-	2
between 30 and 45 years old	21	20
more then 45 years old	48	50
Total	**69**	**72**

- ***Average length of service of permanent employees by grade***

Seniority	2015 years	2014 years
Executives	20	19
Journalists	15	14
Middle managers	16	15
Office-workers	18	15
Total	**18**	**16**

- ***Equal opportunities***

Mediaset S.p.A. also places great importance on its Equal Opportunities Policy, as shown by the significant proportion of women at all levels of responsibility; women account for 50% of total staff numbers.

▪ ***Permanent employees by grade and gender***

Seniority	31/12/2015		31/12/2014	
	numbers	**%female**	**numbers**	**%female**
Executives	20	45%	22	41%
Journalists	2	0%	2	0%
Middle managers	23	39%	21	38%
Office-workers	24	61%	27	70%
Total	**69**	**51%**	**72**	**50%**

Selection

Mediaset pays constant attention to initial selection in order to ensure that it hires skilled and qualified staff, with the attitudes and motivation needed to work effectively within the organization's production and cultural environment, also with a view to aiding the process of internal career development.

The Group has always enjoyed a high profile and an attractive reputation as an employer, as shown by the number of unsolicited CVs sent in electronically through the company website or in hard copy.

Training initiatives

During 2015, the training activities continued on a largely regular basis.

The main training initiatives carried out during 2015 are listed below:

Employee-hours for each type of training

Training	2015 hours	2014 hours
Managerial Skills Development	-	147
Professional Skills Update	86	177
Foreign Language training	84	54
Compliance	152	69
Totale	**322**	**447**

Occupational health and safety; accident prevention

The main occupational health and safety (OHS) initiatives carried out in 2015 are as follows:

- implementation of an OHS Management System (S.G.S.S.L.) compliant with British Standard OHSAS 18001/2007, certified by the Norwegian certification body DNV GL (Det Norske Veritas); activities involved in maintaining this certification and carrying out the associated audits;

- implementation of IT arrangements to support the Accident Management and Health Surveillance systems and to manage other activities such as those for compliance, audits and legal obligations, etc., and the updating of the corporate Health & Safety website;
- implementation of the Healthcare Plan by means of dozen or so medical check-ups, specialist investigations and eye/sight examinations for video terminal operators, and other tasks with particular risks;
- influenza vaccinations, free of charge;
- on-site inspections carried out by OHS Officers and company doctors;
- special training and fire drills/evacuation exercises;
- holding regular safety meetings (Article 35), consulting and engaging workers' representatives regarding the assessment of risks and the update of the related document, identifying, planning, implementing and verifying prevention within the company;
- a continuing focus on safety and the monitoring of protection in all workplaces, including those of outside contractors, with the issuance of specific Procedures – Operational Instructions;
- environmental workplace studies measuring chemical pollutants (man-made vitreous fibres) and biological contaminants (legionella), electromagnetic fields, radon gas, noise, etc..

THE COMPANY'S COMMITMENT TO THE ENVIRONMENT AND CULTURE

Environment

Although it is not an industrial processing company, the Mediaset Group believes it is important to provide information that increasingly meets stakeholder needs, through the reporting of certain environmental performance indicators.

Below are the data on the consumption of energy, as well as the main CO2 emissions produced by the Group in 2013 and 2012.

CO2 emissions were measured using the method specified in the Greenhouse Gas Protocol. Specifically, considering the nature of the business, only emissions indirectly resulting from energy consumption have been taken into account.

Total consumptions		**2015**		**2014**	
		Italy	**Spain**	**Italy**	**Spain**
Electric power	(kwh)	99,959,712	17,419,594	97,172,726	17,393,701
CO_2 emissions	(t)	32,665	1,051	31,754	2,775

The Company's commitment to culture

The Mediaset Group's commitment to society is summarised in the following initiatives:

Mediafriends

Mediafriends, the non-profit organisation founded in 2003, is a tangible expression of Mediaset's vision of corporate social responsibility. Mediafriends is responsible for identifying and promoting opportunities for exchange between the world of business and the third sector, in order to promote mutual growth and the well-being of society.

Over the years, Mediafriends has supported numerous TV and other events, to raise funds for the projects of non-profit associations. The most notable of these is Fabbrica del sorriso (the smile factory).

In twelve years of activities, over EUR 65 million have been raised and distributed making it possible for 150 associations to implement more than 250 charity projects in Italy and throughout the world.

Mediafriends also continued its work in the field of social communications, by offering space free of charge for the broadcasting of social infomercials and creating times dedicated to social issues within its programme schedule.

In 2015 the project "A Regola d'arte" (doing things right) was launched, which was conceived, promoted and funded by Mediafriends, and is aimed at the Milan suburbs.

Lastly, a significant amount of the work carried out by Mediafriends is aimed at accountability reporting, in other words the verification, in the field, of the successful outcome of the projects funded.

Fabbrica del Sorriso (the smile factory)

Specifically, throughout 2015, Fabbrica del Sorriso promoted a fundraising campaign called "Fame di Vita" (hungry for life), against hunger and malnutrition in Italy and the world, with a reference to EXPO's objectives and the Millenium Goals, which the UN sought to combat hunger, thirst, lack of nutrition, and disease. Of all the goals set for 2015, the only one that was not fully achieved was the goal of reducing hunger, defined as the lack of food for mere survival or as malnutrition. For its 2015 edition, Fabbrica del Sorriso selected ten projects on this theme: two in Italy (food centres for the poor), and 8 in Africa.

Unlike past years, when Fabbrica del Sorriso was only concentrated in a single period, specifically in March, the 2015 edition took place throughout the year, with fundraising through the social SMS tool, local initiatives in partnership with the beneficiary associations, and publishing events such as the calendar produced in collaboration with Mondadori and the television programme Le Iene, an exhibition of eclectic artists, and the "Libro del Sorriso" (the smile book), which uses captivating stories and characters to show children and parents the benefits of correct nutrition.

The "A Regola d'Arte" (doing things right) Project

Following on from the positive experience of the 2014 summer campus held at Barrio's in Milan in the Barona district, the "A Regola d'Arte" project was launched in 2015. This innovative project is aimed at Italian and foreign children living in difficult situations in the outskirts of Italian towns and seeks to promote integration and social development through music and rugby. Rugby provides models for behaviour (unity, loyalty, respect, managing aggression), while music, in addition to building a grand Italian heritage, provides the possibility of cultural growth to those who, for reasons not linked to their merits, would not have the opportunity to access it. The project was continued throughout the year at Barrio's and was also extended to two schools in the Giambellino and Baggio districts.

Verification of projects

The reporting of projects was addressed by producing news items for the Web or for television news programmes aimed at showing at the public the results of the projects funded. The collaboration also continued with Anna and Fabio Stojan, two professional travellers who have journeyed throughout South America by motorbike, visiting the sites where the projects funded by Mediafriends over the years have been set up. During their voyage, which ended in March, the selfies and dispatches reporting on the implementation and usefulness of these projects were published on the Mediafriends website. Mediafriends will use the video and photographic material shot in South America to produce the future editions of "I Viaggi di Stojan" (the Stojans' travels), the web series already hosted on the TGCOM24 website for the Asia edition.

Social communications

As regards advertising services offered to charities, in 2015 Mediaset networks broadcast more than 6,000 adverts, free of charge, for campaigns to raise public awareness of social issues. Lastly, the Mediafriends site and Mediafriends slot on the TGCOM24 site host campaigns for charities and numerous videos produced by Mediafriends on some of the most important social issues.

Cultural initiatives

For over twenty years, Mediaset has been supporting and organising the "Aperitif in concert" festival at the Manzoni theatre in Milan. The series has gained importance at the international level thanks to its commitment to the most innovative and intriguing contemporary creativity, ranging from jazz to experimental music and from ethnic traditions to so-called "Boundary music".

Italian Responsible Payment Code

Mediaset and its companies have joined the initiative promoted by Assolombarda, which started on 27 May 2014, signing up to the Italian Responsible Payment Code, the first-ever code in Italy for responsible payments.

In taking this step, Mediaset has committed to meeting the payment times agreed on with its suppliers and in general to promoting a culture of prompt, transparent payments.

Mediaset is part of the first group of Italian and multinational companies founding the Code and in compliance with its provisions, it has declared that average payment times contractually defined with its suppliers for 2015 were 60-90 days and relative payment dates were duly complied with.

Guarantees for the protection of minors

Mediaset has always been very sensitive to the protection of minors:

- it assesses programmes using criteria that also take into consideration the impact of content on individuals in their growing years and attempts to combine the typical programming approaches used by a commercial television network with production sensitivity that places emphasis also on the protection of minors;
- it complies with applicable regulations, including the *Self-regulation Code Concerning Television and Minors* signed in November 2002 - in which the Company is committed to controlling its TV schedules to ensure they meet requirements to protect younger viewers. In particular, pursuant to Article 34 of the *Consolidated Act on media, audiovisual and radio services*, the Company adopted organisational processes to adequately evaluate, identify and report programmes "*that could harm the physical, mental or moral development or minors*" and notify them to users with sufficiently detailed information;
- it offers a full, 24-hour schedule for this group of viewers on its free channels Boing (since 2004) and Cartoonito (since 2011);
- In a manner that has now been applied equally to all of the Group's channels (free and pay DVBH TV including services available via web and mobile, such as Mediaset.it, PremiumMediaset and Infinity), it indicates, at the beginning of each fictional programme (film, serial, TV movie, etc.) and after each commercial break, the nature and content of the broadcast using coloured symbols that appear on the screen (green: suitable for all family

members; yellow: children with adult supervision; intermittent red: suggested for adults only; solid red: harmful to minors or prohibited for minors under 14);

- To complement coloured symbols, it consolidates information on the content of broadcasts. Also multimedia platforms (EPG of DVBH TV, Internet, mobile platforms) supply information that is useful to provide guidance to viewers, especially whether the product is suitable for an audience of minors;
- established within the Staff Departments, it has an internal department responsible for disseminating and implementing the regulations protecting minors and the *Self-Regulation Code Concerning Television and Minors* in the company with the aim of monitoring programming of the Group's networks. The department works closely with areas involved in planning, programming and assessing content in order to ensure the greatest compliance possible with regulations to protect minors.

Since it signed the *Self-Regulation Code Concerning Television and Minors*, Mediaset has participated in the work of the Committee for the implementation of the Code with two representatives, one of which currently also holds the position of Deputy Chairman and was appointed as a member of the working group (consisting of representatives of the Issuers adhering to the Code, as well as representatives from Confindustria Radio TV), which produced the draft for a *Self-Regulation Code*, which updating the current code, makes it more appropriate to the current media scenario. This draft is now awaiting final approval, once the approval process required by law has been completed.

Finally, on the basis of Mediaset's participation in the European Commission initiative "*Coalition to make the Internet a better place for kids*" – which aims to make the Internet a safer place for children, through international cooperation between leading companies in the field of communication – in 2015 the Company continued the partnership forged in 2013 with the British BBFC and the Dutch Nicam, two major organizations that operate in Europe in the assessment of audiovisual content, and developed a shared classification system for User Generated Content posted on corporate sites (via web or mobile), while also taking account of different cultural sensitivities. In 2015, Mediaset also joined in the Advisory Board of the *Italian Safer Internet Centre-Generazioni Connesse* (Connected Generations) project, co-ordinated by the Italian Ministry of Education, Universities and Research.

Mediaset España's commitment to social welfare is reflected in the **12 Meses** project, which consists of a range of social welfare initiatives that in 2015 focused in particular on strengthening the visibility of women's fight for equal opportunities through its new long-term campaign "*Doy la cara*". The project, which was launched in 2014, has broadened its goals, with particular attention to the fight against the trafficking of women for sexual exploitation and gender-based violence, and raising public awareness about the state of the social rights of women in different parts of the world. In particular, 12 Meses produced two infomercials together with the National Police on the subject of violence against women and their trafficking for sexual exploitation, starring the presenter Ana Rosa Quintana and broadcast on the main Mediaset channels in Spain. In addition to the support of the Mediaset España channels and programmes, and with the aid of famous faces, the campaign publicised the telephone number to be used to make anonymous reports about this criminal activity. On the same theme, 12 Meses in collaboration with Doy la cara produced a new infomercial, starring the Telecinco presenters Carme Chaparro and David Cantero, aimed at providing visibility to women "who feel invisible, who do not have a voice, who are afraid and do not have the strength", to coincide with the celebration of the International Day for the Elimination of Violence against Women.

Mediaset España also strengthened its commitment in this area by broadcasting the second season of *Amores que duelen* in the final quarter of the year. This programme, hosted by Roberto Arce, in collaboration with the Ministry of Health, Social Services and Equal Opportunities, examines real cases of women of different ages and from different social classes with complicated relationships who have experienced episodes of physical, sexual or financial violence by their former partners.

In addition, it also sought to promote the message of "*proigualdad*" (pro-equality) among children and young people, by making use of the cinema release of the blockbuster "Atrapa la bandera".

12 Meses, which has over 14 years of experience in social responsibility projects, also launched other awareness raising campaigns. These included infomercials broadcast on the Mediaset España networks, which concentrated on a number of extremely important social issues, such as the need to combat situations of child poverty to seek to prevent the risk of social exclusion that affects around 3 million children in Spain; helping *Jesus Vazquez* in his work on combating AIDS; and supporting international aid programs for developing countries. With regard to the latter, Mediaset España produced a short documentary on this subject, broadcast on its channels, reporting on the work of the managers of the school in a village of evacuees after the earthquake in Haiti in 2010.

12 Meses was also the media partner for "Gestionando hijos" (managing children), an educational event involving households, companies, public institutions and the media, focusing on the importance of having an educational project for our society and for our families, which was broadcast live in streaming on the Mitele.es channel. 12 Meses also sponsored charity food events such as the Bilbao Sanfilippo Cooking Night, whose proceeds went to the treatment of the Sanfilippo syndrome, a degenerative disease that affects children.

DISCLOSURE REQUIRED BY ARTICLE 2428 OF THE ITALIAN CIVIL CODE

Research and development

In 2015, the Innovation and Technological Research Area of RTI continued its research, the principal results of which were technical publications on two specific areas:

HbbTV[1]

Adoption and development of the European HbbTV technology on Italian TV receivers and guidelines for the migration from the current technology: MHP[2]

HD Book 4.0: Preparation of the 4th generation of Technical Specifications for TV receivers of the Italian market:

HbbTV is the software for digital interactive TV that TV receivers sold on the European market are equipped with. In 2004, at the beginning of the Italian digital TV era, Italy adopted MHP, the first European specification for interactivity, and is now preparing for the shift to HbbTV 2.0.1., scheduled for 2017.

Accordingly, in 2015 the Research area of the Innovation and Technical Research Department coordinated the activities of the JTG[3], together with the international HbbTV association based in Munich, and actively contributed to the publication of the document "Interactive applications, marketing requirements for the Italian market – v 2.11 – Oct. 2015". The document contains important criteria for the development of an operator profile (still lacking in the previous version of the HbbTV), which gives broadcasters specific requirements and monitoring instruments that can be used for a better commercial management of the interactive services they offer.

In late 2015, the HbbTV Steering Board approved the entire Italian document, ratifying all the new criteria proposed in the HbbTV 2.0.1 update, which will be published in June 2016 and adopted on TVs sold in the European market from 2017.

HD Book 4.0

Alongside the above activities, the Research and Development area also contributed to the development of the 4th generation of Italian technical specifications, which were created in 2004 and published in the version 1.0, adopted on digital TV receivers of the Italian market. The updated specifications, HD Book 4.0, will be published in April 2016.

In addition to containing the technical specifications and guidelines for the adoption of the new HbbTV 2.0.1 interactive software on TV receivers, this edition adds new important technical criteria for the development of linear TV broadcasting and broadband services useful for broadcasters and operators, such as: technical specifications for the adoption of linear channels on IP networks; ratification for the adoption of the most recent standards for the protection

[1] HbbTV: (hybrid broadcast broadband TV) advanced interactive TV software installed in TV receivers that have been developed for the European market over the last five years.

[2] MHP: (Multimedia Home Platform) interactive TV software in TV receivers developed for the Italian market from 2004 to date.

[3] Joint Technical Group (JTG) of the HD Forum Italia Association, for the development of technical specifications for digital TV receivers of the Italian market. The group is made up of technical experts from the various areas of the international Media and Communications industry: broadcasters, operators, carriers, telcos, TV manufacturers, research centres, etc..

and security of audiovisual content: CI+ 1.4.1., the most recent technical specifications for ensuring high quality of presentation of audiovisual content in Full HDTV and Ultra HDTV format, introducing high-efficiency coders: HEVC Main 10; and MPEG DASH and CENC HbbTV adaptive streaming systems for performance improvement, also on low performance broadband networks.

All the technical specifications contained in the HD Book 4.0, published in April 2016, will be adopted on TVs sold in the Italian market in 2017.

As an overview of the above activities, with the aim of providing visibility to the possibilities offered by the 4th generation technical specifications, the Research & Development Area contributed to holding a major public Technological Workshop, hosted by the Republic of San Marino, attended by over 200 guests.

Infinity, the Mediaset OTT broadband service provider, attended the workshop, taking advantage of the high visibility opportunity provided by the event to present the first experimental demonstrator for the offering of content in the 4K Ultra HDTV format using the criteria of the Italian specifications included in the HD Book 4.0 and adopting the HbbTV software.

The Mediaset Innovation Department (MID) is the division of Mediaset responsible for research, analysis and development proposals, tasked with studying the technological media scenario and coordinating technological innovation projects.

The "SELE" Project

This is a major intercompany project, which uses internal audience monitoring to increase the advertising sales performance by Digitalia and provides key data for the RTI broadcasting areas and the PUBLITALIA commercial areas.

This is one of the most important examples of corporate "BIG DATA" aggregation, aimed at collecting data on the use of linear and non-linear services by Mediaset users. The objective is to monitor user behaviour in the utilisation of Mediaset audiovisual services.

In the 1st experimental stage, from 14/11/2014 to 31/01/2015, data was collected in anonymous form on the use of linear and non-linear services through proprietary set-top boxes connected to the Internet.

In the 2nd stage, the monitoring started on 26/05/2015 and is still underway. The data are collected through 60,000 set-top boxes connected to the Internet, for which specific ad hoc privacy consents have been given, thanks to which the three joint-holding companies, RTI S.p.A., Mediaset Premium S.p.A., and Publitalia'80 S.p.A., perform analysis of the data collected and other intercompany activities.

The 3rd stage of the SELE project, with "real-time" monitoring through Wi-Fi SmartCAM, for which development was initiated in 2015, will be released in May 2016.

Smart Audience Project

This is a technological development that will provide a dedicated and customised app that enables "real-time" monitoring of programme audiences. For the first time, television productions and broadcasting areas will have a precise system providing information on viewing in real time, i.e. during the airing of broadcasting and advertising content. The study work for this system started in 2015 and it is expected to be developed by 2016.

The "Syncro ADV" project

This intercompany project has led to the development of an innovative advertising product successfully sold by Mediamond and Publitalia during 2015.

The aim of the "Syncro ADV" project was to implement a technology, developed in-house, capable of producing an innovative model of synergy between television advertising and Internet advertising.

Specifically, a technical development of the RTI Broadcasts was produced, which enables the synchronisation of a television advert on Mediaset networks with the advertising that appears on the web properties. This synergy between TV and Web advertising is:

- a differentiating factor with respect to Web-only players such as Google or Facebook;
- already being adopted by the major international media companies such as Fox, AOL, Viacom, Turner Sports, Comcast.

The real-time synchronisation between TV adverts and Web adverts:

- increases the number of unique contacts reachable simultaneously;
- generates experience continuity between TV and Web.

After several months of development and testing, and thanks to the automation capacity of our digital broadcasting systems – Etere (for the general interest networks + Top Crime and Iris) and TV Scheduler/Harris (for the other mini-general interest and premium networks) – today all the advertising broadcast on the Mediaset Free and Pay channels can be synchronised in real time with the corresponding online advertising on Mediaset's websites and apps, offering investors a new form of multiplatform advertising.

Facial & Emotion Recognition

The MID has been studying Facial & Emotion Recognition technology, identified as a growth trend by Gartner in 2015-2016. The theoretical foundations date back to studies in the 1980s on the coding of facial micro-expressions (Dr. Paul Ekman) and, thanks to the evolution of computing capacity and machine learning algorithms, in recent years various companies have developed their own technology capable of estimating the emotional parameters of one or more subjects in real time.

Following direct contacts with the major market players, to find out about their products, the MID commissioned NViso to develop a demo on a mobile application, which will be capable of estimating: the level of engagement, the 6 primary emotions, age range, and gender.

One possible innovative application of this technology, currently being analysed by the business areas, is its integration in Mediaset's mobile applications to acquire real-time information that can be used for user profiling for advertising purposes.

Interactive Advertising

The MID has been studying these advanced Internet advertising technologies, identified by Gartner as trends to watch, which enable an increased level of interaction and engagement with the user, optimising view times and click through rates (CTR). Following a technical and pricing assessment of the major solutions on the market, it proposed the integration of these solutions in a number of possible scenarios of interest for Mediamond/Publitalia, which are currently still being evaluated.

360 and Virtual Reality

The MID, at the request of Giuseppe Feyles, is still examining the 360 video technology, which uses the simultaneous capture of several view points (through different cameras) and their aggregation through stitching software to create an immersive experience for the user, who can select different viewpoints and effectively change the content of the final video based on the "spatial" position occupied by the viewer.

The 360 videos can be reproduced on browsers (YouTube and Facebook offer the services) or special VR Headsets.

The three main stages were examined: video capture (i.e. the cameras on the market); stitching and coding; and reproduction, focusing on the architectural differences between off-line and real-time modes.

The Mediaset Group's production studios are evaluating the use of these solutions for their productions, with the idea of equipping their studios with the necessary infrastructure. If the project officially goes ahead, the MID will be responsible for coordinating the project management.

European projects

In addition to the innovation projects financed by Mediaset, the MID also continued its intensive research and innovation work through projects sponsored by the European Union. In particular, in December 2015 funding was obtained for the MPAT project under the European Horizon 2020 research and innovation programme, in which RTI is participating as an equal partner with other major organisations in the sector: Fokus Fraunhofer – a German research institute, IRT, RBB, ULANC – University of Lancaster, Leadin OY, Fincons, and Telecom Paris Tech.

The objective of the project is to develop a modular platform for creating and modifying multi-screen applications capable of interacting with TV programmes, video on-demand, and OTT content within HbbTV.

MPAT will be an open source ecosystem, developed based on the most widespread and established standards – HTML, CSS, and JavaScript – combined with the potential of HbbTV, and will enable the easy and rapid creation, through a web-based user interface, of apps for connected TVs and personal devices (smartphones, tablets, and desktops). Specifically, RTI will lead the Work Package for the piloting to test the actual effectiveness and usability of the ecosystem in the real professional world of TV broadcasting.

In view of the results achieved, the area is focusing more and more effort and attention on the participation in European tenders for the implementation of increasingly innovative projects, which will enable the exploration of cutting-edge technology at international level.

Dealings with: subsidiaries, associates, holding companies, affiliates and related parties

On 9 November 2010, the Board of Directors adopted the "Procedure for related-party transactions" conducted directly by Mediaset S.p.A. or through subsidiaries, drawn up according to the principles set forth in the "Regulations enacting provisions on related-party transactions" adopted by CONSOB with resolution no. 17221 of 12 March 2010. On 17 December 2013, the Board of Directors amended Article 7a) of the "Procedure for related-party transactions".

The procedure, which was published on the Company's website (www.mediaset.it/investor/governance/particorrelate_it.shtml), sets the rules for identifying, approving, executing and disclosing related-party transactions carried out by Mediaset S.p.A. directly or through subsidiaries, in order to ensure their transparency and substantive and procedural correctness, as well as establishing the cases where these rules do not apply.

As regards periodic reporting by issuers, required by Consob Resolution no. 17221 of 12 March 2010 (Article 5, paragraph 8 of the Regulations on Related-Party Transactions), on 26 November 2014 by deed of the Notary Public Carlo Marchetti, the Shareholders' Meeting of the indirect subsidiary Mediaset Premium S.p.A. approved an increase in the share capital from EUR 50,000.00 to EUR 30,000,000.00, with a share premium of EUR 1,691,575.00, through the contribution in kind by the single member RTI S.p.A., a direct subsidiary, of the "Mediaset Premium" business unit for the supply of pay TV services, with the exclusion of "Infinity" services. This contribution became effective on 1 December 2014.

With reference to the significant transaction, in accordance with the Procedure for Related-Party Transactions, undertaken between the indirect subsidiary Elettronica Industriale S.p.A. and Mediobanca – Banca di Credito Finanziario S.p.A., a related party of Mediaset, please refer, pursuant to Article 5.6 of Consob Regulation no. 17221 of 12 March 2010, to the Information Document available on the Company's website in the section Governance – Related Parties and on the website of Borsa Italiana S.p.A..

Right to opt-out of the obligation to publish reports in the event of significant transactions

Pursuant to Article 3 of Consob Resolution no. 18079 of 20 January 2012, on 13 November 2012 the Board of Directors decided to apply the opt-out mechanism established in Article 70, paragraph 8 and Article 71, paragraph 1-bis of Consob Regulation no. 11971/99, as amended, thereby taking advantage of the right to opt-out of obligations to publish the reports required in the event of significant transactions such as mergers, spin-offs, and share capital issues through the transfer of assets in kind, acquisitions and disposals.

Treasury shares held by subsidiaries

No subsidiary holds any treasury shares of the issuer.

Stock option plans

The stock option plan for 2009/2011 has resulted in the following assignment of stock options on Mediaset shares:

Full Year 1/1 – 31/12	Number of recipients	Number of company's share assigned to the stock option plan	Strike Price	Excercise period allowed exclusively on a single-time base	Compliancy check with Board of Directors' condition for the purchase
2009	50	3,450,000	4.72	30.9.2012/29.9.2015	The option is expired
2010	49	3,420,000	4.92	23.6.2013/22.6.2016	The option can be exercised
2011	51	3,480,000	3.56	22.6.2014/21.06.2017	The option cannot be exercised since the conditions are not met

The plan for 2009, with 50 participants and the assignment of option rights for 3,450,000 Mediaset shares, at an exercise price of EUR 4.72, whose conditions have been met, was completed on 29 September 2015, and no 2009 option right was exercised in the allowed timeframe.

Stock option rights assigned by the 2010 plan related to the purchase of 3,420,000 Mediaset shares, equal to 0.29% of the current share capital, and their conditions for purchase have been met. Stock option rights assigned by the 2011 plan related to the purchase of 3,480,000 Mediaset shares, equal to 0.29% of the current share capital, and their conditions for purchase have not been met.

OTHER INFORMATION

Privacy: protection and supervision measures

As regards protection measures and safeguards for the processing of personal data, each Data Controller reported that the Personal Data Security Planning Document (DPS) for 2014 had been approved on 31 March 2015, and that the DPS for 2015 would be approved before 31 March 2016.

The above conforms to the Privacy Management System adopted by the Mediaset Group on 21 March 2013, following the approval of the Organisational Guideline "Personal Data Protection Management", O.G. – MD/HO 065.

Supervision and control

The Company has implemented Italian Legislative Decree 231/2001 concerning the criminal liability of companies. In 2003, an internal "Supervisory and Control Body" is set up, which, with full autonomy and the support of company department and external consultants, where necessary, is tasked with supervising the full application of the "compliance programme" adopted, by updating its contents and reporting any violations or breaches to the Company's Board of Directors.

Management and coordination activities

Mediaset S.p.A. is subject to the de facto control of Fininvest S.p.A., as the latter owns 33.469% of the share capital. On 4 May 2004, Fininvest notified Mediaset that pursuant to Article 2497 et. seq of the Italian Civil Code, it would not conduct the management and coordination of Mediaset. The company acknowledged Fininvest's notification at the Board of Directors' meeting of 11 May 2004. Fininvest's statement is confirmed by the fact that Mediaset independently sets its own strategy and has full organisational, management and negotiating autonomy, as it is not subject to any steering or coordination of its business operations by Fininvest. Specifically, Fininvest does not issue any directives to Mediaset nor does it provide assistance or technical, administrative or financial coordination on behalf of Mediaset and its subsidiaries.

Pursuant to Article 2497 et. seq of the Italian Civil Code, Mediaset S.p.A. currently manages and coordinates the following Mediaset Group companies:

- Digitalia '08 S.r.l.
- EI Towers S.p.A.*
- Elettronica Industriale S.p.A.
- Mediaset Premium S.p.A.
- Media4commerce S.p.A.
- Medusa Film S.p.A.
- Monradio S.r.l.
- Promoservice Italia S.r.l.
- Publitalia '80 S.p.A.
- R.T.I. S.p.A.
- Taodue S.r.l.

- Video Time S.p.A.

* Company listed on the electronic stock market (MTA) of Borsa Italiana S.p.A.; The share is included in the FTSE Italia Star index.

Consob Communication DAC/RM97001574 of 20 February 1997

With respect to the Consob recommendation (Communication dated 20 February 1997, File no. DAC/RM97001574), a list of directors and their duties is provided below:

The Chairman

Fedele Confalonieri — with all powers of ordinary and extraordinary management up to the limit of EUR 15,000,000.00 per individual transaction, with the exception of those powers that fall under the exclusive authority of the Board of Directors or the Executive Committee. Pursuant to the Company Bylaws, the Chairman represents the Company.

Deputy Chairman and Chief Executive Officer

Pier Silvio Berlusconi, — with all powers of ordinary and extraordinary management up to the limit of EUR 15,000,000.00 per individual transaction, with the exception of those powers that fall under the exclusive authority of the Board of Directors or the Executive Committee. Pursuant to the Company Bylaws, the Deputy Chairman and Chief Executive Officer represents the Company. The Deputy Chairman and Chief Executive Officer replaces the Chairman, representing the Company, in his absence or impediment. The actual exercising of the power of representation by the Deputy Chairman and Chief Executive Officer indicates per se the absence or impediment of the Chairman and exonerates third parties from any verification or responsibility thereof.

Directors

Giuliano Adreani

Marina Berlusconi

Franco Bruni

Pasquale Cannatelli

Mauro Crippa

Bruno Ermolli

Marco Giordani

Fernando Napolitano

Gina Nieri

Michele Perini

Alessandra Piccinino

Niccolo' Querci

Stefano Sala

Carlo Secchi

Wanda Ternau

Executive Committee

Fedele Confalonieri

Pier Silvio Berlusconi

Giuliano Adreani

Marco Giordani

Gina Nieri

Risk and Control Committee

Carlo Secchi (Chairman)

Franco Bruni

Fernando Napolitano

Compensation Committee

Michele Perini (Chairman)

Bruno Ermolli

Fernando Napolitano

Governance and Nominations Committee

Carlo Secchi (Chairman)

Michele Perini

Wanda Ternau

Committee of Independent Directors for Related-Party Transactions

Michele Perini (Chairman)

Alessandra Piccinino

Carlo Secchi

EVENTS AFTER 31 DECEMBER 2015

On **12 January 2016**, the Mediamond agency (50% Mediaset Group, 50% Mondadori Group) signed an agreement with the Finelco Group for the advertising sales of the radio broadcasters 105, Virgin Radio and Radio Monte Carlo.

On **2 February 2016**, Yahoo and Mediaset sealed a three-year exclusive agreement for the sale of display, native and video advertising and content marketing on Yahoo.it. The agreement will take effect from the second quarter of 2016. This partnership will allow Mediamond (the Mediaset Group's online advertising agency) to position itself in the Audiweb ranking right behind Google and Facebook, reaching 21.2 million people on a monthly basis and over 5.3 million daily. Gemini, Yahoo's proprietary native platform, will be available to Mediamond's partners, while Tumblr, the social network and publishing platform, will be a new asset for Mediamond's and Publitalia's cross-media projects. The agreement with Yahoo will enable the Group to further develop its offering with a view to providing and building a major cross-media portfolio on all platforms, by leveraging Yahoo's technological reach and its large digital audience and combining it with Mediamond's editorial brand recognition.

The share buyback plan decided by the Board of Directors of Mediaset España on 28 October 2015 was completed on **20 February 2016** by purchasing 14,232,590 shares equivalent to 3.89% of share capital, for a total disbursement of EUR 132.6 million. As a result of these purchases, the Group now holds a 50.2% interest in Mediaset España.

FORECAST FOR THE YEAR

In the first two months of 2016, the trend in the Group's advertising sales in Italy of the Group's recorded an increase in line with the growth rates of recent quarters in a context of stable demand compared with the end of 2015.

Advertising revenues in Spain in the first months of the year showed a good rate of growth in a market where the economic recovery is already more consolidated.

Given general conditions that are progressively more stable, it is foreseeable that in the first half of the year the trend of the Group's advertising revenues will remain positive. The Group's market share in Italy and Spain is expected to consolidate at current levels, excluding the sports events that will characterise the first part of the summer season.

In the early months of 2016 the growth in revenues generated by Mediaset Premium continued and the second half of 2016 should further increase the customer base by leveraging the exclusive availability both of the Champions League and of cinema content and TV series secured by a multi-year deal with Warner and Universal.

The results of the first half of the year will also be impacted by the success of Italian films produced and distributed by the Group through Medusa Film, including "Quo Vado?", an historical record in Italy with over EUR 65 million in box office receipts, and "Perfetti sconosciuti", currently in second place in front of a number of big American films.

Despite a still volatile and uncertain environment in terms of consumer spending, the Group in 2016 will remain focused on maximising advertising revenues by leveraging a cross-media sales model, brand leadership and the implementation of the business plan for Mediaset Premium.

The development of the radio business in 2016 - following the acquisition in late 2015 of Monradio, which owns R101, and the partnership with Finelco. subject regulatory approval - will involve an initial phase of restructuring that should lead, according to the business plan, to a return to profitability in the medium term.

BOARD OF DIRECTORS REPORT TO THE SHAREHOLDERS' MEETING OF 27 APRIL 2016 ON THE FOLLOWING ITEMS ON THE AGENDA:

A) Financial Statements at 31 December 2015

1. Approval of the Financial Statements at 31 December 2015; the Directors' Reports on Operations; the Reports of the Independent Auditors and the Board of Statutory Auditors; and Presentation of the Consolidated Financial Statements at 31 December 2015.

Shareholders,

We trust in your agreement with the approach and criteria adopted in preparing the Statement of Financial Position, the Income Statement, Statement of Comprehensive Income, Cash Flow Statement, Statement of Changes in Shareholders' Equity and the Notes to the Accounts for the period ended 31 December 2015, which we request that you approve, along with this Directors' Report on Operations.

2. Approval of the allocation of the profit for the year; related resolutions.

Shareholders,

Lastly, we ask you to resolve on the allocation of the profit for the year of EUR 50,368,405.61 as follows:

- to distribute EUR 22,728,041.28 to Shareholders at EUR 0.02 for each of the 1,136,402,064 ordinary shares constituting the share capital;
- to allocate the remaining undistributed profits for the year of EUR 27,640,364.33 to the extraordinary reserve.

Consequently, if this proposal is approved by you, the extraordinary reserve amounting to EUR 1,409,069,425.54 will be increased to EUR 1,436,709,789.87.

B) Compensation Report, pursuant to article 123–ter of Italian Legislative Decree no. 58/1998

3. Compensation Report, pursuant to article 123–ter of Italian Legislative Decree no. 58/1998. Resolutions regarding compensation policy.

Shareholders,

We hereby submit for your approval the Compensation Report prepared in accordance with article 123-ter of Italian Legislative Decree no. 58/1998 (Consolidated Finance Law) and the implementation provisions issued by CONSOB.

We request your approval of the first section of the Report, which illustrates the Company's policy with regard to compensation paid to directors and key management personnel, in compliance with the above mentioned article 123-ter of the Consolidated Finance Law.

C) Authorisation for the Board of Directors to purchase and dispose of treasury shares

4. 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; related resolutions.

Shareholders,

Please note that with the approval of the financial statements for the year ended 31 December 2015, the authority granted to the Board of Directors to purchase treasury shares expires.

We recommend that the aforementioned authorisation be renewed in order to continue pursuing, in the interests of the company, the objectives permitted by current legislation, including:

a) the availability of shares to be assigned for the implementation of compensation plans with allocation, against payment or free of charge, of company shares (such as stock grant or stock option plans and, more generally, share plans and plans for financial instruments exchangeable for the Company shares) in favour of executives, employees and/or workers of the Group;

b) conducting trading and hedging operations;

c) conducting liquidity investment operations.

The purchases will be carried out in accordance with Articles 2357 and following of the Italian Civil Code, Article 132 of Italian Legislative Decree 58/98 and Article 144-bis of the CONSOB Regulation implementing Italian Legislative Decree no. 58 of 24 February 1998 on regulations for share issuers ("Issuer Regulations"), and also in accordance with all other applicable regulations, including the regulations pursuant to EU Directive 2003/6 and all related EU and Italian implementing provisions.

To date, share capital amounts to EUR 614,238,333.28, broken down into 1,181,227,564 ordinary shares. On 22 March 2016, your Company held 44,825,500 treasury shares, amounting to 3.795% of the share capital. Mediaset's subsidiaries do not hold any shares in the holding company.

We therefore submit for your approval the assignment to the Board of Directors of the authority to purchase, also through trading in options or financial instruments, including derivatives, relative to the Mediaset share, up to a maximum number of 118,122,756 ordinary shares of a nominal amount of EUR 0.52 each, amounting to 10% of the share capital, in one or more lots, until the approval of the Financial Statements at 31 December 2016 and, in any case, for a period of no longer than 18 months from the date of the relative resolution of the Shareholders' Meeting. The above amount is covered by available reserves as shown in the last approved Financial Statements.

The purchases must be made through the stock exchange in accordance with the procedure set out in Article 144-bis, letters b) and c) of the Issuer Regulations at a price that does not exceed the higher between the price of the last independent transaction and the price of the current highest independent ask price on the electronic stock market (MTA) organised by Borsa Italiana.

We also request, in accordance with article 2357-ter of the Italian Civil Code, that you grant authorisation to the Board of Directors, in compliance with current legislation and all regulations that may be applicable, as well as with the regulations issued by Borsa Italiana and all relevant EU regulations, to:

a) dispose of treasury shares, either purchased based on this resolution or already held by the Company, to the participants in the compensation plans, against payment or free of charge, at the terms and conditions – including the price, where applicable – established by those plans and their regulations. The authorisation referred to in this point shall be granted within the time limits set by the compensation plans;

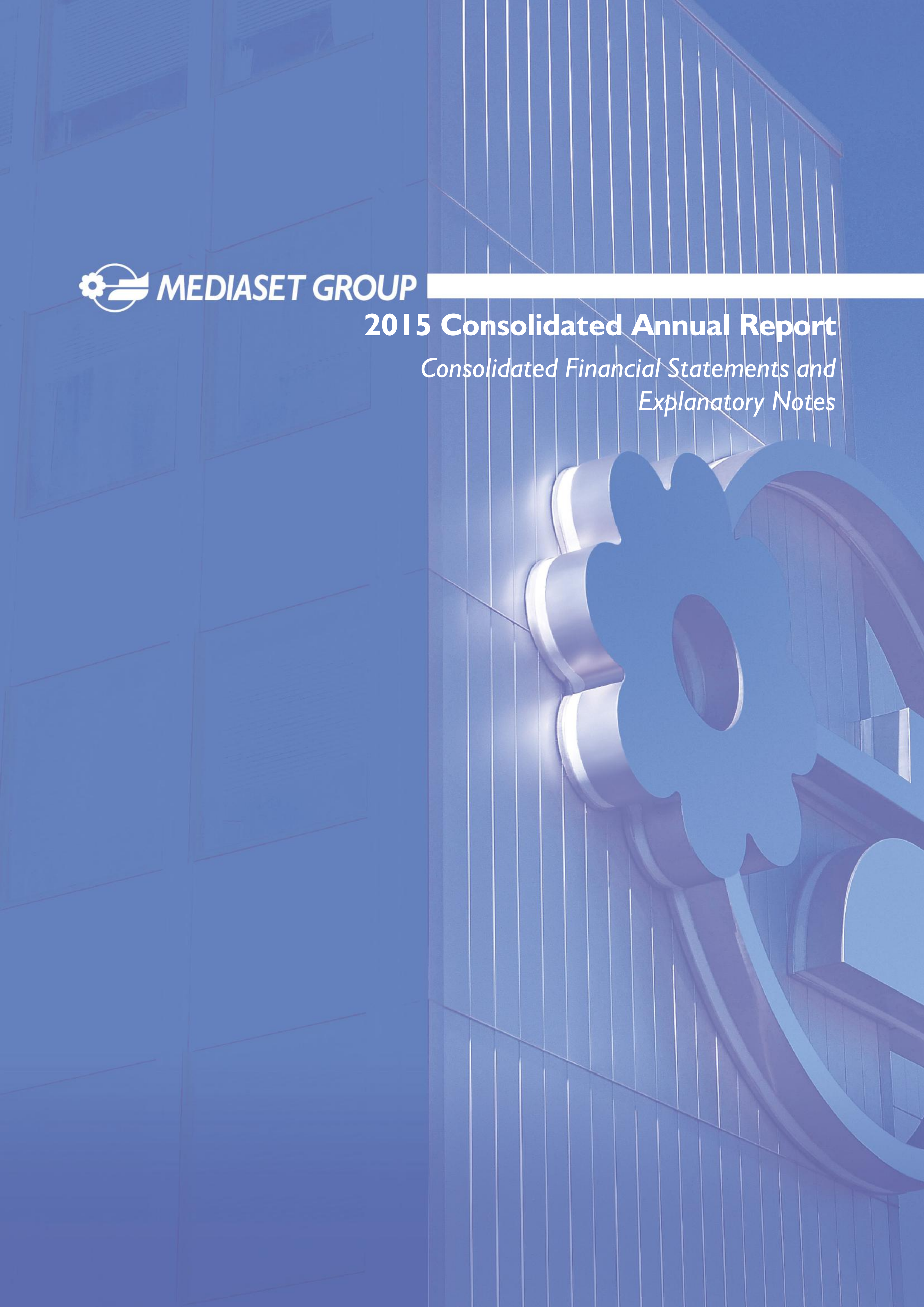
b) dispose of the shares, either purchased based on this resolution or already held by the Company, in accordance with one of the following procedures:

i) through cash transactions; in this case, the shares shall be sold either through the stock exchange the shares are listed on, and/or outside the stock exchange at a price not less than 90% of the price of the shares quoted on the stock exchange on the trading day before each individual transaction;

ii) through swap, exchange, contribution or through other operations using the shares, as part of business plans or corporate financing operations. In this case, the economic terms and conditions of the disposal transactions, including the valuation of shares swapped, are calculated, with the assistance of independent experts, on the basis of the nature and characteristics of the transactions themselves, taking into account the performance of Mediaset shares on the market.

The authorisation pursuant to point b) is granted for a period not exceeding 18 months from the date of the resolution.

For the Board of Directors
the Chairman



MEDIASET GROUP

2015 Consolidated Annual Report

Consolidated Financial Statements and Explanatory Notes

MEDIASET GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

(values in EUR million)

	Notes	31/12/2015	31/12/2014
ASSETS			
Non current assets			
Property, plant and equipment	7.1	461.4	455.8
Television and movie rights	7.2	2,205.9	2,581.4
Goodwill	7.3	975.1	920.2
Other intangible assets	7.5	705.0	656.1
Investments in associates	7.6	61.8	32.5
Other financial assets	7.7	44.6	50.0
Deferred tax assets	7.8	409.4	471.7
TOTAL NON CURRENT ASSETS		**4,863.3**	**5,167.7**
Current assets			
Inventories	8.1	39.7	42.7
Trade receivables	8.2	1,407.1	1,489.8
Tax receivables	8.3	55.7	75.3
Other receivables and current assets	8.3	311.3	278.8
Current financial assets	8.4	67.8	73.2
Cash and cash equivalents	8.5	351.6	457.3
TOTAL CURRENT ASSETS		**2,233.2**	**2,417.0**
Non current assets held for sale		**0.0**	**0.0**
TOTAL ASSETS		**7,096.4**	**7,584.7**

(*) With reference to CONSOB decision n. 15519 dated 27th July 2006, the effects on the Balance Sheet items generated by related parties transactions are shown in a separated table mentioned in the next pages and moreover describer in the Explanatory Note 16.

MEDIASET GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

(values in EUR million)

	Notes	31/12/2015	31/12/2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	9.1	614.2	614.2
Share premium reserve	9.2	275.2	275.2
Treasury shares	9.3	(416.7)	(416.7)
Other reserves	9.4	834.3	755.4
Valuation reserve	9.5	(19.3)	(4.0)
Retained earnings	9.6	1,002.1	1,074.9
Net profit for the period		4.0	23.7
Group Shareholders' Equity		**2,293.9**	**2,322.8**
Minority interests in net profit		106.6	53.3
Minority interests in share capital, reserves and retained earnings		547.3	669.3
Minority interests		**653.8**	**722.6**
TOTAL SHAREHOLDERS' EQUITY		**2,947.8**	**3,045.5**
Non current liabilities			
Post-employment benefit plans	10.1	89.1	96.9
Deferred tax liabilities	7.8	68.9	73.2
Financial liabilities and payables	10.2	1,108.1	1,093.8
Provisions for non current risks and charges	10.3	59.8	54.5
TOTAL NON CURRENT LIABILITIES		**1,326.0**	**1,318.4**
Current liabilities			
Financial payables	11.1	93.9	210.4
Trade and other payables	11.2	2,368.9	2,589.1
Provisions for current risks and charges	10.3	57.1	74.3
Current tax liabilities	11.3	1.2	5.8
Other financial liabilities	11.4	70.7	72.2
Other current liabilities	11.6	230.8	269.0
TOTAL CURRENT LIABILITIES		**2,822.7**	**3,220.8**
Liabilities related to non current assets held for sale			
TOTAL LIABILITIES		**4,148.7**	**4,539.2**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**7,096.4**	**7,584.7**

(*) With reference to CONSOB decision n. 15519 dated 27th July 2006, the effects on the Balance Sheet items generated by related parties transactions are shown in a separated table mentioned in the next pages and moreover describer in the Explanatory Note 16.

MEDIASET GROUP

CONSOLIDATED STATEMENT OF INCOME (*)

(values in EUR million)

STATEMENT OF INCOME	Notes	2015	2014
Sales of goods and services	12.1	3,435.5	3,373.8
Other revenues and income	12.2	89.3	40.5
TOTAL NET CONSOLIDATED REVENUES		**3,524.8**	**3,414.4**
Personnel expenses	12.3	520.5	537.5
Purchases, services, other costs	12.4	1,638.4	1,544.5
Amortisation, depreciation and write-downs	12.5	1,134.4	1,083.7
Impairment losses and (reversal) of impairment on fixed assets			
TOTAL COSTS		**3,293.4**	**3,165.7**
EBIT		**231.4**	**248.7**
Financial expenses	12.6	(99.1)	(101.0)
Financial income	12.7	49.7	30.7
Income/(expenses) from equity investments	12.9	15.0	(39.8)
EBT		**197.2**	**138.5**
Income taxes	**12.10**	**(86.6)**	**(61.7)**
NET PROFIT FROM CONTINUING OPERATIONS		**110.6**	**77.0**
Net Gains/(Losses) from discontinued operations		-	-
NET PROFIT FOR THE PERIOD	**12.11**	**110.6**	**77.0**
Attributable to:			
- Equity shareholders of the parent company		4.0	23.7
- Minority Interests		106.6	53.3
Earnings per share	**12.12**		
- Basic		0.00	0.02
- Diluted		0.00	0.02

(*) With reference to CONSOB decision n. 15519 dated 27th July 2006, the effects on the Balance Sheet items generated by related parties transactions are shown in a separated table mentioned in the next pages and moreover describer in the Explanatory Note 16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(values in EUR million))

	Note	2015	2014
PROFIT OR (LOSS) FOR THE PERIOD		**110.6**	**77.0**
OTHER COMPREHENSIVE INCOME RECYCLED TO PROFIT AND LOSS		**(13.0)**	**22.9**
Changes arising from translating the financial statement of foreign operations		-	-
Effective portion of gains and losses on hedging instruments (cash flow hedge)	9.5	(12.4)	26.0
Gains and losses on available-for-sale financial assets	9.4	(5.4)	5.4
Other gains and losses of associates valued by equity method		-	0.2
Other gains and losses		-	-
Tax effects		4.9	(8.7)
OTHER COMPREHENSIVE INCOME NOT RECYCLED TO PROFIT AND LOSS		**0.7**	**(7.3)**
Changes in revaluation surplus		-	-
Actuarial gains and losses on defined benefit plans	9.5	2.0	(9.8)
Other gains and losses of associates valued by equity method	9.4	0.1	-
Other gains and losses		-	-
Tax effects		(1.5)	2.5
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX EFFECTS (B)		**(12.3)**	**15.7**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**98.3**	**92.7**
attributable to:			
- owners of the parent		(6.3)	38.1
- non controlling interests		104.6	54.6

MEDIASET GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

(values in EUR million)

	Notes	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES:			
Operating profit		**231.4**	**248.7**
+ Depreciation and amortisation		1,134.4	1,083.7
+ Other provisions and non-cash movements		18.4	2.0
+ Change in trade receivables		105.0	38.3
+ Change in trade payables		239.8	128.3
+ Change in other assets and liabilities		(119.1)	(69.2)
- Interests (paid)/received		(1.0)	(5.4)
- Income tax paid		(70.9)	(66.9)
Net cash flow from operating activities [A]		**1,538.0**	**1,359.5**
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from the sale of fixed assets		3.5	18.6
Proceeds from the sale of equity investments		10.8	361.6
Interests (paid)/received		0.5	1.1
Purchases in television rights		(623.3)	(1,672.9)
Changes in advances for television rights		(33.3)	(0.8)
Purchases of other fixed assets		(85.3)	(31.4)
Equity investments		(29.4)	(3.6)
Changes in payables for investing activities	13.1	(467.3)	625.2
Proceeds/(Payments) for hedging derivatives		44.6	9.4
Changes in other financial assets		(1.1)	0.5
Dividends received		2.6	2.8
Business Combinations net of cash acquired	13.2	(85.4)	(17.1)
Changes in consolidation area	13.3	100.0	280.2
Net cash flow from investing activities [B]		**(1,163.1)**	**(426.4)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Change in treasury shares	13.4	(238.6)	(307.5)
Changes in financial liabilities		(121.9)	(328.2)
Corporate bond		-	-
Dividends paid		(66.9)	-
Changes in other financial assets/liabilities		-	8.8
Interests (paid)/received		(53.2)	(46.4)
Net cash flow from financing activities [C]		**(480.6)**	**(673.4)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]		**(105.7)**	**259.8**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]		**457.3**	**197.6**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]		**351.6**	**457.4**

MEDIASET GROUP

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(values in EUR million)

	Share capital	Share premium reserve	Legal reserve and other reserves	Company's treasury shares	Valuation reserve	Retained earnings/ (accumulated losses)	Profit/ (loss) for the period	**Total Group shareholders' equity**	Total shareholders' equity attributable to minority interests	**TOTAL SHARE-HOLDERS' EQUITY**
Balance at 1/1/2014	**614.2**	**275.2**	**504.7**	**(416.7)**	**(13.9)**	**1,147.4**	**8.9**	**2,119.9**	**857.8**	**2,977.7**
Business Combinations	-	-	-	-	-	-	-	-	-	-
Allocation of the parent company's 2013 net profit	-	-	-	-	-	8.9	(8.9)	-	-	-
Dividends paid by the parent company	-	-	-	-	-	-	-	-	-	-
Stock Option plan valuation	-	-	-	-	(2.5)	2.5	-	-	-	-
(Purchase)/sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Profits/(losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Changes in controlling stake on subsidiaries	-	-	248.7	-	-	(83.8)	-	164.9	(189.7)	(24.8)
Other changes	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Comprehensive income/(loss)	-	-	2.0	-	12.4	-	23.7	38.1	54.7	92.8
	-	-	-	-	-	-	-	-	-	-
Balance at 31/12/2014	**614.2**	**275.2**	**755.4**	**(416.7)**	**(4.0)**	**1,074.9**	**23.7**	**2,322.8**	**722.7**	**3,045.6**
Final PPA 2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**
Final balance at 31/12/2014	**614.2**	**275.2**	**755.4**	**(416.7)**	**(4.0)**	**1,074.9**	**23.7**	**2,322.8**	**722.6**	**3,045.5**
Balance at 1/1/2015	**614.2**	**275.2**	**755.4**	**(416.7)**	**(4.0)**	**1,074.9**	**23.7**	**2,322.8**	**722.6**	**3,045.5**
Allocation of the parent company's 2014 net profit	-	-	-	-	-	23.7	(23.7)	-	-	-
Dividends paid by the parent company	-	-	(2.1)	-	-	(20.6)	-	(22.7)	(44.2)	(66.9)
Stock Option plan valuation	-	-	-	-	(6.8)	7.5	-	0.7	-	0.7
(Purchase)/sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Profits/(losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Changes in controlling stake on subsidiaries	-	-	82.8	-	-	(82.0)	-	0.8	(140.6)	(139.8)
Business Combinations	-	-	(0.1)	-	-	-	-	(0.1)	9.1	9.0
Other changes	-	-	-	-	-	(1.3)	-	(1.3)	2.2	0.9
Comprehensive income/(loss)	-	-	(1.8)	-	(8.5)	-	4.0	(6.3)	104.6	98.3
	-	-	-	-	-	-	-	-	-	-
Balance at 31/12/2015	**614.2**	**275.2**	**834.3**	**(416.7)**	**(19.3)**	**1,002.1**	**4.0**	**2,293.9**	**653.8**	**2,947.8**

MEDIASET GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ACCORDING TO CONSOB RESOLUTION N. 15519 DATED 27 JULY 2006

(values in EUR million)

		31/12/2015	of which vs. related parties (note 15)	% wheight	31/12/2014 (*)	of which vs. related parties (note 15)	% wheight
ASSETS							
Non current assets							
Property, plant and equipment	7.1	461.4			455.8		
Television and movie rights	7.2	2,205.9	0.3	0%	2,581.4	2.3	0%
Goodwill	7.3	975.1			920.2		
Other intangible assets	7.5	705.0	0.1	0%	656.1	0.1	0%
Investments in associates	7.6	61.8			32.5		
Other financial assets	7.7	44.6	14.3	32%	50.0	19.8	40%
Deferred tax assets	7.8	409.4			471.7		
TOTAL NON CURRENT ASSETS		**4,863.3**			**5,167.7**		
Current assets							
Inventories	8.1	39.7			42.7		
Trade receivables	8.2	1,407.1	36.9	3%	1,489.8	35.3	2%
Tax receivables	8.3	55.7			75.3		
Other receivables and current assets	8.3	311.3	7.2	2%	278.8	11.7	4%
Current financial assets	8.4	67.8	21.7	32%	73.2	26.8	37%
Cash and cash equivalents	8.5	351.6			457.3		
TOTAL CURRENT ASSETS		**2,233.2**			**2,417.0**	**0.0**	**0.0**
Non current assets held for sale		0.0			0.0		
TOTAL ASSETS		**7,096.4**			**7,584.7**		

MEDIASET GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ACCORDING TO CONSOB RESOLUTION N. 15519 DATED 27 JULY 2006

(values in EUR million)

		31/12/2015	of which vs. related parties (note 15)	% wheight	31/12/2013	of which vs. related parties (note 15)	% wheight
SHAREHOLDERS' EQUITY AND LIABILITIES							
Share capital and reserves							
Share capital	9.1	614.2			614.2		
Share premium reserve	9.2	275.2			275.2		
Treasury shares	9.3	(416.7)			(416.7)		
Other reserves	9.4	834.3			755.4		
Valuation reserve	9.5	(19.3)			(4.0)		
Retained earnings	9.6	1,002.1			1,074.9		
Net profit for the period		4.0			23.7		
Group Shareholders' Equity		**2,293.9**			**2,322.8**		
Minority interests in net profit		106.6			53.3		
Minority interests in share capital, reserves and retained earnings		547.3			669.3		
Minority interests		**653.8**			**722.6**		
TOTAL SHAREHOLDERS' EQUITY		**2,947.8**			**3,045.5**		
Non current liabilities							
Post-employment benefit plans	10.1	89.1			96.9		
Deferred tax liabilities	7.8	68.9			73.2		
Financial liabilities and payables	10.2	1,108.1	202.9	18%	1,093.8	200.4	18%
Provisions for non current risks and charges	10.3	59.8			54.5		
TOTAL NON CURRENT LIABILITIES		**1,326.0**			**1,318.4**		
Current liabilities							
Financial payables	11.1	93.9			210.4		
Trade and other payables	11.2	2,368.9	59.2	2%	2,589.1	50.4	2%
Provisions for current risks and charges	10.3	57.1			74.3		
Current tax liabilities	11.3	1.2	0.1	5%	5.8	0.2	4%
Other financial liabilities		70.7	14.7	21%	72.2	18.8	26%
Other current liabilities	11.6	230.8	1.8	0.0	269.0	1.2	0.0
TOTAL CURRENT LIABILITIES		**2,822.7**			**3,220.8**		
Liabilities related to non current assets held for sale							
TOTAL LIABILITIES		**4,148.7**			**4,539.2**		
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**7,096.4**			**7,584.7**		

MEDIASET GROUP

CONSOLIDATED STATEMENT OF INCOME ACCORDING TO CONSOB RESOLUTION N. 15519 DATED 27 JULY 2006

(values in EUR million)

STATEMENT OF INCOME	Notes	2015	of which vs. related parties (note 15)	% whеight	2014	of which vs. related parties (note 15)	% whеight
Sales of goods and services	12.1	3,435.5	60.5	2%	3,373.8	61.9	2%
Other revenues and income	12.2	89.3	4.1	5%	40.5	4.1	10%
TOTAL NET CONSOLIDATED REVENUES		**3,524.8**			**3,414.4**		
Personnel expenses	12.3	520.5			537.5		
Purchases, services, other costs	12.4	1,638.4	171.9	10%	1,544.5	179.3	12%
Amortisation, depreciation and write-downs	12.5	1,134.4	2.8	0%	1,083.7	2.5	0%
Impairment losses and reversal of impairment on fixed assets							
TOTAL COSTS		**3,293.4**			**3,165.7**		
EBIT		**231.4**			**248.7**		
Financial expenses	12.6	(99.1)	(5.0)	5%	(101.0)	(5.1)	5%
Financial income	12.7	49.7	1.8	4%	30.7	1.5	5%
Income/(expenses) from equity investments	12.9	15.0			(39.8)		
EBT		**197.2**			**138.5**	**0.0**	**0.0**
Income taxes	12.10	(86.6)			(61.7)		
NET PROFIT FROM CONTINUING OPERATIONS		**110.6**			**77.0**		
Net Gains/(Losses) from discontinued operations		-			-		
NET PROFIT FOR THE PERIOD	12.11	**110.6**			**77.0**		
Attributable to:							
- Equity shareholders of the parent company		4.0			23.7		
- Minority Interests		106.6			53.3		
Earnings per share	12.12						
- Basic		0.00			0.02		
- Diluted		0.00			0.02		

EXPLANATORY NOTES

1. GENERAL INFORMATION

Mediaset S.p.A. is a joint stock company incorporated in Italy and entered in the Milan Companies Register. Its registered office is located in Via Paleocapa, 3, Milan. Its majority shareholder is Fininvest S.p.A.. The main activities of the company and its subsidiaries are described in the opening section of the Report on Operations.

These Financial Statements are presented in Euro, because this is the currency used for the majority of the Group's operations.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

These Financial Statements have been prepared on a going concern basis, because the Directors have verified that there are no financial, operational, or other indicators of problem issues that could affect the Group's ability to meet its obligations in the foreseeable future. The risks and uncertainties related to the business are described in the Report on Operations. The description of how the Group manages its financial risks, including liquidity and capital risk, is provided in the section "Additional information on financial instruments and risk management policies" in these Explanatory Notes.

The Consolidated Financial Statements at 31 December 2015 have been prepared in accordance with the IAS/IFRS (International Accounting Standards/International Financial Reporting Standards) and related interpretations issued by the SIC/IFRIC (Standards Interpretation Committee/International Financial Reporting Interpretation Committee) endorsed by the European Commission and in force at that date.

The basis of presentation for assets and liabilities is historical cost, except for certain financial instruments which have been designated at fair value, in accordance with IAS 39 and IFRS 13.

The tables in the Financial Statements and the Explanatory Notes have been prepared together with the additional information required for financial statements formats and disclosures established by Consob Resolution no. 15519 of 27 July 2006 and by Consob Communication no. 6064293 of 28 July 2006.

The values of the items in the Consolidated Financial Statements, in view of their size, are shown in millions of Euros.

The preparation of the Consolidated Financial Statements and the Explanatory Notes has required the use of estimates and assumptions both in the determination of certain assets and liabilities and the measurement of contingent assets and liabilities. Specifically, the current macroeconomic environment has meant that the estimates regarding the future progress of these items have been made taking into account this high level of uncertainty.

The main estimates relate to the calculation of the value in use of the Cash Generating Units to which the goodwill, or other assets with indefinite useful lives are allocated, for the purposes of the periodic check of recoverable amount of these assets in accordance with IAS 36. The calculation of this value in use requires the estimation of the cash flows expected to be produced by the CGU, as well as the setting of an appropriate discounting rate. The main uncertainties that could influence this estimate relate to the calculation of the Weighted Average Cost of Capital (WACC), of the growth rates of the flows beyond the forecast horizon (g), as well as the assumptions made in projecting the expected cash flows for the years of the explicit forecast.

The estimate of the recoverability period of the deferred tax assets recognised, with particular reference to tax losses, took into consideration the budget and plan results consistent with those used for the impairment testing of the companies within the tax consolidation.

The main forecast data refer to the provisions for risk and charges and the bad debt provisions.

The estimates and assumptions are periodically revised and the impacts of each individual change are posted to the income statement.

3. SUMMARY OF THE ACCOUNTING STANDARDS AND MEASUREMENT CRITERIA

Accounting standards, amendments and interpretations applied from 1 January 2015

From 1 January 2015, some new accounting standards and/or amendments and interpretations to previously effective standards have applied, which have had no significant impacts for the Group.

IFRIC 21 – Levies

The interpretation provides guidance on when to recognise a liability for a levy (other than income tax) imposed by a government agency. The standard addresses the liabilities for levies that come under the scope of IAS 37 - Provisions, contingent liabilities and contingent assets, as well as those whose timing and amount are certain. This is not relevant for the Group.

IAS 19 "Defined Benefit Plans: Employee Contributions"

The amendment aims to present the contributions (relating only to the service provided by the employee during the year) made by employees or third parties to defined benefit plans as a reduction in service cost for the year in which the contribution is paid. The need for this proposal arose from the introduction of the new IAS 19, where it is considered that such contributions are to be interpreted as part of a post-employment benefit, rather than a short-term benefit and, therefore, that this contribution must be spread over the years of service of the employee. This amendment had no impacts for the Group.

Annual Improvements to IFRSs: 2010-2012 Cycle:

- **IFRS 2 Share Based Payments** – Definition of vesting condition. Amendments have been made to the definitions of vesting condition and market condition and further definitions have been added for performance condition and service condition (previously included within the definition of vesting condition);
- **IFRS 3 Business Combinations** – Accounting for contingent consideration. This amendment clarifies that contingent consideration within business combinations classified as

a financial asset or liability must be remeasured at fair value at each reporting date and that the changes in fair value must be recognised through profit or loss or under the items of comprehensive income on the basis of the requirements of IAS 39 (or IFRS 9);

- **IFRS 8 Operating segments** – Aggregation of operating segments. The amendments require an entity to provide disclosure regarding the assessments made by management in applying the criteria for aggregating operating segments, including a description of the aggregated operating segments and economic indicators considered in determining whether these operating segments have similar economic characteristics;
- **IFRS 8 Operating segments** – Reconciliation of total of the reportable segments' assets to the entity's assets. The amendments clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should be disclosed only if the total of the reportable segments' assets is regularly reviewed by the chief operating decision maker of the entity;
- **IFRS 13 Fair Value Measurement** – Short-term receivables and payables. The Basis for Conclusions for this standard have been amended to clarify that with the issuance of IFRS 13, and consequential amendments to IAS 39 and IFRS 9, the ability remains for the entity to measure short-term trade receivables and payables without discounting, when the effect of not discounting is immaterial ;
- **IAS 16 Property, plant and equipment and IAS 38 Intangible Assets** – Revaluation method: proportionate restatement of accumulated depreciation/amortisation. The amendments have eliminated the inconsistencies in the recognition of accumulated depreciation and amortisation when property, plant and equipment or intangible assets are revalued. The requirements established by the amendments clarify that the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and that the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses;
- **IAS 24 Related Parties Disclosures** – Key management personnel. Clarification has been provided that when key management personnel services are provided by an entity (and not by a natural person), that entity must be considered a related party.

Annual Improvements to "Annual Improvements to IFRSs: 2011-2013 Cycle:

- **IFRS 3 Business Combinations** – Scope exception for joint ventures. The amendment clarifies that paragraph 2(a) of IFRS 3 contains a scope exception from IFRS 3 for the formation of all types of joint arrangement, as defined by IFRS 11;
- **IFRS 13 Fair Value Measurement** – Scope of portfolio exception (par. 52). The amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13 applies to all contracts included within the scope of IAS 39 (or IFRS 9) even if they do not meet the definitions of financial assets or financial liabilities provided in IAS 32;

Financial statement tables and formats

The Consolidated Statement of Financial Position has been prepared according to a format that splits assets and liabilities into current and non-current. An asset or liability is classified as current when it meets one of the following criteria:

- it is expected to be realized or settled, or is expected to be sold or used during the Group's normal business cycle, or
- it is mainly held for trading, or
- it is expected to be realized or settled within 12 months from the reporting date.
- If all three of the above conditions are not met the assets and liabilities are classified as non-current.

The **Income Statement** has been prepared on the basis of allocation of costs by type, using the same methodology as the Group's internal reporting and in line with the prevailing international practices in the industry, with a breakdown that shows Earnings Before Interest and Tax (EBIT) and Earnings Before Tax (EBT). The *EBIT* is the difference between net revenues and operating costs (the latter of which include non-monetary costs relating to amortisation, depreciation and write-downs of current and non-current assets, net of any write-backs).

To enable better measurement of the actual performance of ordinary operations, cost and revenue items may be shown within the EBIT section, resulting from events or operations that, due to their nature or size, are considered non-recurring. These transactions may fall under the definition of significant non-recurring transactions and events contained in Consob Communication no. 6064293 of 28 July 2006, as opposed to the definition of "atypical and/or unusual transactions" contained in the same Consob Communication of 28 July 2006, according to which atypical and/or unusual transactions are transactions that, due to their significance/importance, the nature of the counterparties, the object of the transaction, the method of calculation of the transfer price, and the timing of the event (e.g. proximity to the financial year end), can give rise to doubts concerning the correctness/completeness of the information in the financial statements, conflicts of interest, the safeguarding of the Company's assets, or the protection of minority shareholder interests.

The **Comprehensive Income Statement** shows the cost and revenue items, net of tax that, as required or allowed by the various International Accounting Standards, are posted directly under shareholders' equity reserves. These items are split to show those that may be reclassified to the income statement in the future and those that may not be reclassified. For each type of significant shareholders' equity reserve shown in the statement there is a reference to the explanatory notes below that contain the related information and details of their breakdowns and the changes that have taken place compared to the previous financial year.

The **Cash Flow statement** has been prepared using the indirect method, whereby EBIT is adjusted for the effects of transactions of a non-monetary nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Investments in television broadcasting rights, as well as changes in advances paid for future purchases of rights are included under investment activities.

Changes in payables to suppliers for investments are included in the cash flows from investment activities. Similarly, receipts and payments from the hedging of cash flows for foreign currency payments of television broadcasting rights are recognised in the same way as the hedged item under cash flow from investments activities. Income and expenses relating to medium/long-term financing transactions and the related hedges, as well as dividends paid, are included under financial activities.

The **Statement of Changes in Shareholders' Equity** shows the changes that have taken place in the Shareholders' Equity items for the following:

- allocation of profit for the period of the Group Parent and subsidiaries to minority shareholders;
- breakdown of the comprehensive income/loss;
- amounts relating to transactions with shareholders;
- purchases and sales of treasury shares;
- impact from any changes in the accounting standards.

To meet the requirements of Consob Resolution no. 15519 of 27 July 2006 "Provisions regarding the structure of financial statements", specific consolidated statements of income and financial position are presented, in addition to the obligatory statements, showing the significant amounts of related-party positions or transactions separately from the related items.

Principles and scope of consolidation

The Consolidated Financial Statements include the Financial Statements of Mediaset S.p.A. and the Italian and foreign companies over which Mediaset S.p.A. is entitled to exercise direct or indirect control, understood as being the investor's ability to influence its returns (exposure or rights to variable returns) by exercising power, understood as the ability to direct the relevant activities of the controlled entity, i.e., the activities that significantly affect the investee's returns.

Generally, the majority of the voting rights entails control. In support of this presumption and when the Group holds less than a majority of the voting rights (or similar rights), the Group considers the other relevant facts and circumstances to determine whether it controls the investee, including:

- contractual agreements with other holders of voting rights;
- rights arising from contractual agreements;
- voting rights and potential voting rights held by the Group.

The assets and liabilities, and the expenses and income of the *subsidiary companies* are consolidated on a line-by-line basis, meaning that they are included in their entirety in the consolidated financial statements. The carrying amount of these equity investments is offset against the corresponding portion of equity of the investee companies, giving each individual asset and liability item its current value at the date of acquisition of control (Purchase Method), or when the Full Goodwill Method is applied (an option that can be exercised separately for each individual business combination) by also recognising the amount of goodwill not belonging to the Group with an offsetting entry of the minority interest in equity. Any remaining difference, if positive, is recorded under the non-current asset time “Goodwill” and, if negative, is recognised as income in the income statement.

In the case of acquisitions of equity investments by a common holding company (business combination under common control), a situation excluded from the scope of obligatory application of IFRS 3, in the absence of specific IAS/IFRS standards or interpretations for these types of operations, taking into account the provisions of IAS 8, the *principle of pooling of interests* is generally considered to apply. According to that principle, the assets and liabilities must be transferred to the acquirer’s financial statements at the amounts shown in the consolidated financial statements at the date of transfer of the common entity that controls the parties that carry out the business combination, with recognition in a specific Group shareholders’ equity reserve of any difference between the consideration paid for the equity investment and the net book value of the assets recorded.

In preparing the consolidated financial statements, intercompany receivables, payables, costs and revenues between the consolidated companies have been eliminated, as well as the unrealised profits on intercompany operations.

The amounts of shareholders’ equity and income for the period of the consolidated companies belonging to minority shareholders are identified and shown separately in the *consolidated statement of financial position* and the *consolidated income statement*.

Changes resulting from purchases or sales of minority interests held in subsidiary companies, as long as they do not result in a loss of control, are treated as transactions with shareholders. Consequently, the difference between the fair value of the consideration paid or received for these transactions and the adjustment made to minority interests is recognised under the item *Reserves for minority transactions* of the shareholders’ equity of the holding company. Likewise, the transaction costs, in accordance with IAS 32, must also be recognised in shareholders’ equity.

The assets and liabilities of *foreign companies* that fall within the scope of consolidation and that originate in currencies other than the Euro, including the goodwill and the fair value adjustments of the assets and liabilities identified at the time of allocation of the price paid in a business combination, are translated using the spot exchange rates at the financial statement reporting date. Income and costs, on the other hand, are converted at the average rate for the financial year. The translation differences that arise from applying these methods are recognised under a specific shareholders’ equity reserve until the equity investment is sold.

The accounting balances of the *associates* and of companies subject to *joint control*, are recognised in the consolidated financial statements at equity, as described in the item *Equity Investments* below.

Pursuant to IAS 28, an *associate* is a company in which the Group is able to exert significant influence, but not control or joint control, through participation in the decisions regarding financial and operational policies of the associate.

With reference to IFRS 11, a joint venture is, instead, an arrangement whereby the parties that have joint control have rights to the net assets of the arrangement (shareholders' equity).

Joint control is defined as the *contractually agreed* sharing of control of an arrangement, which exists only when the significant decisions relating to the activity require the *unanimous consent* of all the parties sharing control.

Property, plant and equipment

Plant, machinery, equipment, buildings and land are recognised at purchase, production or transfer cost, including any transaction costs, any dismantling costs and direct costs necessary to make the asset available for use. These fixed assets, with the exception of land, which is not subject to depreciation, are depreciated on a straight-line basis in each financial year using depreciation rates set according to the remaining useful life of the assets.

Depreciation is calculated on a straight-line basis on the cost of the assets net of the relative residual values, if significant, according to their estimated useful lives, applying the following rates:

- Buildings	2% -3%
- Towers	5%
- Plant and equipment	10% – 20%
- Light constructions and equipment	5% – 16%
- Office furniture and machines	8% – 20%
- Motor vehicles and other means of transport	10% – 25%

Their recoverable amount is verified according to the criteria laid down by IAS 36, described in the section below "Impairment of assets".

Ordinary maintenance costs are recognised in full in the income statement. *Incremental maintenance costs* are allocated to the related assets and depreciated over their remaining useful life.

Leasehold improvements are allocated to the classes of assets to which they refer and depreciated at the lower of the residual life of the lease contract and residual useful life of the type of asset to which the improvement relates.

Whenever individual components of a complex tangible fixed asset have different useful lives, they are recognised separately in order to be depreciated according to their individual useful lives (component approach).

In particular, according to this principle, the value of land and of the buildings on it are separated and only the buildings are depreciated.

Gains and losses resulting from sales or disposals of assets are calculated as the difference between the sale revenue and the net book value of the asset and are posted to the income statement.

Leased-in assets

Assets acquired through lease contracts are recognised under property, plant and equipment with the recognition of a financial payable for the same amount under liabilities. The payable is progressively reduced according to the repayment schedule for the amounts of principal included in the contract instalment payments. The interest amount, on the other hand, is kept in the income statement under financial expenses and the value of the asset recognised under tangible fixed assets is depreciated on a straight-line basis according to the economic and technical life of the asset, or, if shorter, on the basis of the expiry date of the lease contract.

The costs for lease instalments resulting from operating leases are posted at fixed amounts based on the duration of the contract.

Intangible fixed assets

Intangible fixed assets are assets without identifiable physically form, controlled by the company and able to generate future economic benefits. They also include goodwill when this is acquired for consideration.

They are recorded at purchase or production cost, including transaction costs, according to the criteria already described for tangible fixed assets.

In the event of purchased intangible assets whose availability for use and related payments are deferred beyond ordinary periods, the purchase value and the related payable are discounted by recognising the financial expenses implicit in the original price.

Internally generated intangible assets are recognised in the income statement in the period in which they are incurred if related to research costs. ***Development costs***, mainly relating to software, are capitalized and amortised on a straight-line basis over their estimated useful lives (three years on average), provided they can be identified, their cost can be reliably calculated, and the asset is likely to generate future economic benefits.

Intangible assets with finite useful lives are amortised on a straight-line basis, starting from the time when the asset is available for use, over the period of their expected usefulness. Their recoverable value is assessed according to the criteria established in IAS 36, described in the section below *Impairment of assets*.

This criterion is also used for the multi-year licences relating to **television broadcasting rights**, whose amortisation basis must reasonably and reliably reflect the correlation between costs, audience share and advertising revenues.

Whenever this correlation cannot be objectively identified, the criterion generally used by the Group is the straight-line amortisation method, calculated over the duration of the contract and, in any event, over a period not exceeding 120 months. This method reflects the greater and numerous opportunities for broadcasting and for advertising sales. If this is not the case, reducing balance amortization is adopted according to the number of showings contractually available and their actual transmission. Based on the respective business models, straight-line amortisation is generally applied for the Italian television library, whereas reducing balance amortisation is used for the Spanish television library.

When, irrespective of the amortisation already posted, all showings made available under the related television broadcasting rights contracts have been completed, the residual value is expensed in full.

The rights for sporting events to be transmitted in Pay or Pay Per View mode by DTT technology are amortised at 100% when the event is broadcast.

Rights for *sports, news and entertainment programmes* are amortised entirely (100%) in the year when the right is available. Rights related to *long-running TV drama series* are amortised at 70% in the first twelve months starting from their availability date and for the remaining 30% in the following twelve months.

The **rights available for multiple means of use**, to be utilized in distribution activities, are amortised according to international accounting best practice, with reference to the ratio of actual revenues achieved to the total overall revenues from use of the right.

Costs relating the **television frequency user rights** to be used for setting up digital terrestrial networks acquired from third parties in accordance with applicable legislation, are amortised on a straight-line basis in relation to the expected duration of their use, starting from the moment of activation of the service until 30 June 2032, based on the period of validity of the definitive assignment of the user right within Italy of 28 June 2012.

The **television license** of the "multiplex Cuatro" is considered an intangible asset with indefinite useful life; accordingly it is not systematically amortised, but is subject to impairment testing, at least yearly.

The costs relating to the **radio frequency user rights** are considered intangible assets with indefinite useful lives; accordingly they are not systematically amortised, but are subject to impairment testing on an annual basis.

Intangible assets relating to **customer relations** pertain to the valuation of contracts in force on the basis of economic-financial projections and amortised on a straight-line basis over a useful life of 20 years. The contracts for local television networks are amortised on a straight-line basis over a period of 3 years.

Goodwill and the **other non-current assets with indefinite useful lives or not available for use** are not systematically amortised, but are subject to impairment testing, at least yearly, carried out at the level of Cash Generating Unit, or groups of Cash Generating Units to which Management allocates goodwill.

Any write-downs of these assets cannot be subsequently written back.

The *goodwill* resulting from the acquisition of control of an equity investment or of a business unit is the excess of the acquisition cost, understood as being the consideration transferred in the business combination, plus the fair value of any equity investment that was previously owned in the acquired enterprise, over the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of acquisition.

For the purposes of calculating goodwill, the consideration transferred in the business combination is calculated as the sum of the fair values of the assets transferred and the liabilities assumed by the Group at the date of acquisition and of the equity instruments issued in exchange for the control of the acquired entity, also including the fair value of any contingent considerations subject to conditions established in the acquisition agreement.

Any goodwill adjustments may be recognised in the *measurement period* (which cannot be more than one year from the date of acquisition) that are due to either subsequent changes in the fair value of the contingent considerations or to the calculation of the current value of the assets and liabilities acquired, if recognised only provisionally at the date of acquisition and when these changes are calculated as adjustments based on additional information regarding facts and circumstances existing at the date of the combination.

Any subsequent differences compared to the initial estimate of the fair value of liabilities for ***contingent considerations*** are recognised in the income statement, unless they derive from additional information existing at the acquisition date (in which case they can be adjusted within 12 months from the acquisition date). Likewise, any rights to receive back some parts of the consideration paid if certain conditions arise must be classified as assets by the acquirer.

The ***transaction costs*** for business combinations are recognised in the accounting period when they are incurred, with the exception of those incurred for issuances of debt securities or shares that must be recognised in accordance with IAS 32 and 39.

In the case of ***acquisition of controlling interests of less than 100%***, the goodwill and the corresponding minority interest in the goodwill can be calculated at the acquisition date either with respect to the percentage control acquired (partial goodwill) or by measuring the fair value of the minority interests in equity (full goodwill method).

The measurement method can be chosen from time to time for each transaction.

For ***step acquisitions of controlling interests*** the acquirer must recalculate the fair value of the previously held interest, up till that time, recognised, depending on the case, in accordance with IAS 39 – *Financial Instruments: Recognition and Measurement*, or IAS 28 – *Accounting for Investments in Associates*, or IFRS 11 – *Joint arrangements*, as if it had been sold and reacquired at the date when control was acquired, recognising any gains or losses resulting from that measurement in the income statement. In addition, in these circumstances, any amount previously recognised in shareholders' equity as *Other comprehensive income and losses* must be reclassified to the income statement.

In the case of disposal of controlling interests, the remaining amount of goodwill attributable to the interests is included in the calculation of the gain or loss from disposal.

The goodwill recognised as a result of ***business combinations taking place before 1 January 2010*** has been treated in accordance with the criteria laid down in the previous version of IFRS 3, which required:

- for *acquisition of controlling interests of less than 100%*, calculation of goodwill based on the proportional amount of the fair value of the identifiable net assets acquired;

- for *step acquisitions of controlling interests*, the calculation of goodwill as the sum of the fair values generated separately with each transaction;

- the inclusion of transaction costs in the amount of the acquisition cost;

- the recognition of contingent considerations at the acquisition date only if their payment was considered probable and their amount could be reliably determined; if subsequently identified they were recognised as an increase to goodwill.

Impairment of assets

The carrying amounts of tangible and intangible fixed assets are periodically reviewed in accordance with IAS 36, which requires the assessment of the existence of any losses in value (impairment), where indicators suggest that this problem may exist. In the case of goodwill, of intangible assets with indefinite useful lives or of assets not available for use, this assessment is carried out at least yearly, normally at the time of the preparation of the annual financial statements, but also at any time when there is an indication of a possible loss of value of an asset.

The recoverable amounts recognised are checked by comparing the carrying amount booked in the financial statements against the greater of the net sale price (where there is an active market for the asset) and the value in use of the asset.

The value in use is calculated based on the discounting of the cash flows expected from the use of the individual asset or of the cash generating unit to which the asset belongs and from its disposal at the end of its useful life.

The cash generating units are identified, in line with the organisational and business structures of the Group, as homogeneous aggregations that generate autonomous incoming cash flows from the continuous use of the assets attributable to them.

In the case of impairment, the cost is charged to the income statement, first by reducing goodwill and then recognizing any excess amounts, proportionally to the value of the other assets of the CGU concerned. With the exception of goodwill and assets with indefinite useful lives, impairment can be reversed for other assets when the conditions that resulted in the impairment write-down have changed. In such case, the carrying amount of the asset can be increased within the limits of the new estimated recoverable amount, but no more than the value that would have been calculated if there had been no previous write-downs.

Equity investments in associates and joint ventures

These equity investments are recognised at equity in the consolidated financial statements. At the time of acquisition the difference between the cost of the equity investment, including any transaction costs, and the acquirer's interest in the net fair value of the assets, liabilities and identifiable contingent liabilities of the investee is accounted for according to IFRS 3, with the recognition of goodwill if it is positive (included in the carrying amount of the equity investment) or of income in the consolidated income statement if it is negative.

The carrying amounts of these equity investments are adjusted after initial recognition, based on the pro-rata changes in the equity of the investee appearing in accounting statements prepared by those companies, available at the time of preparation of the consolidated financial statements.

When there are losses attributable to the Group that are higher than the carrying amount of the equity investment, the carrying amount is written off and appropriate provisions or liabilities are recognised for the amount of any additional losses, but only if the investor is committed to fulfilling legal or implicit obligations towards the investee or, in any case, to cover its losses. If no further losses are identified and the investee subsequently realises gains, the investor will only recognize the amount of the gains attributable to it after these have offset the losses not recognised.

After measurement at equity, the carrying amount of these equity investments, also including any goodwill, if the conditions established by IAS 39 apply, must be tested for impairment, in accordance with the criteria and methods established in IAS 36.

In the case of impairment write-downs the related cost is charged to the income statement. The original value can be reinstated in the following financial years if the conditions for the write-down no longer apply.

Non-current financial assets

Equity investments other than investments in associates or jointly controlled companies are posted to the item "*other financial assets*" in non- current assets and are classified pursuant to IAS 39 as financial assets "*Available for sale*" at fair value (or alternatively at cost if the fair value cannot be reliably determined) with allocation of the effects of the measurement (until the asset is realized, except when it has suffered impairment) to a specific shareholders' equity reserve.

In the event of an impairment write-down, the cost is expensed in the income statement. The original value is reinstated in subsequent financial years if the conditions for the write-down no longer apply.

The risk resulting from any losses exceeding the shareholders' equity value is recognised in a specific risk provision to the extent that the investor is committed to fulfilling legal or implicit obligations towards the investee or, in any case, to cover its losses.

This category includes non-controlling interests acquired by the Group within "*Ad4Ventures*", a venture capital with the aim of investing in new Italian businesses with high growth potential, operating in the technology and digital field. The fair value of these investments can be determined based on special valuation models or by taking account of the prices of recent transactions on the capital of those companies.

Assets available for sale also include **financial investments, not held for trading**, measured according to the rules described above for "*Available for sale*" assets, as well as **financial receivables** for the amount due beyond 12 months.

The receivables are recognised at their amortised cost, using the actual interest rate method.

Non-current assets available for sale

Non-current assets available for sale are measured at the lower of their previous net book value and their market value minus cost of sales. Non-current assets are classified as available for sale when their carrying amount is expected to be recovered by means of a sale rather than through their use in company operations. This condition is only satisfied when the sale is considered highly likely and the asset is available for immediate sale in its current condition. For this purpose, Management must be committed to the sale, which must take place within 12 months from the date of classification of the item.

Current Assets

Inventories

The inventories of raw materials, semi-finished and finished products are measured at the lower of acquisition or production cost, including transaction charges (FIFO method), and their estimated net realisable value based on market conditions. Finished products relating to teleshopping activities are measured at weighted average cost. Inventories also include television broadcasting rights acquired for use periods of less than 12 months and the costs of already completed television productions.

Trade receivables

Receivables are posted at their fair value, which is generally also their nominal amount, except when, due to significantly extended payment terms, it is the same as the value calculated using the amortised cost method. Their value at year-end is adjusted to their estimated realisable value and written down in the event of impairment. Those originating in non-EMU currencies are converted at the year-end spot rates reported by the European Central Bank.

Sale of receivables

The recognition of the sale of receivables is subject to the requirements laid down by IAS 39 regarding the derecognition of financial assets. As a result, all receivables sold to factoring companies, with or without recourse, if the latter include clauses that entail maintaining a significant exposure to the performance of the cash flows from the receivables sold, remain in the financial statements, even if they have been legally sold, with a corresponding recognition of a financial liability for the same amount.

Current financial assets

Financial assets are recognised and reversed in the financial statements based on their transaction date and they are initially measured at cost, including the expenses directly connected with their acquisition.

At subsequent reporting dates, the financial assets to be held until maturity are recognised at amortised cost, according to the actual interest rate method, net of write-downs made to reflect their impairment.

Financial assets other than those held until maturity are classified as held for trading or available for sale and are measured at fair value in each accounting period with the allocation of their impacts to the income statement under the item "Financial (Expenses)/Income" or to a specific shareholders' equity reserve and, in this latter case, until they are realised or have suffered an impairment.

The fair value of securities listed on an active market is based on market prices at the reporting date.

The fair value of securities that are not listed on an active market and of trading derivatives is calculated by using the measurement models and techniques most widely adopted in the market, or by using the price supplied by several independent counterparts.

Cash and equivalents

This item includes petty cash, bank current accounts and deposits that are repayable on demand and other short-term and highly liquid financial investments that are readily convertible into cash, with an insignificant risk of a change in value.

Treasury shares

Treasury shares are recognised at cost and recorded as a reduction of shareholders' equity and all the gains and losses resulting from their trading are allocated to a specific shareholders' equity reserve.

Employee Benefits

Post-Employment Benefit Plans

The Employee Leaving Indemnity (ELI), which is obligatory for Italian companies pursuant to article 2120 of the Italian Civil Code, is a type of deferred remuneration and is related to the length of the working lives of the employees and the remuneration received.

As a result of the Supplementary Pension Reform, amounts of ELI accrued up to 31 December 2006 will continue to remain within the company as a defined benefit plan (with the obligation of actuarial valuation of the accrued benefits). Amounts accruing from 1 January 2007 (except for employees in companies with less than 50 employees), according to the choice made by the employees, are either allocated to supplementary pension funds or transferred by the Company to the treasury fund managed by the Italian National Social Security Institute (INPS) and, from the time when the employees make their choice, shall constitute *defined contribution* plans no longer subject to actuarial valuation.

For the benefits subject to actuarial valuation, the ELI liability must be calculated by projecting forward the already accrued amount up to the future date of dissolution of the employment relationship and then discounting the amount to its present value, at the reporting date, using the actuarial “Projected Unit Credit Method”. The discount rate used to determine the liability is the "Composite" interest rate curve for securities issued by corporate issuers with an AA rating.

From an accounting perspective, the actuarial valuation results in the recognition of an interest cost under the item “Financial Expenses/Income” that represents the theoretical charge that the Company would incur if it requested a market loan for the amount of the ELI and a current service cost under the item “personnel expenses” that establishes the amount of the benefits accrued by the employees during the financial year, but only for companies of the Group with less than 50 employees that, consequently, have not transferred the amounts accrued from 1 January 2007 to supplementary pension schemes. The actuarial gains and losses that reflect the impacts from changes in the actuarial assumptions used are recognised directly in shareholders’ equity without ever going through the income statement and they are shown in the statement of comprehensive income.

Share-based payments

In accordance with IFRS 2, the Group classifies stock option plans and medium/long-term incentive plans as "share-based payments". Those that are "equity-settled", i.e. involving the physical delivery of the shares, are measured at the fair value at the grant date of the option rights assigned and recognised as a personnel expense to be spread evenly over the vesting period of the rights, with a corresponding reserve booked to shareholders' equity. This allocation is carried out based on the estimate of the rights that will actually accrue to the person entitled, in consideration of their vesting conditions not based on the market value of the rights.

At the end of the exercise period, the related shareholders’ equity reserve is reclassified under reserves available for use.

The fair value is calculated using the "binomial" model.

Trade payables

Trade payables are recorded at their nominal amount, which is usually close to their amortised cost. Those originating in non-EMU currencies are converted at the year-end spot rates reported by the European Central Bank.

Provisions for risk and charges

Provisions for risks and charges are costs and charges whose existence is either certain or probable, whose amount or date of occurrence cannot be determined at the reporting date. These provisions have been made only when there is a current obligation, resulting from past events, that can be of a legal or contractual nature, or arising from declarations or behaviour by the Company that create valid expectations in the persons concerned (implicit obligations). The provisions are recorded at the value that represents the best possible estimate of the amount that the enterprise would have to pay in order to settle its obligation. When they are significant, and the payment dates can be reliably estimated, the provisions are recognised at present values with the charges resulting from the passage of time posted to the income statement under the item "Financial (Expenses)/Income".

Non-current financial liabilities

Non-current financial liabilities are recognised at amortised cost, using the actual interest rate method.

Financial derivatives and hedge accounting

The Mediaset Group is exposed to financial risks that are mainly linked to exchange rate fluctuations in relation to the acquisition of television broadcasting rights in currencies other than the Euro and changes in interest rates on long-term variable-rate loans.

The Group uses financial derivatives (mainly currency futures and options) to hedge risks arising from foreign currency fluctuations both for highly probable future commitments and for payables relating to purchases already made.

For the Mediaset Group the exchange risk is linked to the possibility that the currency rates change during the period between the time when the acquisition of assets in foreign currency has become highly probable, i.e. an authorised purchase negotiation, and the time when those assets are recorded in the financial statements and, therefore, the hedging goal is to set the exchange rate of the price in Euros at the approval date of the transaction, i.e. hedge accounting according to the IAS/IFRS. On the other hand, starting from the time when the assets are recorded in the financial statements, the hedging goals are pursued through a natural hedge where the hedges (option derivatives) and the underlyings (payables for acquisition of rights) are measured according to the reference standards in an independent manner and are therefore not treated under hedge accounting. Specifically, the derivatives, in accordance with IAS 39, are measured at the fair value with posting of the changes in value to the income statement, while the payables for acquisition of the rights, representing monetary items in accordance with IAS 21, are adjusted at the end of period exchange rate.

The derivatives are current financial assets and liabilities, recognised at fair value.

The fair value of the currency futures contracts is calculated as the discounting to present value of the difference between the notional amount measured at the forward contract rate and the notional amount measured at the fair forward rate (the end exchange rate calculated at the reporting date).

The fair value of the exchange rate and interest rate options is calculated using the Black & Scholes formula for plain-vanilla options, while for the Single Barrier Options, with the barrier based on discrete events, the binomial method is used.

For derivatives used to hedge interest rate risk the fair value of the interest rate swaps is calculated based on the current value of the expected future cash flows and the fair value of collar derivatives is calculated using the Black & Scholes formula.

Regardless of the measurement technique used, the fair value is adjusted to take account of the creditworthiness of the counterparty risk in the event of positive fair value and Mediaset S.p.A., EI Towers S.p.A. and Mediaset España S.A. in the event of negative fair value. Lastly, please note that the adjustment for creditworthiness is only calculated for derivatives with maturity more than 4 months from the measurement date.

The methodologies and the accounting entries vary according to whether or not they are designated as hedging instruments, pursuant to the conditions established by IAS 39.

Specifically, Mediaset for the purposes of hedge accounting designates hedging instruments as those related to the hedging of currency exposures linked to commitments for future purchases of television broadcasting rights to be made in foreign currency (forecast transactions) and those for hedging interest rates for which there the relationship between the derivative and the hedged item, as well as the high level of probability/effectiveness connected to the actual occurrence of the hedged event is formally documented.

The effective portion of the fair value adjustment of the derivative that has been designated and that can be qualified as a hedging instrument is recognised directly in shareholders' equity, while the ineffective part is recognised in the income statement.

The accounting treatment of these operations takes place through the activating of a cash flow hedge. According to this rule, the effective portion of the change in value of the derivative impacts a shareholders' equity reserve. In the case of the hedging of commitments for the purchase of rights this reserve is used to subsequently adjust the carrying amount the asset (basis adjustment). In the case of the hedging of exchange rate risk this reserve generates an impact on the income statement that is proportional and concurrent to materialisation of the cash flows.

The changes in the fair value of derivatives activated for the purpose of financial hedging that hedge the risk of changes in the fair value of the financial statement items, in particular foreign currency payables and receivables, or of derivatives that do not satisfy the necessary conditions to qualify as hedging derivatives are recognised in the income statement as "financial expenses and/or income".

Revenue recognition

The revenues from sales and services are recognised respectively when the actual transfer takes place of the risks and benefits arising from the transfer of the ownership or upon provision of the service.

Specifically, for the main types of sales of the Group, the revenues are recognised according to the following criteria:

- *Revenues from the sale of advertising space*, at the time of the appearance of the advertisement, or of the advertising spot. The revenues for the sale of advertising under barter operations and, correspondingly, the costs of the merchandise, are adjusted to take into account the estimated realisable value of the merchandise.

- *Sale of moveable assets*, when they are shipped or delivered.
- *Revenues from the rental or sub-licensing of rights,* even for limited use periods, which result in the transfer of control of the asset to the renter or sub-licensee, they are fully recognised from the start of the period of the transferred use.
- *Revenues from pay TV subscriptions* are recognised accrued on a time basis from the contract start date.
- *Fees invoiced to distributors* from the sale of prepaid cards and recharges that enable the watching of pay per view events, are split according to the remaining period of validity of the cards and recharges sold. The direct costs are also split over that period.
- *Government grants* obtained for investments in cinema installations and productions are recognised in the financial statements when there is reasonable certainty that the company will satisfy all the conditions required to obtain them and that they will actually be received. The grants are recognised in the income statement over the same period the related costs are recognised.
- Revenues are shown net of returns, discounts, allowances and premiums, as well as any directly linked tax charges.
- Cost recoveries are shown as a direct reduction of the related costs.

Income taxes

Current income taxes are posted, for each company, on the basis of the estimated taxable income in accordance with current tax rates and provisions currently in force, or essentially approved, at the end of the accounting period in the various countries, taking into account any applicable exemptions and tax credits due.

Prepaid and deferred taxes are calculated based on the temporary differences between the values assigned to the assets and liabilities in the financial statements for statutory accounting purposes and the corresponding values recognized for tax purposes, on the basis of the tax rates that will be in force at the time when the temporary differences reverse. When the results are posted directly to shareholders' equity, the current taxes, the deferred taxes assets and the deferred taxes liabilities are also posted to shareholders' equity.

The accounting treatment of deferred tax assets is based on the forecasts of expected taxable income for future years. The assessment of expected income for the recognition of deferred taxes depends on factors that can change over time and have significant effects on the measurement of the deferred tax assets.

The measurement of those items took into consideration budget and plan results that were in line with those used for the impairment tests.

The deferred taxes assets and liabilities are offset when there is a legal right to offset the current taxes assets and liabilities and when they refer to taxes due to the same Tax Authority and the Group intends to settle the current assets and liabilities on a net basis.

In the case of any changes in the carrying amount of deferred tax assets and liabilities arising from a change in tax rates or the related legislation, rules or regulations, the resulting deferred taxes are recognised in the income statement, unless they relate to items that have previously been debited or credited to shareholders' equity.

Dividends

The dividends are recognised in the accounting period in which the resolution approving their distribution is passed.

Earnings per share

Earnings per share are calculated by dividing the Group net profit by the weighted average of the number of outstanding shares, net of the treasury shares. The diluted earnings per share are determined by taking account in the calculation of the number of outstanding shares and the potential diluting effect from the allocation of treasury shares to the beneficiaries of stock option plans already vested.

Changes in accounting estimates

In accordance with IAS 8, these items are posted to the income statement on a prospective basis starting from the accounting period in which they are adopted.

New accounting standards, interpretations and amendments not yet applicable and not adopted in advance by the Group

Standards issued but not yet effective at the date of preparation of the Group's financial statements are listed below. This list is of standards and interpretations that the Group reasonably expects to be applicable in the future. The Group intends to adopt those standards when they become effective.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity whose activities are subject to rate regulation to continue to apply, upon initial adoption of IFRS, the previous accounting standards adopted for the amounts relating to rate regulation. Entities adopting IFRS 14 must present the figures related to rate regulation in separate lines of the statement of financial position and present the changes to these accounts in separate lines of the profit/(loss) statement for the year and of the other components of comprehensive income. The standard requires disclosure of the nature, and the associated risks, of the rate regulation and the effects of this on the entity's financial statements. IFRS 14 is effective for financial years beginning on or after 1 January 2016.

On 28 May 2014, the IASB published the standard **IFRS 15 – Revenue from Contracts with Customers** which will replace the standards IAS 18 – Revenue and IAS 11 – Construction Contracts, as well as the interpretations IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenues-Barter Transactions Involving Advertising Services. The standard establishes a new model for revenue recognition, which will apply to all contracts with customers, except those within the scope of other IAS/IFRS such as leases, financial instruments and insurance contracts. The fundamental steps for the recognition of revenues according to the new model are:

- identifying a contract with the customer;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating that price to the performance obligations of the contract;
- recognising revenue when the entity satisfies each performance obligation.

The standard will be applicable from 1 January 2018, with full or amended retrospective application. Earlier application is permitted.

IFRS 9 Financial Instruments:

In July 2014, the IASB issued the final version of **IFRS 9 Financial Instruments**, which reflects all phases of the project relating to financial instruments and replaces IAS 39 Financial Instruments: Recognition and measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification, measurement, impairment and hedge accounting. IFRS 9 is effective for financial years beginning on or after 1 January 2018; early application is permitted. With the exception of hedge accounting, retrospective application of the standard is required, but it is not compulsory to provide comparative information. For hedge accounting, the standard generally applies prospectively with a few exceptions.

At the reporting date of these Consolidated Financial Statements, the competent bodies of the European Union had not yet completed the endorsement process required for the adoption of the amendments and standards described below.

On 6 May 2014, the IASB issued several amendments to the standard "**IFRS 11 Joint Arrangements** – Accounting for acquisitions of interests in joint operations" regarding the accounting for acquisitions of interests in joint operations that constitute a business under IFRS 3. In such situations, the amendments require an entity to apply all the principles of IFRS 3 relating to the recognition of the effects of a business combination.

The amendments apply from 1 January 2016, but early adoption is permitted.

On 12 May 2014, the IASB issued several amendments to **IAS 16 Property, plant and Equipment and IAS 38 Intangibles Assets** – "Clarification of acceptable methods of depreciation and amortisation". The amendments to IAS 16 establish that depreciation and amortisation criteria determined on the basis of revenue are not appropriate, because, according to the amendment, revenues generated from an activity that includes the use of a depreciated or amortised asset generally reflect factors other than just the consumption of the economic benefits through the use of the asset. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation for the same reasons established by the amendments introduced to IAS 16. For intangible assets, however, this presumption can be rebutted, but only in limited and specific circumstances.

The amendments apply from 1 January 2016, but early adoption is permitted.

On 12 August 2014, the IASB published the amendment to **IAS 27 - Equity Method in Separate Financial Statements**. The document introduces the option to use the equity method in the separate financial statements of an entity to account for investments in subsidiaries, jointly controlled entities and associates. As a result, following the introduction of the amendment an entity will be able to recognise these investments in its separate financial statements either:

- at cost; or
- in accordance with IFRS 9 (or IAS 39); or
- using the equity method.

The amendments apply from 1 January 2016, but early adoption is permitted.

On 25 September 2014, the IASB published the document "Annual Improvements to IFRSs: 2012-2014 Cycle", which partially supplements the existing standards.

The document introduces amendments to the following standards:

- **IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations**. The amendment introduced specific guidance to the standard for when an entity reclassifies an asset (or a disposal group) from held-for-sale to held-for-distribution (or vice versa), or when the conditions for classification of an asset as held-for-distribution no longer apply. The amendments established that (i) these reclassifications must not be considered a change to a sale plan or a distribution plan and that the same classification and measurement criteria still apply; (ii) assets that no longer satisfy the criteria for classification as held-for-distribution must be treated in the same way as an asset that is no longer classified as held-for-sale;
- **IFRS 7 – Financial Instruments**: Disclosure. The amendments involve the introduction of additional guidance to clarify when a servicing contract constitutes a continuing involvement in a transferred asset for the purpose of the disclosure for the transferred assets. In addition, the disclosure regarding the offsetting of financial assets and liabilities is not normally specifically required for interim financial reports. However, this disclosure may be necessary to meet the requirements of IAS 34, if it involves significant information;
- **IAS 19 – Employee Benefits**. The document introduces the amendments to IAS 19 aimed at clarifying that high quality corporate bonds used to determine the discount rate for post-employment benefits must be in the currency used for the payment of the benefits. The amendments specify that the extent of the market to be considered for high quality corporate bonds is the market within the currency zone;
- **IAS 34 – Interim Financial Reporting**. The document introduces amendments aimed at clarifying the requirements to be satisfied when the disclosure required is presented within the interim financial report, but outside the interim financial statements. The amendment specifies that this disclosure must be incorporated by way of cross-reference from the interim financial statements and other parts of the interim financial report and that this document should be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time.

The amendments introduced by the document must be applied from the annual periods beginning from 1 January 2016 or later.

On 18 December 2014, the IASB published the amendment to **IAS 1 - Disclosure Initiative**. The aim of the amendments is to provide clarification regarding disclosures that may be perceived as impediments to preparing clear and intelligible financial statements. The following amendments have been made:

- Materiality and aggregation: the amendments clarify that an entity must not obscure information by aggregating or disaggregating it and that materiality conditions apply to the primary statements, notes and any specific disclosure requirements in IFRSs. The disclosures specifically required by the IFRSs only need to be provided if the information is material;
- Statement of financial position and statement of comprehensive income: the amendments clarify that the list of items specified by IAS 1 for these statements can be disaggregated or aggregated as relevant. Guidance is also provided on the use of subtotals in the statements;
- Presentation of items in Other Comprehensive Income ("OCI"): the amendments clarify that an entity's share of OCI of equity accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- Notes: the amendments clarify that entities have flexibility when designing the structure of the notes and provide guidance on how to determine a systematic order of the notes.

The amendments introduced by the document must be applied from the annual periods beginning from 1 January 2016 or later.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address the issues that arose from the application of the exception for investment entities established by IFRS 10. The amendments to IFRS 10 clarify that the exemption from presentation in the consolidated financial statements applies to the parent entity which is the subsidiary of an investment entity, when the investment entity accounts for all of its subsidiaries at fair value. In addition, the amendments to IFRS 10 clarify that only the subsidiary of an investment entity, which is not itself an investment entity and which provides support services to the investment entity, can be consolidated. All the other subsidiaries of an investment entity are accounted for at fair value. The amendments to IAS 28 allow the investor to retain, when applying the equity method, the fair value measurement applied by the associates or joint ventures of an investment entity to their interests in subsidiaries. These amendments must be applied retrospectively and are effective for financial years beginning on or after 1 January 2016. Early application is permitted.

4. KEY INFORMATION RELATING TO THE SCOPE OF CONSOLIDATION

As required by IFRS 10 paragraph B80 and following, in 2015 the control requirement was assessed to verify the conditions that resulted in the classification of subsidiaries and joint ventures.

In particular, IFRS 10 requires investors, when assessing whether they have control over an entity, to focus on activities that significantly influence their returns and only to consider substantive rights, namely those that are exercisable when significant decisions need to be taken concerning the entity.

A summary is provided below of the main factors analysed and the assessments carried out by the Group on the companies acquired that have significant non-controlling interests.

The analysis conducted on the company **Monradio S.r.l.** (ownership interest 80%) found that, since the Group holds the majority of the voting rights, it has ***de iure control***, as it has sufficient rights to direct the relevant activities unilaterally. Indeed, the Group appoints the majority of the members of the Board of Directors, enabling it to exert significant control over the relevant activities.

As regards the equity investment in **RB1 S.p.A.**, RTI S.p.A. holds 19% of the shares with voting rights and 50% of the shares without voting rights convertible into ordinary shares. Analyses show that the Mediaset Group has a significant influence, meaning it has the power to participate in the investee's decisions but does not have control of it.

The conclusions reached in 2014 regarding the following companies, as set out in the 2014 Consolidated Financial Statements, have been confirmed for 2015:

- Mediaset España S.A.
- EI Towers S.p.A.
- Boing S.p.A.
- Mediamond S.p.A.
- Fascino S.r.l.

Below is a summary of the main changes affecting the scope of consolidation in the year under review, broken down by the various types of corporate transactions that resulted in these changes.

- Incorporation and acquisition of new companies and capital increases

On **10 July 2015**, Towertel S.p.A., a wholly-owned subsidiary of EI Towers S.p.A., completed the acquisition of 100% of the share capital of **Tecnorad Italia S.p.A.**, a company that manages 134 transmission stations mainly hosting mobile telecommunications operators. On **30 November 2015**, the merger by absorption into the holding company Towertel S.p.A. took effect.

On **24 July 2015**, Towertel S.p.A. purchased 100% of the share capital of **DAS Immobiliare S.r.l.**, a company that manages 11 broadcasting stations mainly hosting mobile telecommunications operators. On **30 November 2015**, the merger by absorption into the holding company Towertel S.p.A. took effect.

On **6 August 2015** the company **Nettrotter S.r.l.** was formed by EI Towers S.p.A., which has a holding of 95% of the share capital of the newly formed company, which is engaged in the development of the Sigfox network across Italy aimed to provide connection services for the *Internet of Things ("IOT")* market. This company has been consolidated on a line-by-line basis.

On **30 September 2015**, the subsidiary RTI S.p.A. completed the purchase from Arnoldo Mondadori Editore S.p.A. of 80% of the share capital of the company **Monradio S.r.l.**, which owns the radio station R101. This company has been consolidated on a line-by-line basis.

Between **27 and 28 October 2015**, the subsidiary Towertel S.p.A. acquired 100% of the share capital of 13 companies, which manage a total of 171 transmission stations mainly hosting mobile telecommunications operators, and some land located in the Liguria region. Subsequently, on **5 November 2015**, the extraordinary shareholders' meeting of Towertel S.p.A. approved the merger by absorption of 13 subsidiaries, which was then finalised by notarial deed on 20 November.

On **1 December 2015**, the subsidiary Publiespaña S.A.U. subscribed an increase in the capital of the company **Netsonic S.L.**. As a result of this subscription, its ownership interest increased from 38.04% to 69.86% with consequent change in the method of consolidation from measurement at equity to line-by-line consolidation.

- Acquisition, disposal and liquidation of minority interests

On **26 January 2015**, the subsidiary Mediaset España sold its 11.82% holding in **Grupo Yamm Comida a Domicilio S.L.**, a company offering home catering services online;

On **2 February 2015**, the subsidiary R.T.I. S.p.A. subscribed for 2.98% of the share capital of the company **Wimdu Gmbh**, an online platform for apartment rental throughout the world. Subsequently, on **4 February 2015**, the subsidiary Mediaset España Comunicación S.A. also subscribed for 2.98% of the share capital of that company.

On **9 March 2015**, the subsidiary Mediaset España Comunicación S.A. sold its 30% interest held in the company **Editora Digital de Medios;**

On **27 May 2015**, the subsidiary Mediaset España Comunicación S.A. purchased 40% of the share capital of **Emissions Digital de Catalunya S.A.**, a company that manages the local channel *Catalunya 8TV*. This company is classed into *joint control investments* and recognised at equity.

On **3 June 2015**, the subsidiary Mediaset España Comunicación S.A. sold its investment, equal to 30% of the share capital, in the company **60DB Entertainment**;

On **16 June 2015**, the subsidiaries RTI S.p.A. and Mediaset España Comunicación S.A. subscribed 4.45% and 8.89% respectively of the share capital of the company **Deporvillage S.L.**, an online platform for the purchase of sports equipment. Subsequently, on **2 September 2015**, RTI S.p.A. and Mediaset España Comunicación S.A. acquired further interests bringing their ownership interests held in that company to 6.03% and 12.05%, respectively.

On **19 June 2015**, the subsidiary Mediaset España Comunicación S.A. sold its investment, equal to 30% of the share capital, in the company **BigBang Media S.L.**;

On **15 September 2015**, the subsidiary RTI S.p.A. completed the purchase of shares with voting rights and of non-voting shares convertible into ordinary shares of **RB1 S.p.A.**, corresponding respectively to 19% and 50% of the share capital of that company, the holding company of the Finelco S.p.A. Group, a broadcasting group controlling the radio stations Radio 105, RMC Italia and Virgin Radio Italy. This investment has been accounted for using the equity method on the basis of a 69% economic interest.

In **October 2015**, the subsidiary Mediaset España Comunicación S.A. acquired 2.56% of the share capital of **ISalud Health Services**, a company operating in the online health insurance policy segment.

In **November 2015**, the subsidiary Mediaset España Comunicación S.A. acquired 7.60% of the share capital of **Innovación y Desarrollo Nuevos Canales** (Modalia), a company operating in the online clothing and footwear purchasing segment.

On **16 November 2015**, the company RTI S.p.A. subscribed a capital increase acquiring 14.29% of **Blasteem S.r.l.**, a company operating in the market for the development and management of platforms for broadcasting videos via the Web. Subsequently, on **21 December 2015**, the company approved a capital increase in favour of RTI S.p.A., increasing its ownership interest from 14.29% to 28%. This investment has been accounted for using the equity method.

On **22 December 2015**, the subsidiary EI Towers S.p.A. sold its ownership interest in the company **Beigua S.r.l.**, corresponding to 24.50% of the share capital;

Following the acquisition of 80% of the share capital of Monradio S.r.l., the following interests held by it were also acquired:

- 16.67% of Aranova Freedom Scarl;
- 2.5% of Audiradio S.r.l. (in liquidation);
- 12.5% of Club Dab italia Scpa;
- 3.84% of Consorzio Forte Montagnolo;
- 6.67% of Consorzio Monte Gennaro;
- 4.44% of Consorzio Colbuccaro
- 4.76% of Consorzio Camaldoli 1
- 3.57 of C.E.P..

- Changes in stakes in subsidiaries and in equity investments already held with no impact on the valuation criterion for consolidation purposes:

On **13 January 2015**, the sale was completed of 11.11% of the share capital of the company **Mediaset Premium S.p.A.** to the Spanish operator Telefónica through the company **Telefónica de Contenidos S.A.**. As a result of this sale, the ownership interest in Mediaset Premium S.p.A. decreased from 100% to 88.89%.

On **2 March 2015**, a deed was signed for the merger by absorption of the company **Torre di Nora S.r.l.** into the holding company **Hightel S.p.A.** (which later changed its name to **NewTelTower S.p.A.**). This transaction took statutory effect from 4 March 2015, with accounting and tax effects from 1 January 2015. This transaction had no impact on the scope of consolidation.

On **24 March 2015**, the subsidiary R.T.I. S.p.A. subscribed for an increase in the capital of the company **Westwing Group Gmbh** (formerly Jade 1290 Gmbh). As a result, its investment increased from 2.22% to 2.29%.

On **16 April 2015**, the subsidiary Mediaset España subscribed 0.63% of the share capital of the company **Westwing Group Gmbh** (formerly Jade 1290 Gmbh).

On **16 September 2015**, following the non-subscription of the portion of share capital relating to the company **Springlane Gmbh**, offered on a pre-emption basis, the ownership interest held by the subsidiary RTI S.p.A. decreased from 9.07% to 8.74%.

Over the course of the year, due to the purchase of treasury shares and the exercise of the option right by the beneficiaries of the stock option plans, the Mediaset Group's equity interest in the subsidiary Mediaset España Comunicación S.A. increased from 45.993% at 31 December 2014 to 48.762% at 31 December 2015.

The table below shows the main income statement – balance sheet figures for the year for the subsidiaries that have material non-controlling interests as required by IFRS 12 paragraph 12 and paragraph B10 of the Operating Guide.

	EI Towers Group (*)	**Mediaset España Group**
Minorities stake	60.00%	53.83%
Minorities stake (net of own shares) (*)(*)	59.91%	51.24%
Minority interests in net profit (*)(*)	28.6	87.5
Minority interests in share capital, reserves and retained earnings	93.4	544.0
Current Assets	142.6	469.3
Non Current assets	832.8	916.9
Current Liabilities	80.3	289.8
Non Current Liabilities	285.2	26.4
Revenues	244.7	971.9
Profit or (loss) for the year	47.8	166.0
Other Comprehensive Income Statement items	0.3	(3.9)
Comprehensive Statement of Income	48.0	162.4
Cash flow from operating activities	85.5	395.2
Cash flow from investing activities	(77.0)	(174.0)
Cash flow from financing activities	(38.9)	(284.7)
Dividends Cash-Out	31.0	47.5

(*) The amount of shareholders' equity attributable to non-controlling interest for the EI Towers Group has been calculated net of the consolidation entries
(*)(*) The amount attributable to non-controlling interests and the profit (loss) attributable to non-controlling interests have been calculated excluding the treasury shares of the investee

The table below shows the main significant income statement – balance sheet figures for the year for the significant jointly controlled entities, as required by IFRS 12 paragraph 20 and paragraph B12 and B13 of the Operating Guide.

Joint Ventures	**Boing S.p.A.**	**Mediamond S.p.A.**	**Fascino P.G.T S.rl. (*)**
Current Assets	21.5	88.8	30.1
Cash and Cash Equivalents	-	-	-
Non Current Assets	13.2	2.9	1.2
Current Liabilities	16.7	85.4	8.7
Current Financial Liabilities	2.1	17.9	-
Non Current Liabilities	4.9	2.2	4.3
Non Current Financial Liabilities	4.8	-	-
Revenues	41.5	180.6	52.3
Profit or (loss) for the period	0.8	(1.0)	1.0
Other Comprehensive Income Statement items	-	(0.1)	-
Comprehensive Income	0.8	(1.1)	1.0
Amortisation and Depreciation	8.8	-	0.2
Income Taxes	(0.6)	(0.2)	(1.1)
Dividends Cash-Out	-	-	-

(*) Italian GAAP financial statements reclassified to IAS-IFRS for disclosure purposes

5. BUSINESS COMBINATIONS

At 30 September 2015, the subsidiary RTI S.p.A. completed the purchase from **Arnoldo Mondadori Editore S.p.A.** of 80% of the share capital of the company **Monradio S.r.l.**. The acquired company owns the radio station R101.

Pursuant to IFRS 3, the transaction is "*a business combination under common control*", which is accounted for using the pooling of interest method, whereby the transferred assets and liabilities are recognized in the buyer's consolidated accounts at the same values reported in the consolidated accounts of the common entity controlling the parties that are implementing the business combination as at the transfer date.

The consideration for the net assets acquired (combination cost) was set at EUR 36.4 million, inclusive of the contractually agreed price adjustment.

The following table shows the allocation of the price to the assets and liabilities acquired with respect to Mediaset Group's interest (80%).

Net acquired assets	Book values recorded in the acquired company at the acquisition date
Radio frequency user rights	47.7
Intangible assets	0.4
Tangible assets	4.1
Deferred tax assets/liabilities	(6.2)
Other assets/(liabilities)	(0.3)
Financial assets/(liabilities)	(0.4)
Total net acquired assets (a)	**45.3**
Net acquired assets stake pertaining to minoritiy interests (b)	**(9.1)**
Net acquired assets stake pertaining to the Group (a-b)	**36.3**
Net acquisition price	**36.4**
Reserve for operations under common control	**0.1**

On 31 October 2014, Towertel S.p.A. completed the acquisition of the entire share capital of Hightel S.p.A., now called NewtelTowers S.p.A., a company that manages a total of 216 sites mainly located in southern Italy that host mobile telecommunications operators, of which 135 owned by the operators themselves. The total price for the transaction was EUR 21.3 million, inclusive of an earn out of EUR 4.0 million and the return of receivables when received of EUR 1.8 million. The merger by absorption of the wholly-owned subsidiary Torre di Nora S.r.l. into Newtel Towers S.p.A. was also completed in 2015. Last year, the purchase price of the net assets acquired was provisionally allocated to goodwill.

The table below shows the final price allocation, which was completed as at the reference date of these consolidated financial statements.

Net acquired assets	Book values recorded in the acquired company at the acquisition date (provisional allocation)	Final PPA adjustment	Book values recorded in the acquired company
Other intangible assets	0.1	19.8	20.0
Tangible assets	3.6	-	3.6
Deferred tax assets/liabilities	-	(5.6)	(5.6)
Other assets/(liabilities)	(3.2)	-	(3.2)
Financial assets/(liabilities)	0.2	-	0.2
Net acquired assets	**0.7**	**14.2**	**14.9**
Total acquisition cost	**21.3**	**-**	**21.3**
Goodwill	**20.6**	**(14.2)**	**6.4**

The purchase price, as detailed above, was subject to a price adjustment and included an earn out of EUR 4.0 million, the payment of which was considered likely at the acquisition date. However, the conditions under which the purchaser would have been required to pay that earn out were partially unfulfilled and therefore part of the financial payable (EUR 2.5 million) was reversed as it was not due.

The comparative amounts as at 31 December 2014 were restated to reflect the effects of the price allocation process at the acquisition date, as required by paragraph 49 of IFRS 3. In particular, the previous year's profit has been modified by EUR 0.1 million to take account of the amortisation of the assets allocated to customer relations, net of the relative tax effect.

As reported in the section *Key corporate transactions and changes in the scope of consolidation*, in 2015 the EI Towers Group completed the acquisition of 100% of the share capital of the company Tecnorad Italia S.p.A. and 100% of the share capital of DAS Immobiliare S.r.l., in addition to the acquisition of 100% of the share capital of 13 companies, mainly hosting mobile telecommunications operators, and some land located in the Liguria region. The transactions constituted business combinations, and in accordance with IFRS 3 the purchase price of the net assets acquired was provisionally allocated to goodwill at the reporting date of these consolidated financial statements. 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 at the end of the evaluation period, any tangible or intangible assets with a finite useful life are identified, an adjustment will be made to the provisional amounts recognised at the acquisition date, with retrospective effect as of the acquisition date.

The table below summarises the fair value of the assets acquired and the liabilities assumed at the acquisition date, cumulatively for all the transactions reported above.

Net acquired assets	**Book values recorded in the acquired company at the acquisition date (provisional allocation)**
Tangible assets	5.6
Other assets/(liabilities)	(3.2)
Financial assets/(liabilities)	2.4
Net acquired assets	**4.9**
Total acquisition cost	**59.1**
Goodwill	**54.2**

.

6. SEGMENT REPORTING

As required under IFRS 8, the following information relates to the operating segments identified on the basis of the Group's present organisational structure and internal reporting system.

The Group's main operating segments, already included in the analysis of results contained in the *Report on Operations*, are the same as the *geographical area* (Italy and Spain) identified according to the location of operations. These operations are then segmented further, to monitor the performance of the *business areas* operating in each country, which are identified according to their economic profile (type of product, process and reference market). In relation to Spain, which corresponds to the Mediaset España Group, no significant areas have been identified other than the core business of television, which is therefore the same as that entity.

The following paragraphs contain the information and reconciliations required under IFRS 8 in relation to profits, losses, assets and liabilities, based on this segmentation process. The information can be extrapolated from the two sub-consolidated financial statements prepared at that level, while the information provided for the three operating segments based in Italy has been given with reference to the earnings and operational activities directly attributable to them.

Geographical sectors

The following tables report key financial information for the two geographical operational areas of Italy and Spain, as at 31 December 2015 and 2014 respectively.

The tables have been prepared on the basis of specific sub-consolidated financial statements in which the carrying amount of the equity investments held by companies belonging to a segment in companies belonging to another segment have been kept at their respective purchase cost and eliminated upon consolidation. Likewise, in the sector income statement, income and expenses (relating to any dividends received from these investments) have been included under *Income from other equity investments*.

The inter-segment assets figures relate to the elimination of equity investments recognised under the assets of the Italy geographic sector in Mediaset España and Mediacinco Cartera (25%-owned, and already fully consolidated into the Spain area, as it is 75%-owned by Mediaset España) and the loan granted to Mediacinco Cartera S.L. by Mediaset Investment S.a.r.l., which amounted to EUR 10.1 million at 31 December 2015 (EUR 11.1 million at 31 December 2014).

Non-monetary costs relate to the provisions for risks and charges and the costs of stock option and incentive plans.

2015	ITALY	SPAIN	Eliminations/ Adjustments	MEDIASET GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	2,552.9	971.9	-	3,524.8
Inter-segment revenues	1.3	-	(1.3)	-
Consolidated net revenues	**2,554.2**	**971.9**	**(1.3)**	**3,524.8**
%	72%	28%	0.0	100%
EBIT	**26.8**	**205.2**	**(0.5)**	**231.4**
%	12%	89%	0%	100%
Financial income/(losses)	(49.4)	0.1	-	(49.3)
Income/(expenses) from equity investments valued with the ec	1.6	(0.3)	-	1.3
Income/(expenses) from other equity investments	(0.5)	14.2	-	13.8
EBT	**(21.4)**	**219.1**	**(0.5)**	**197.2**
Income taxes	(33.7)	(53.2)	0.3	(86.6)
NET PROFIT FROM CONTINUING OPERATIONS	**(55.1)**	**165.9**	**(0.2)**	**110.6**
Net Gains/(Losses) from discontinued operations	-	-	-	-
NET PROFIT FOR THE PERIOD	**(55.2)**	**166.0**	**(0.2)**	**110.6**
Attributable to:				
- Equity shareholders of the parent company	(74.4)	166.2	(87.8)	4.0
- Minority Interests	19.2	(0.2)	87.6	106.6
OTHER INFORMATION				
Assets	6,312.9	1,386.1	(602.6)	7,096.4
Liabilities	3,844.7	316.2	(12.3)	4,148.7
Investments in tangible and intangible non current assets	549.3	193.2	(0.7)	741.8
Amortization	912.0	222.6	(0.2)	1,134.4
Other non monetary expenses	6.6	8.1	-	14.7

(*) Includes the change in "Advances for the purchase of broadcasting rights"

2014	ITALY	SPAIN	Eliminations/ Adjustments	MEDIASET GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	2,482.3	932.1	-	3,414.4
Inter-segment revenues	1.1	-	(1.1)	-
Consolidated net revenues	**2,483.4**	**932.1**	**(1.1)**	**3,414.4**
%	73%	27%	0.0	100%
EBIT	**104.3**	**144.8**	**(0.4)**	**248.7**
%	42%	58%	0%	100%
Financial income/(losses)	(70.4)	-	-	(70.4)
Income/(expenses) from equity investments valued with the equ	19.6	(58.1)	-	(38.5)
Income/(expenses) from other equity investments	(0.2)	(1.1)	-	(1.3)
EBT	**53.3**	**85.6**	**(0.4)**	**138.5**
Income taxes	(31.7)	(30.0)	-	(61.7)
NET PROFIT FROM CONTINUING OPERATIONS	**21.6**	**55.6**	**(0.4)**	**77.0**
Net Gains/(Losses) from discontinued operations	-	-	-	-
NET PROFIT FOR THE PERIOD	**21.6**	**55.6**	**(0.4)**	**77.0**
Attributable to:				
- Equity shareholders of the parent company	1.2	59.5	(37.0)	23.7
- Minority Interests	20.4	(3.9)	36.8	53.3
OTHER INFORMATION				
Assets	6,702.4	1,486.4	(604.1)	7,584.7
Liabilities	4,256.2	297.0	(14.0)	4,539.2
Investments in tangible and intangible non current assets	1,502.5	203.3	(0.5)	1,705.2
Amortization	865.5	218.3	(0.1)	1,083.7
Other non monetary expenses	2.1	4.0	-	6.1

(*) Includes the change in "Advances for the purchase of broadcasting rights"

The following table shows the cash flow statement for each geographical area.

CASH FLOW STATEMENT - GEOGRAPHICAL DETAIL	Italy		Spain	
	2015	2014	2015	2014
Operating profit	**26.8**	**104.3**	**205.2**	**144.8**
+ Depreciation and amortisation	912.0	865.5	222.6	218.3
+ Other provisions and non-cash movements	9.8	2.4	8.7	(0.5)
+ Change in working capital/ other assets and liabilities	236.8	126.5	(11.3)	(29.4)
- Interests paid/received	(0.9)	(5.4)	(0.1)	-
- Income tax paid	(51.5)	(59.9)	(19.4)	(7.0)
	-	-	-	-
Net cash flow from operating activities [A]	**1,133.0**	**1,033.4**	**405.7**	**326.2**
CASH FLOW FROM INVESTING ACTIVITIES:				
Proceeds from the sale of fixed assets	3.1	16.0	0.4	2.6
Proceeds from the sale of equity investments	-	36.6	10.8	325.0
Interests and other financial income received	-	-	0.5	1.1
Purchases in television rights	(441.0)	(1,483.8)	(182.9)	(189.7)
Changes in advances for television rights	(38.0)	4.6	4.7	(5.4)
Purchases of other fixed assets	(70.3)	(23.2)	(15.0)	(8.2)
Changes in debt for investment (including hedging operations)	(429.0)	627.4	6.2	7.8
Equity investments	(22.1)	(3.6)	(7.3)	-
Changes in other financial assets	(1.3)	4.8	0.1	(4.4)
Loans to other companies (granted)/repaid	-	-	-	-
Dividends received	22.5	0.9	2.1	1.9
Business combination net of cash acquired	(85.4)	(17.1)	-	-
Changes in the consolidation area	100.0	280.2	-	-
Net cash flow from investing activities [B]	**(961.4)**	**(557.1)**	**(180.3)**	**130.7**
CASH FLOW FROM INVESTING ACTIVITIES:				
Net changes in financial liabilities	(120.9)	(339.4)	(1.0)	11.1
Corporate Bond	-	-	-	-
Dividends paid	(41.3)	-	(47.5)	-
Net changes in other financial assets/liabilities	-	3.5	-	5.3
Interests (paid)/received	(50.6)	(43.7)	(2.6)	(2.7)
Net cash flow from financing activities [C]	**(212.9)**	**(379.5)**	**(289.7)**	**(293.9)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**(41.4)**	**96.7**	**(64.4)**	**163.0**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR [E]	**181.5**	**84.9**	**275.8**	**112.8**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [F=D+E]	**140.2**	**181.5**	**211.4**	**275.8**

Italy: Operating segments

Operating segments have been reported in the Report on Operations, where details on performance for the year can be found.

With reference to the financial position figures for the EI Towers Group, the amount relating to goodwill is not the same as the amount shown in the consolidated statement of financial position of the EI Towers Group, but instead represents the value generated at consolidated level by the Mediaset Group attributable to that segment.

Income Statement Summary 2015	INTEGRATED TELEVISION OPERATIONS	EI TOWERS	ELIMINATIONS / ADJUSTMENTS	GEOGRAPHICAL SEGMENT ITALY
Revenues from external customers	2,490.0	64.3	-	2,554.2
Inter-segment revenues	-	180.2	(180.2)	-
Consolidated net revenues	**2,490.0**	**244.5**	**(180.2)**	**2,554.3**
%	97%	10%	-7%	100%
Operating costs from thrid parties	(1,487.2)	(128.2)	-	(1,615.4)
Inter-segment operating costs	(176.9)	(3.3)	180.2	-
Total Operating Costs	**(1,664.1)**	**(131.5)**	**180.2**	**(1,615.4)**
Amortisation, depreciation and write-downs	(872.7)	(39.3)	-	(912.0)
EBIT	**(46.8)**	**73.7**	**-**	**26.8**

Income Statement Summary 2014	INTEGRATED TELEVISION OPERATIONS	EI TOWERS	ELIMINATIONS / ADJUSTMENTS	GEOGRAPHICAL SEGMENT ITALY
Revenues from external customers	2,428.6	54.8	-	2,483.4
Inter-segment revenues	-	180.2	(180.2)	-
Consolidated net revenues	**2,428.6**	**235.0**	**(180.2)**	**2,483.4**
%	98%	9%	-7%	100%
Operating costs from thrid parties	(1,390.8)	(122.9)	-	(1,513.7)
Inter-segment operating costs	(176.8)	(3.4)	180.2	-
Total Operating Costs	**(1,567.6)**	**(126.3)**	**180.2**	**(1,513.7)**
Amortisation, depreciation and write-downs	(822.4)	(43.1)	-	(865.5)
EBIT	**38.6**	**65.7**	**-**	**104.3**

Operating Assets and Investments 31st December 2015	INTEGRATED TELEVISION OPERATIONS	EI TOWERS	ELIMINATIONS / ADJUSTMENTS	GEOGRAPHICAL SEGMENT ITALY
Television rights	2,017.9	-	-	2,017.9
Other tangible and intangible non current assets	581.3	310.8	(1.2)	890.9
Goodwill	142.8	516.2	(335.1)	323.9
Trade receivables	1,195.1	32.1	-	1,227.3
Inventories	30.2	2.9	-	33.1
Operating assets	**3,967.3**	**862.0**	**(336.3)**	**4,493.0**
Other current and non current assets	1,929.5	113.5	(223.2)	1,819.8
Total Assets	**5,896.9**	**975.5**	**(559.5)**	**6,312.9**
Investments in television rights (*)	441.0	-	-	441.0
Other investments	42.3	28.0	-	70.3
Investments in tangible and intangible assets	**483.3**	**28.0**	**-**	**511.3**

(*) Not including the change in “Advances for the purchase of broadcasting rights”

Operating Assets and Investments 31st December 2014	INTEGRATED TELEVISION OPERATIONS	EI TOWERS	ELIMINATIONS / ADJUSTMENTS	GEOGRAPHICAL SEGMENT ITALY
Television rights	2,370.2	-	-	2,370.2
Other tangible and intangible non current assets	517.2	313.2	(1.2)	829.1
Goodwill	142.8	462.0	(335.1)	269.7
Trade receivables	1,321.8	29.6	-	1,351.4
Inventories	38.5	2.6	-	41.1
Operating assets	**4,390.5**	**807.3**	**(336.3)**	**4,861.5**
Other current and non current assets	1,924.0	140.2	(223.4)	1,840.8
Total Assets	**6,314.6**	**947.5**	**(559.8)**	**6,702.4**
Investments in television rights (*)	1,483.8	-	-	1,483.8
Other investments	12.3	10.9	-	23.2
Investments in tangible and intangible assets	**1,496.1**	**10.9**	**-**	**1,507.0**

(*) Not including the change in “Advances for the purchase of broadcasting rights”

The main operating assets allocated to the Italy sector include television and movie broadcasting rights assigned to the ***Integrated Television Operations*** segment, the library (films, dramas, mini-series, TV films and cartoons), long-running self-produced drama series, and entertainment, news and sport rights serving both the free-to-air and *Mediaset Premium* channels. In particular, sports broadcasting rights include the broadcasting rights for the Serie A league championship for Italy's leading soccer clubs for the 2015-2018 seasons.

Other tangible and intangible assets mainly relate to:

- for the ***Integrated Television Operations*** segment, television and radio frequency user rights and related transmission equipment, equipment supporting television production centres, IT systems, and the upgrading of management offices and other properties and investments relating to development of the *Mediaset Premium* subscription-based pay-TV platform;
- for *EI Towers*, they include land, buildings and the equipment related to the broadcasting network.

NOTES ON MAIN ASSET ITEMS

7. NON CURRENT ASSETS

Below are tables showing the changes over the last two years in the original cost, accumulated amortisation and depreciation, write-downs and the net carrying amount of all the main non-current assets.

7.1. Property, plant and equipment

HISTORICAL COST	Land and building	Towers	Plant and machinery	Technical and commercial equipment	Other tangible assets	Tangible assets under formation and advances	Total
Balance at 1/1/2014	**265.2**	**156.1**	**941.4**	**114.4**	**138.5**	**23.8**	**1639.2**
Changes in the consolidation area	**0.6**	**4.9**	**0.0**	**0.0**	**0.0**	**0.3**	**5.8**
Additions	1.0	0.5	5.6	1.0	1.8	15.0	24.8
Other changes	0.8	(0.3)	12.5	(0.5)	0.4	(17.3)	(4.4)
Disposals	(0.6)	(0.2)	(36.3)	(0.2)	(1.2)	(0.6)	(39.2)
Balance at 31/12/2014	**267.0**	**160.9**	**923.3**	**114.8**	**139.5**	**21.0**	**1,626.2**
Changes in the consolidation area	6.0	9.2	13.5	0.3	0.6	0.0	29.5
Additions	4.1	1.2	37.9	1.6	2.5	31.0	78.3
Other changes	(0.6)	1.8	8.2	0.6	(0.9)	(16.6)	(7.4)
Disposals	-	(0.2)	(12.3)	(1.1)	(4.1)	(0.6)	(18.3)
Balance at 31/12/2015	**276.5**	**172.8**	**970.5**	**116.2**	**137.6**	**34.8**	**1,708.4**

AMORTISATION AND DEPRECIATION	Land and building	Towers	Plant and machinery	Technical and commercial equipment	Other tangible assets	Tangible assets under formation and advances	Total
Balance at 1/1/2014	**(130.5)**	**(77.1)**	**(696.7)**	**(81.3)**	**(120.1)**	**-**	**(1,105.8)**
Changes in the consolidation area	**-**	**(1.9)**	**0.0**	**(0.0)**	**(0.0)**	**-**	**(2.0)**
Other changes	0.6	0.1	(2.1)	1.1	0.6	-	0.2
Disposals	0.2	0.2	20.8	0.2	1.2	-	22.6
Amortisation	(8.3)	(6.2)	(56.8)	(7.9)	(6.2)	-	(85.5)
Depreciation and write-downs	(0.1)	(0.2)	-	-	-	-	(0.3)
Balance at 31/12/2014	**(138.2)**	**(85.2)**	**(734.9)**	**(87.9)**	**(124.5)**	**-**	**(1,170.7)**
Changes in the consolidation area	(3.2)	(5.1)	(10.6)	(0.3)	(0.5)	-	(19.7)
Other changes	1.3	0.1	3.4	0.6	2.8	-	8.2
Disposals	0.1	0.1	10.3	1.0	3.7	-	15.2
Amortisation	(6.8)	(6.7)	(54.0)	(7.0)	(5.3)	-	(79.8)
Depreciation and write-downs	-	(0.1)	(0.0)	-	-	-	(0.1)
Balance at 31/12/2015	**(146.8)**	**(96.9)**	**(785.7)**	**(93.6)**	**(123.8)**	**-**	**(1,247.0)**

NET BOOK VALUE	Land and building	Towers	Plant and machinery	Technical and commercial equipment	Other tangible assets	Tangible assets under formation and advances	Total
Balance at 1/1/2014	**134.6**	**78.9**	**244.7**	**33.1**	**18.4**	**23.8**	**533.6**
Changes in the consolidation area	**0.6**	**3.0**	**0.0**	**0.0**	**0.0**	**0.3**	**3.8**
Additions	1.0	0.5	5.6	1.0	1.8	15.0	24.8
Other changes	1.3	(0.3)	10.4	0.6	1.0	(17.3)	(4.1)
Disposals	(0.4)	(0.0)	(15.5)	(0.0)	(0.0)	(0.6)	(16.6)
Amortisation	(8.3)	(6.2)	(56.8)	(7.9)	(6.2)	-	(85.5)
Depreciation and write-downs	(0.1)	(0.2)	-	-	-	-	(0.3)
Balance at 31/12/2014	**128.8**	**75.6**	**188.4**	**26.9**	**15.0**	**21.1**	**455.8**
Changes in the consolidation area	2.8	4.1	2.9	0.0	0.0	0.0	9.8
Additions	4.1	1.2	37.9	1.6	2.5	31.0	78.3
Other changes	0.7	1.9	11.6	1.2	2.0	(16.6)	0.8
Disposals	0.1	(0.1)	(2.0)	(0.1)	(0.4)	(0.6)	(3.1)
Amortisation	(6.8)	(6.7)	(54.0)	(7.0)	(5.3)	-	(79.8)
Depreciation and write-downs	-	(0.1)	(0.0)	-	-	-	(0.1)
Balance at 31/12/2015	**129.7**	**75.8**	**184.8**	**22.6**	**13.8**	**34.8**	**461.4**

The increases for the period in the item **property, plant and equipment** amounting to EUR 88.1 million, included EUR 9.8 million for business combinations, EUR 47.3 million relating to purchases for the year and EUR 31.0 million to prepayments classified as intangible assets in progress and advances. The main categories of increase, inclusive of the capitalisation of advances, can be summarised as follows:

- EUR 11.8 million of investments made by EI Towers and its subsidiaries for the construction of transmission sites and equipment, of which EUR 8.8 million for the new national multiplex for the Cairo Communication Group;
- EUR 10.4 million for the purchase of land, pylons, infrastructure and equipment. Of this amount, EUR 1.9 million were advances paid in previous years and EUR 2.8 million resulted from business combinations;
- EUR 17.4 million for purchases of WiFi CAMs.
- EUR 13.3 million for digital transmission equipment, building work on Group-owned properties used as televisions studios, and the upgrading of the quality standards of facilities.
- The increases in the item **Tangible assets in progress and advances**, amounting to EUR 31.0 million, of which EUR 10.0 million for the Mediaset España Group, were mainly attributable to the investments in progress on sites and equipment at the completion stage, and the conversion of infrastructure to high definition. Of this amount, EUR 3.8 million related to the construction of the network for the Cairo Communication Group and EUR 2.3 million to the development of the network for the Internet of Things connectivity services.

7.2 Television and movie broadcasting rights

	HISTORICAL COST	AMORTISATION	DEPRECIATION	NET BOOK VALUE
Balance at 1/1/2014	**8,725.6**	**(6,617.0)**	**(278.2)**	**1,830.3**
Changes in the consolidation area	0.0	(0.0)	-	(0.0)
Additions	1,588.7	-	-	1,588.7
from Intangible assets under formation and advances	84.3	-	-	84.3
Other changes	(503.9)	503.9	3.3	3.4
Disposals	(2.6)	-	-	(2.6)
Amortisation	-	(919.2)	-	(919.2)
(Write-offs)/Write-ups	-	-	(3.6)	(3.6)
Balance at 31/12/2014	**9,892.2**	**(7,032.3)**	**(278.5)**	**2,581.4**
Changes in the consolidation area	-	-	-	-
Additions	557.2	-	-	557.2
from Intangible assets under formation and advances	65.9	-	-	65.9
Other changes	(1,161.4)	951.7	208.5	(1.1)
Disposals	(138.8)	138.5	-	(0.3)
Amortisation	-	(995.1)	-	(995.1)
(Write-offs)/Write-ups	-	-	(2.1)	(2.1)
Balance at 31/12/2015	**9,215.1**	**(6,937.2)**	**(72.1)**	**2,205.9**

The *increases* for 2015 totalled EUR 623.2 million (EUR 1,673.1 million during the year 2014) and consisted of purchases for the year of EUR 557.2 million (EUR 1,588.7 million as at 31

December 2014), and capitalisations of advances paid to suppliers (recognised under the item assets in progress and advances as at 31 December 2014) of EUR 65.9 million (EUR 84.3 million as at 31 December 2014).

Other changes includes rights expired under contracts and contract cancellations. During the year, rights expired mainly referred to the contract for Serie A rights for the seasons 2012/2015.

Purchases for the year included EUR 56.6 million for broadcasting rights that will commence after 31 December. At 31 December 2015, broadcasting rights that had yet to commence totalled approximately EUR 1,023.5 million (EUR 1,348.7 million at 31 December 2014) and mainly consisted of digital terrestrial pay television rights to broadcast the matches of major Serie A and Serie B football clubs for the *2016-2018* seasons.

7.3 Goodwill

	Totale
Balance at 1/1/2014	**912.4**
Additions from business combinations	22.0
Balance at 31/12/2014 (as for 2014 Annual Report)	**934.4**
Final PPA 2014	(14.2)
Final balance at 31/12/2014 (restated)	**920.2**
Additions from business combinations	55.0
Net final balance at 31/12/2015	**975.1**

As shown in the table, the EUR 14.2 million change in the prior year relates to the definitive allocation to the item customer relations and the item deferred taxes of the consideration paid for the acquisition of the company NewTelTowers S.p.A., following the implementation of the purchase price allocation process as required by IFRS3.

The change during the year mainly related to the business combinations carried out by the EI Towers Group during the year, as reported in note 5 *Business combinations*. Specifically, it consisted of:

- EUR 36.8 million for the provisional allocation of part of the price relating to the acquisition of 13 companies in the Liguria region;
- EUR 14.3 million for the provisional allocation of part of the price relating to the acquisition of Tecnorad Italia S.p.A;
- EUR 3.2 million for the provisional allocation of part of the price relating to the acquisition of Das Immobiliare S.r.l..

As required by IFRS 3, the final allocation of the consideration paid shall be made within twelve months from the acquisition date in order to determine the fair value of assets acquired and liabilities assumed. If at the end of the evaluation period, any tangible or intangible assets are identified, an adjustment will be made to the provisional amounts recognised at the acquisition date, with retrospective effect as of the acquisition date.

At 31 December 2015, goodwill was subject to the impairment testing required at least annually by IAS 36, as reported in note 7.4 *Assessment of recoverability of goodwill and other assets*.

7.4 Assessment of recoverability of goodwill and other intangible assets (*Impairment testing)*

At 31 December 2015, impairment tests were conducted, as required by IAS 36, on goodwill and intangible assets with indefinite useful lives or not yet available for use.

Impairment testing was conducted on the cash-generating units to which goodwill and the other assets are allocated, assuming the greater of the market value, where available, and the value in use taken from long-term business plans approved by the respective Boards of Directors.

The tests confirmed the recoverability of the carrying amounts.

The CGUs are identified taking into account how goodwill is monitored for internal purposes. In keeping with the Group's organisational and business structure, the CGUs coincide with the operating segments reported in accordance with IFRS 8 (*Mediaset España, EI Towers*), or with the business lines (*Free-to-Air TV* and *Pay TV*) included in the integrated TV segment, where the recoverable amount of assets or groups of asset can be directly correlated with and measured from cash flows that are specific and separable from others within the segment.

The table below shows amounts of goodwill and their allocation to the various cash-generating units over the two years:

CGU	31/12/2015	31/12/2014
Mediaset España	651.3	650.6
EI Towers	181.1	126.9
Italian free-to-air TV	142.8	142.8
Total	**975.1**	**920.2**

Of the EUR 651.3 million in goodwill allocated to the **Mediaset España CGU**, EUR 363.2 million was generated by acquisitions made after the Group's controlling interest in the company was acquired; the remaining EUR 288.1 million was generated by the business combination completed by the company. The recoverable amount of the goodwill allocated to the **Mediaset España CGU** was confirmed at the reporting date. The fair value was assumed to be Mediaset España's market capitalization, measured on the basis of the share price at 31 December 2015.

The recoverable amount of the goodwill allocated to the **EI Towers CGU** was confirmed at the reporting date, on the basis of its fair value, considered to be the market capitalization of the share, measured on the basis of the share price at 31 December 2015.

The goodwill and other intangible assets mainly consisted of the remaining carrying amount, as at 31 December 2015, from the encrypted rights for digital terrestrial television access to the matches of the main Serie A football teams – for the current season and the next two seasons – of the CGUs relating to the Italian television broadcasting segment (Free-to-Air TV and Pay TV). These items were tested for impairment on the basis of value in use estimates obtained by discounting the cash flows forecast in the 2016-2020 business plans approved by the Board of Directors of Mediaset S.p.A. for each of the cash-generating units.

The forecasts contained in the plans represent management's best estimate of the future operating performance of the various CGUs, also taking into account information available from the main external sources consisting of performance of the shares on the stock exchange and forecasts of developments in the Group's markets from the main specialist observers.

Mediaset's market capitalization at the reporting date was well above the Group's share of shareholders' equity as reported in the last approved interim consolidated financial statements.

The rate used to discount future cash flows for these CGUs was set at 6.3% (7.0% in 2014). The rate was estimated by calculating the weighted average cost of capital, after tax, based on the prospective financial structure determined on an aggregate basis for these operations, taking into account the current market valuation of the cost of money for the plan period considered, and assuming a risk-free rate equal to the average annual return on ten-year government bonds in Italy, with a long-term equity risk premium of 5.5%. In keeping with previous years, the calculation of the cost of equity also included an additional prudential component amounting to 2% to reflect difficulties in forecasting, also resulting from the historical comparison between actual and estimated cash flows.

The growth rate used to extrapolate cash flows beyond the planning horizon was assumed to be 1.5% (1.5% in 2014), in line with the objective of long-term stabilisation of the minimum level of inflation in the Eurozone being pursued by the European Central Bank. Each of the estimates illustrated above were analysed for their sensitivity to changes in the financial variables used to measure value in use, assuming a discount rate of 20% above or below the base rate used and a perpetual growth rate ranging between 0% and 2%, and varying the main operating assumptions of the plans concerning the growth rate of the core revenues of the two CGUs.

For the Italy ***Free-to-Air TV CGU***, the main operating assumptions used to produce the long-term forecasts related to the expected performance of advertising revenues, which are assumed to grow at a moderate rate, also in view of the various scenarios provided by the main external forecasts available at the measurement date and the prospects of economic recovery expected within the planning horizon.

Based on the sensitivity analysis of value in use conducted with respect to the discount rate, the recoverable amount of the *Free-to-Air* CGU was found to be the same as its carrying amount, at a discount rate of 11.21%. Sensitivity analyses were also conducted on the performance of advertising revenues which confirmed recoverable amounts higher than their carrying amounts.

The plan for the ***Pay TV*** CGU has been developed in line with the business plan. By drawing on the availability up to the 2017-2018 season of the broadcasting rights to the Serie A League Championship and especially the exclusive Champions League rights acquired in 2014, and creating the conditions for sustainable income and finances in the business.

Value in use was estimated on the basis of earnings forecasts in the five-year plan, based on: assumptions concerning changes in the average number of Mediaset Premium subscribers and related revenues per unit, for both Easy Pay and prepaid packages, taking into account the exclusive availability of the rights for the Champions League; assumptions concerning the cost of renewing key contracts for the purchase of broadcasting rights due to expire over the five-year horizon of the business plan; and assumptions about changes in the offering of channels and content, including non-linear content.

In particular, core revenues growth rates are based on assumptions of potential growth in the pay TV market in Italy calculated using the main external factors available and an expected redistribution of market share towards Mediaset Premium thanks to two distinctive elements of its offering:

- the best offering for soccer in Italy up to the 2017-2018 season, thanks to the exclusive rights to the Champions League and the rights to the main Serie A teams;
- a further improvement in the non-linear (on-demand) offering of films, TV series and catch ups for general interest TV.

The impairment testing conducted on these bases confirmed the recoverability of the carrying amount of the assets specifically allocated to this CGU. By carrying out a sensitivity analysis of the value in use with respect to the financial parameters, the recoverable amount of the CGU was found to be the same as its carrying amount, at a discount rate of 8.84%. Sensitivity analyses of core revenues showed highly variable results given the existence of multiple risk factors. These are mainly linked to external factors connected to the outlook for household propensity to consume and competition in the sector, which could cause a change in the key variables underpinning forecast growth rates for core revenues (the trend in customer subscriptions and their unit cost) and/or different economic conditions and the future availability of the main content included in the current offering.

The recoverable amount of the intangible assets with indefinite useful lives relating to user licences for the radio frequencies acquired in 2015, amounting to EUR 47.7 million, was confirmed by an appraisal produced by an independent expert who calculated their fair value.

7.5 Other Intangible Assets

HISTORICAL COST	Patents and intellectual property rights	Trademarks	Licences	Customer relations	Intangible assets in progress and advances	Other intangible assets	Total
Balance at 1/1/2014	**238.8**	**295.7**	**457.2**	**115.8**	**147.4**	**100.9**	**1,355.9**
Changes in the consolidation area	0.0	-	-	3.3	0.1	0.1	3.4
Additions	5.7	-	0.0	0.1	86.3	-	92.2
Other changes	17.0	0.0	(0.0)	-	(110.0)	(8.9)	(101.9)
Disposals	(0.3)	-	-	-	-	-	(0.3)
Balance at 31/12/2014	**261.3**	**295.8**	**457.2**	**119.1**	**123.9**	**92.0**	**1,349.2**
PPA recognition on 2014 investments				**19.8**			**19.8**
	261.3	**295.8**	**457.2**	**139.0**	**123.9**	**92.0**	**1,349.3**
Changes in the consolidation area	0.3	0.4	121.2	-	-	(0.1)	121.8
Additions	3.9	-	0.9	-	111.7	0.4	116.9
Other changes	2.3	0.0	-	-	(74.6)	-	(72.3)
Disposals	(7.4)	-	-	-	(0.0)	(0.0)	(7.4)
Balance at 31/12/2015	**260.4**	**296.2**	**579.3**	**139.0**	**161.0**	**92.4**	**1,528.2**

AMORTISATION AND DEPRECIATION	Patents and intellectual property rights	Trademarks	Licences	Customer relations	Intangible assets in progress and advances	Other intangible assets	Total
Balance at 1/1/2014	**(225.6)**	**(158.7)**	**(151.9)**	**(25.0)**	**(27.3)**	**(82.0)**	**(670.4)**
Changes in the consolidation area	-	-	-	-	-	(0.0)	(0.0)
Other changes	-	-	-	-	-	(0.0)	(0.0)
Disposals	1.2	(0.0)	0.0	0.0	-	8.9	10.1
Amortisation	0.3	-	-	-	-	0.0	0.3
(Depreciation), (write-downs)/write-ups	(13.3)	(8.2)	(12.5)	(5.9)	-	(11.4)	(51.3)
Balance at 31/12/2014	**(237.5)**	**(167.0)**	**(164.4)**	**(30.8)**	**(28.6)**	**(84.5)**	**(712.9)**
PPA recognition on 2014 investments				**(0.2)**			**0.2**
Balance at 31/12/2014	**(237.5)**	**(167.0)**	**(164.4)**	**(31.0)**	**(28.6)**	**(84.5)**	**(713.1)**
Changes in the consolidation area	(0.3)	-	(73.5)	-	-	-	(73.8)
Other changes	-	(0.0)	(0.0)	0.0	0.2	-	0.2
Disposals	7.2	-	-	-	-	-	7.2
Amortisation	(10.1)	(8.2)	(12.5)	(6.2)	-	(6.9)	(43.8)
(Depreciation), (write-downs)/write-ups	-	-	-	-	(0.1)	-	(0.1)
Balance at 31/12/2015	**(240.7)**	**(175.1)**	**(250.4)**	**(37.1)**	**(28.4)**	**(91.4)**	**(823.3)**

NET BOOK VALUE	Patents and intellectual property rights	Trademarks	Licences	Customer relations	Intangible assets in progress and advances	Other intangible assets	Total
Balance at 1/1/2014	**13.2**	**137.0**	**305.3**	**90.7**	**120.2**	**18.9**	**685.3**
Changes in the consolidation area	0.0	-	-	3.3	0.1	0.1	3.4
Additions	5.7	-	0.0	0.1	86.3	-	92.2
Other changes	18.3	0.0	(0.0)	0.0	(110.0)	(0.0)	(91.7)
Disposals	(0.0)	-	-	-	-	0.0	(0.0)
Amortisation	(13.3)	(8.2)	(12.5)	(5.9)	-	(11.4)	(51.3)
(Depreciation), (write-downs)/write-ups	-	-	(0.0)	-	(1.3)	-	(1.4)
Balance at 31/12/2014	**23.8**	**128.8**	**292.8**	**88.2**	**95.3**	**7.5**	**636.5**
PPA recognition on 2014 investments				**19.6**			**19.6**
Balance at 31/12/2014	**23.8**	**128.8**	**292.8**	**107.8**	**95.3**	**7.5**	**656.1**
Changes in the consolidation area	0.0	0.4	47.7	-	-	(0.1)	48.0
Additions	3.9	-	0.9	-	111.7	0.4	116.9
Other changes	2.3	0.0	(0.0)	0.0	(74.4)	-	(72.0)
Disposals	(0.2)	-	-	-	(0.0)	(0.0)	(0.2)
Amortisation	(10.1)	(8.2)	(12.5)	(6.2)	-	(6.9)	(43.8)
(Depreciation), (write-downs)/write-ups	-	-	-	-	(0.1)	-	(0.1)
Balance at 31/12/2015	**19.7**	**121.0**	**328.9**	**101.7**	**132.6**	**1.0**	**705.0**

The increases in **Patents and intellectual property rights** totalling EUR 6.2 million, of which EUR 2.3 million recognised the previous year under *Intangible assets in progress and advances*, mainly related to the purchase and upgrade of existing software and costs for the digitisation of the offices in Palatino, Rome.

Trademarks mainly include the trademark of the Spanish broadcaster Cuatro, booked at a value of EUR 160.0 million, following the purchase price allocation process completed by Mediaset España Comunicación S.A. in 2011. The amortisation period has been estimated at 20 years.

Licences include rights to use television frequencies held by the subsidiary Elettronica Industriale S.p.A. used in Italy for the operation of domestic networks using digital terrestrial technology, as well as the television broadcasting license of the Cuatro Multiplex, valued at EUR 85.2 million during the allocation of the purchase price paid by the subsidiary Mediaset España in 2010, in relation to the acquisition of Prisa Group's television operations. Starting from the current year, following the acquisition of 80% of the capital of the company Monradio S.r.l. the item also includes EUR 47.7 million for the rights to use the radio frequencies. The residual carrying amount of the frequency user rights held by Elettronica Industriale S.p.A. was confirmed in the impairment testing on the Free-to-Air TV Italy CGU, as reported in Note 7.4 above. The recoverability of the carrying amount of the television broadcasting licence for the Cuatro Spanish Multiplex was determined in the impairment testing on the Mediaset España CGU, as reported in Note 7.4 above.

The item **customer relations** refers to the intangible assets recognised in the financial statements at 31 December 2012 following the purchase price allocation process completed by EI Towers S.p.A.. A useful life of 20 years has been estimated for these assets on the basis of technical considerations relating to the outlook for developments in radio, television and telephone signal transmission systems. During the year this item increased by EUR 19.6 million following the definitive allocation of the goodwill resulting from the purchase price allocation for the acquisition of the company Società Assistenza Ripetitori Televisivi S.r.l..

Intangible assets in progress and advances refer mainly to advance payments made to suppliers for the acquisition of broadcasting rights, for dubbing services and for options on programme production and to the launch of production. Increases for the period mainly included advances paid to broadcasting rights owners and advances paid in relation to the production of long-running TV drama series totalling EUR 106.3 million. Decreases were largely due to production completions and the formalization of contracts under negotiation at 31 December 2014, resulting in the restatement of EUR 65.9 million under television broadcasting rights.

7.6 Equity Investments in Associates and Joint Ventures

The following is a breakdown of equity investments, showing the ownership interest held and the carrying amounts of the equity investments valued with the equity method for the two years compared.

	31/12/2015		31/12/2014	
	Stake %	**Book Value (EUR million)**	**Stake %**	**Book Value (EUR million)**
Associated companies				
60DB Entertainment S.L.			30.0%	0.4
BigBang Media S.L.			30.0%	0.7
Blasteem S.r.l.	28.0%	0.7		
Editora Digital de Medios S.L.			30.0%	0.1
Furia de Titanes A.I.E.	34.0%	-	34.0%	-
La Fabrica De La Tele SL	30.0%	2.8	30.0%	2.6
MegaMedia Televisión SL	30.0%	0.3	30.0%	0.2
Netsonic SL			38.0%	0.1
Pegaso Television INC	44.0%	1.7	44.0%	2.5
Producciones Mandarina S.L.	30.0%	2.4	30.0%	2.5
RB1 S.p.A.	69.0%	21.0		
Supersport Media SL.	30.0%	0.8		0.8
Titanus Elios S.p.A.	30.0%	2.0		2.0
Other		0.1		0.3
Total		**31.8**		**12.2**
Joint Ventures				
Boing S.p.A.	51.0%	6.7	51.0%	6.3
Emissions Digital de Catalunya S.A.	40.0%	6.9		
Fascino P.G.T. S.r.l.	50.0%	10.4	50.0%	9.9
Mediamond S.p.a.	50.0%	2.8	50.0%	1.3
Tivù S.r.l.	48.3%	3.2	48.3%	2.8
Total		**30.0**		**20.3**
Balance at 31/12		**61.8**		**32.5**

(*) Equity investment corresponding to 19% of the shares with voting rights and 50% of the shares without voting rights convertible into ordinary shares.

For the item ***Equity Investments in associates and joint ventures***, the main decreases during the year consisted of:

- EUR 8.8 million for the 40% investment in the share capital of Emissions Digital de Catalunya S.A., (a company that manages the local channel Catalunya 8TV) carried out by the subsidiary Mediaset España;
- EUR 21.4 million for the 19% investment by the subsidiary RTI S.p.A. in the share capital of RB1 S.p.A. (the holding company of the Finelco S.p.A. Group, a broadcasting group controlling the radio stations Radio 105, RMC Italia and Virgin Radio);
- EUR 0.7 million for the subscription of 28% of Blasteem S.r.l., a company operating in the market for the development and management of platforms for broadcasting videos via the Web.

The following table provides key income statement and balance sheet figures for associates and joint ventures.

2015	Assets	Shareholders' Equity	Liabilities and minorities	Revenues	Net Result
Blasteem S.r.l.	-	-	-	-	-
Emissions Digital de Catalunya S.A.	7.4	(3.6)	11.0	14.9	(6.5)
LaFabrica De La Tele SL	15.1	9.2	5.9	27.7	3.8
Megamedia Television S.L.	1.9	0.9	1.0	5.2	0.7
Pegaso Television INC (*) (**)	-	3.8	-	-	(1.9)
Producciones Mandarina S.L.	9.0	8.1	0.9	14.4	1.8
RB1 S.p.A. (**)	126.1	44.2	81.9	89.6	(1.7)
Supersport Media SL.	5.7	2.7	3.0	19.0	1.7
Titanus Elios S.p.A.	25.7	6.7	19.0	4.4	1.0
Tivù S.r.l.	10.0	6.6	3.4	10.5	1.8
Total	**200.9**	**78.6**	**126.1**	**185.7**	**0.7**

2014	Assets	Shareholders' Equity	Liabilities and minorities	Revenues	Net Result
60 DB Entertainment S.L.	0.4	0.3	0.1	1.3	-
BigBang	2.5	2.4	0.1	7.8	(0.4)
Editora Digital de Medios S.L.	0.6	0.4	0.2	0.2	(2.0)
LaFabrica De La Tele SL	16.5	8.6	7.9	27.2	4.4
Megamedia Television S.L.	1.5	0.6	0.9	4.3	0.5
Netsonic S.L.	1.0	(0.4)	1.4	0.5	(7.0)
Pegaso Television INC (*) (**)	22.9	5.7	17.2	8.2	(1.2)
Producciones Mandarina S.L.	10.8	8.2	2.6	18.7	2.8
Supersport Television S.L.	6.5	2.8	3.7	22.1	2.5
Titanus Elios S.p.A.	26.9	6.6	20.3	4.2	0.9
Tivù S.r.l.	8.9	5.7	3.2	10.1	1.5
Total	**98.5**	**40.9**	**57.6**	**104.6**	**2.0**

(*) Figures converted to euros, based on financial statement figures denominated in USD
(**) Consolidated data

7.7 Other Financial Assets

	Balance at 31/12/2014	Changes in the consolidation area	Additions	Disposals	Fair Value adjustments/ Impairment	Reclassifications	Balance at 31/12/2015
Equity investments	21.7	0.1	13.5	(8.0)	(0.5)	-	26.9
Financial receivables (due after 12 months)	24.0	-	0.7	(1.4)	-	(6.3)	17.0
Hedging derivatives	4.2	-	-	(3.5)	-	-	0.7
Total	**50.0**	**0.1**	**14.2**	**(12.9)**	**(0.5)**	**(6.3)**	**44.6**

The increases in the item *Investments in other companies*, amounting to EUR 13.5 million, refer to investments made as part of the *AD4Venture* equity investment. The *decrease* in the item relates to the sale, in January this year, of the investment held by Mediaset España in the company *Grupo Yamm Comida a Domicilio S.L.* for EUR 5.4 million. The item *fair value adjustments/impairments* relates to the impairment write-downs on the companies Farman Newco S.r.l and Cinecittà Digital Factory S.r.l..

The item **Financial receivables** includes receivables from associates of EUR 10.2 million and receivables granted by the Mediaset España Group to the company Pegaso Televisión Inc amounting to EUR 4.1 million. The main changes were attributable to the restatement under *Other receivables and current assets* of the current amounts of the receivables due in one year from the associate Boing S.p.A., originating from the transfer of a library of television broadcasting rights and entertainment programmes.

The item **Hedging derivatives** refers to the non-current portion of the fair value of foreign exchange derivatives.

7.8 Deferred Tax Assets and Liabilities

	31/12/2015	31/12/2014
Deferred tax assets	409.4	471.7
Deferred tax liabilities	(68.9)	(73.2)
Net position	**340.5**	**398.5**

The deferred tax assets and liabilities shown above are calculated on the basis of temporary differences between the amounts recognised in the financial statements and the corresponding amounts recognised for tax purposes.

Deferred tax assets and liabilities are measured on the basis of the current tax rates applicable at the time the differences are offset. In particular, the calculation took account of provisions introduced by the Stability Law for the year 2016 (Law no. 208 of 28 December 2015) in Article 1 paragraph 61, which reduced the IRES tax rate from 27.5% to 24% with effect from 1 January 2017.

Tax assets and liabilities arising from actuarial valuations of defined benefit plans, movements in hedging reserves for future cash flows and the effects of consolidation adjustments recognised at equity are recognised directly through shareholders' equity.

The following tables show the breakdown of changes in deferred tax assets and deferred tax liabilities for the two years.

DEFERRED TAX ASSETS	Balance at 1/1	Through Income Statement	Through Shareholders' Equity	Business combinations	Other changes	Balance at 31/12
2014	538.7	(47.3)	(0.2)	0.0	(19.6)	471.7
2015	471.7	(73.2)	(5.3)	4.3	11.9	409.4

DEFERRED TAX LIABILITIES	Balance at 1/1	Through Income Statement	Through Shareholders' Equity	Business combinations	Other changes	Balance at 31/12
2014	(66.1)	5.8	(6.1)	(6.5)	(0.2)	(73.2)
2015	(73.2)	10.7	4.9	(10.6)	(0.7)	(68.9)

Credits/(debits) through profit or loss relating to *Deferred tax assets* included EUR 30.5 million for the recognition of deferred tax assets generated during the year as a result of temporary differences between the carrying amounts and the corresponding values for tax purposes, and uses of EUR 103.7 million, of which EUR 20.7 million resulting from the changes in the rules on the tax deductibility of amortisation in Spain and EUR 29.2 million from the remeasurement of tax assets following the reduction in the rate of IRES.

Deferred tax liabilities included EUR 2.4 million relating to provisions for deferred tax liabilities and EUR 13.1 million relating to uses for the year, of which EUR 6.5 million resulting from the reduction in the IRES tax rate.

The item ***Tax charged to equity*** includes the changes in deferred tax assets and liabilities relating to the valuation reserve for cash flow hedging derivatives and reserves for actuarial gains and losses. For 2015, this item also included the effects of the change in the IRES tax rate.

For 2015, the item ***Business combinations*** related to the acquisition of 80% of the company Monradio, whereas in the previous year it related to the definitive purchase price allocation for the acquisition of 100% of the capital of the company NewtelTowers S.p.A., as reported in note 5 *Business combinations*.

With regard to deferred tax assets, the item ***Other changes*** includes EUR 33.7 million for tax losses transferred in 2015 by companies scoped in for Italian tax consolidation purposes, as those companies did not generate any taxable income during the year. The remainder mainly relates to the conversion into tax receivables of the deferred tax assets generated from the impairment write-downs of intangible assets, as provided for by Article 2, paragraph 57 of Italian Law Decree no. 225/2010.

The tables below provide details of the temporary differences giving rise to deferred tax assets and liabilities for the last 2 years.

	Temporary gap	**Tax effect 31/12/2014**	**Temporary gap**	**Tax effect 31/12/2013**
Deferred tax assets related to:				
Property, plant and equipment	2.8	0.7	3.2	0.9
Non current intangible assets	134.4	32.7	150.9	45.4
Television and movie rights	237.9	51.3	346.3	90.6
Provision for receivables write-off	54.5	13.5	49.2	13.5
Provisions for risks and charges	95.5	15.5	66.2	20.1
Post-employment benefit plans	24.2	8.5	36.6	10.1
Provisions for equity investments write-off	283.5	70.9	289.1	80.9
Inventories	9.2	1.7	6.2	1.9
Hedging derivatives	4.9	1.3	4.8	1.4
Tax losses that can be brought forward	314.6	75.5	174.8	48.1
Other temporary differences	233.0	60.7	218.3	61.1
Consolidation adjustments	276.8	77.2	323.6	97.7
Total	**1,671.2**	**409.4**	**1,669.0**	**471.7**

The accounting treatment of deferred tax assets is based on the forecasts of expected taxable income for future years. The measurement of the recoverable amount of the deferred tax assets recognised, with particular reference to tax losses, took into consideration the budget and plan results consistent with those used for the impairment testing of the companies within the tax consolidation. At 31 December 2015, the deferred tax assets relative to *tax losses* carried forward for an unlimited period for IRES tax purposes were recoverable within the time horizon of the Group's most recent business plans.

Deferred tax assets relating to the item *Provisions for equity investment write-downs* included an amount of EUR 65.6 million for the tax effect resulting from the write-down for impairment in previous years by Mediaset España of the investment held in Edam Acquisition Holding I Cooperatief U.A.

The item *consolidation adjustments* includes EUR 49.7 million of deferred tax assets (EUR 66.6 million at 31 December 2014) arising from the elimination of intercompany profits from the disposal of broadcasting rights, and EUR 21.7 million resulting from corporate restructuring (EUR 24.4 million at 31 December 2014).

	Temporary gap	Tax effect 31/12/2014	Temporary gap	Tax effect 31/12/2013
Deferred tax liabilities related to:				
Non current tangible assets	21.7	6.0	25.5	8.6
Non current intangible assets	193.4	52.7	104.7	38.4
Television and movie rights	0.4	0.1	0.4	0.1
Provision for receivables write-off	1.2	0.3	1.2	0.3
Post-employment benefit plans	28.4	7.0	28.0	7.7
Hedging derivatives	4.4	1.1	16.7	4.6
Other temporary differences	5.7	1.7	40.3	11.5
Consolidation adjustments	0.3	0.1	6.4	2.0
Total	**255.6**	**68.9**	**223.3**	**73.2**

The most significant items in *Intangible Assets* include the tax effect attributable to the customer relations recognised under intangible assets, as a result of the purchase price allocation by the subsidiary EI Towers S.p.A., for an amount of EUR 33.7 million.

8 CURRENT ASSETS

8.1 Inventories

The item at the reporting date breaks down as follows:

	Gross	Write-downs	31/12/2015 Net value	31/12/2014 Net value
Raw and ancillary materials, consumables	6.1	(3.0)	3.1	2.8
Work in progress and semi-finished products	1.7	0.0	1.7	0.3
Finished goods and products	38.2	(3.4)	34.8	39.6
Total	**46.1**	**(6.4)**	**39.7**	**42.7**

Raw materials, ancillary materials and consumables mainly include replacement parts for radio and television equipment. The write-down reported was for materials with slow turnover, which were written down to bring them into line with their estimated net realisable value.

Work in progress and semi-finished goods mainly include production sets and television productions in the making.

Finished goods and products mainly include:

- television productions mainly attributable to R.T.I. S.p.A. totalling EUR 16.5 million (EUR 22.3 million at 31 December 2014) and to the Mediaset España Group for a total of EUR 6.6 million;
- cam, smart card and set-top box/bundle stocks for Mediaset Premium totalling EUR 0.9 million (EUR 2.6 million at 31 December 2014);
- television broadcasting rights expiring within one year, for the residual amount until their expiry, totalling EUR 3.6 million (EUR 2.3 million at 31 December 2014);
- products to be used for "barter operations" conducted by Promoservice Italia S.r.l. totalling EUR 2.0 million (EUR 3.2 million at 31 December 2014);
- products for teleshopping operations totalling EUR 3.8 million (EUR 2.7 million at 31 December 2014).

8.2 Trade receivables

The item at the reporting date breaks down as follows:

	Balance at 31/12/2015			Balance at 31/12/2014
		Due		
	Total	Within 1 year	After 1 year	
Receivables from customers	1,370.2	1,039.2	331.0	1,454.5
Receivables from related parties	36.9	36.9	0.0	35.3
Total	**1,407.1**	**1,076.2**	**331.0**	**1,489.8**

The item Receivables from customers includes receivables from Sky Italia S.r.l., amounting to EUR 544.6 million (EUR 637.5 million at 31 December 2014) relating to the sub-license for the D package of the tender award for the broadcasting rights to the Serie A League Championship for the 2015-2018 seasons.

The breakdown by type, risk class, concentration and maturity is reported in Note 14 below.

The breakdown of receivables from related parties is reported in Note 16 below (*Related-Party Transactions*).

8.3 Tax Credits, Other Receivables and Current Assets

8.3.1 Tax credits

This item, amounting to EUR 55.7 million (EUR 75.3 million at 31 December 2014) includes EUR 31.9 million relating to net credits due from the tax authorities to the Group's Italian companies scoped in for Italian tax consolidation purposes (EUR 36.3 million at 31 December 2014). The main changes related to the use of the tax credit of the subsidiary Mediaset España S.A. and the use of tax credits (relating to the subsidiary R.T.I. S.p.A.) arising due to the conversion of deferred tax assets on the impairment of intangible assets carried out in the year 2012 as discussed in the financial statements as at 31 December 2014. This credit was used as an offset pursuant to article 17 of Italian Legislative Decree 241/1997 as per article 2.57 of Italian Law Decree no. 225/2010.

In addition, this item included EUR 13.0 million (EUR 6.1 million at 31 December 2014) representing the net IRAP tax position for Group companies with respect to advances paid, and EUR 9.4 million (EUR 12.5 million at 31 December 2014) for the tax credits of the subsidiary Mediaset España S.A..

8.3.2 Other receivables and current assets

	31/12/2015	31/12/2015
Other receivables	175.9	165.4
Prepayments and accrued income	135.4	113.4
Total	**311.3**	**278.8**

Other receivables mainly include:

- advances totalling EUR 35.3 million to suppliers, contractors and agents, paid to advertising professionals and suppliers, and to suppliers, artists and professionals involved in television productions (EUR 32.7 million at 31 December 2014);
- receivables totalling EUR 60.0 million due from factoring companies for the transfer of trade receivables without recourse, for which settlement by the factor had not occurred at the reporting date. During the year a total of EUR 465.1 million (EUR 538.0 million at 31 December 2014) of receivables were sold without recourse to factoring companies;
- the current portion, amounting to EUR 4.5 million, of the receivable from the associate Boing relating to the disposal of the business unit on 1 April 2013.

Accrued income and prepayments, of which EUR 6.8 million relating to the Mediaset España Group, mainly consist of costs attributable to future years relating to:

- EUR 56.7 million in prepayments on broadcasting rights for Europa League matches for the 2015/2016 season, acquired from Union des Associations Européennes de Football;
- EUR 3.2 million in H3G band costs due to the company 3Lettronica Industriale S.p.A.;
- EUR 42.2 million in costs connected with the DVB-T reconfiguration of third-party digital networks;
- EUR 5.1 million in smart card costs and vouchers.

8.4. Current financial assets

	31/12/2015	31/12/2014
Financial receivables (due within 12 months)	43.6	46.8
Securities	10.2	9.0
Financial assets for hedging derivatives (cash flow hedge)	11.6	13.1
Financial assets for derivatives with no hedging purpose	2.4	4.3
Total	**67.8**	**73.2**

Current financial receivables include EUR 21.7 million (EUR 19.9 million at 31 December 2014) of government subsidies for movie productions made by Medusa Film S.p.A. and Taodue, which had been approved but not paid at the reporting date and EUR 19.7 million related to current accounts managed by Mediaset S.p.A. on behalf of associates and joint ventures.

Securities and other current financial assets consist of bonds held by the subsidiary Mediaset Investments S.a.r.l. (EUR 9.0 million at 31 December 2014).

Financial assets for hedging derivatives refer to the current portion of the fair value of foreign exchange derivatives.

Financial assets for derivatives with no hedging purpose show the fair value of derivatives held for hedging purposes (but for which hedge accounting has not been opted), to hedge the risk of changes in the fair value of items recognised in the financial statements, in particular receivables and payables denominated in foreign currency.

8.5 Cash and Cash Equivalents

Below is a breakdown of the item:

	31/12/2015	31/12/2014
Bank and postal deposits	351.5	457.2
Cash in hand and cash equivalents	0.1	0.1
Total	**351.6**	**457.3**

Of this amount, EUR 103.5 million relates to the EI Towers Group and EUR 211.4 million to the Mediaset España Group. A more detailed breakdown of changes in cash and cash equivalents is reported in the *consolidated cash flow statement*.

NOTES ON MAIN SHAREHOLDERS' EQUITY AND LIABILITY ITEMS

9 SHARE CAPITAL AND RESERVES

Main items composing the Shareholders' Equity and relevant changes are:

9.1 Share Capital

At 31 December 2015 the share capital of the Mediaset Group, issued by the Parent, was fully subscribed and paid up. It is made up of 1,181,227,564 ordinary shares with a par value of EUR 0.52 each, for a total value of EUR 614.2 million. No changes occurred during the year.

9.2 Share Premium Reserve

At 31 December 2015, the share premium reserve amounted to EUR 275.2 million. No changes occurred during the year.

9.3 Treasury Shares

This item includes shares of Mediaset S.p.A. that were purchased pursuant to resolutions of ordinary shareholders' meetings of 16 April 2003, 27 April 2004, 29 April 2005, 20 April 2006 and 19 April 2007, which provided authorisation to the Board of Directors for purchases of up to 118,122,756 shares (10% of share capital).

	2015		2014	
	Number of shares	**Book value**	**Number of shares**	**Book value**
Balance at 1/1	44,825,500	416.7	44,825,500	416.7
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at 31/12	**44,825,500**	**416.7**	**44,825,500**	**416.7**

No treasury shares were purchased or sold in 2015. At 31 December 2015, the carrying amount of the treasury shares was EUR 416.7 million, consisting of 1,895,500 shares earmarked to service approved stock option plans and 42,930,000 shares acquired on 13 September 2005 and 8 November 2005 under a share buyback programme approved by shareholders.

9.4 Other reserves

	31/12/2015	31/12/2014
Legal reserve	122.8	122.8
Equity investment evaluation reserve	0.1	0.0
Consolidation reserve	(79.1)	(78.9)
Reserves for minority transaction	466.2	383.3
Other reserves	324.2	328.1
Total	**834.3**	**755.4**

The change for the year in the item *Reserves for minority transactions*, related to the recognition of the gain, net of tax effects, of EUR 82.9 million, originating from the sale of 11.11% of the capital of the company Mediaset Premium S.p.A. to the Telefónica Group.

The change in the item *Other reserves* mainly relates to the transfer to the income statement of the Valuation reserve for available-for-sale assets recognised on 31 December 2014, following the sale of the investment Grupo Yamm Comida a Domicilio S.L. and the use of the extraordinary reserve following the payment of dividends by the Parent Mediaset S.p.A.

9.5 Valuation reserves

	31/12/2015	31/12/2014
Cash flow hedge reserve	(0.1)	8.8
Stock option plans	4.7	11.4
Actuarial Gains/(Losses)	(23.9)	(24.3)
Total	**(19.3)**	**(4.0)**

The table below shows the changes in these reserves over the year.

Valuation reserves	Balance at 1/1	Business Combinations	Increase/ (Decrease)	Through Profit and Loss Account	Opening balance adjustments of the hedged item	Fair Value adjustments	Deferred tax effect	Balance at 31/12
Financial assets for cash flow hedging purpose	8.8	-	4.0	0.6	(29.2)	12.3	3.4	(0.1)
of which:				-	-	-	-	-
- FOREX rate risk	12.1	-	4.0	0.8	(29.2)	12.2	3.5	3.5
- interest rate risk	(3.3)	-	-	(0.2)	-	0.1	(0.1)	(3.6)
Stock option plans	11.4	-	(6.8)	-	-	-	-	4.7
Actuarial Gains/(Losses) on defined benefit plans	(24.2)	(0.0)	1.8	-	-	-	(1.4)	(23.9)
Total	**(4.0)**	**(0.0)**	**(1.0)**	**0.6**	**(29.2)**	**12.3**	**1.9**	**(19.3)**

The ***Valuation reserve for financial assets for cash flow hedging purposes*** is connected with valuations of derivative instruments designated as hedges against the foreign exchange risk associated with the acquisition of television and movie broadcasting rights in foreign currencies, or as hedges against the interest rate risk associated with medium and long-term financial liabilities. The item *deferred tax assets/liabilities* includes the effect of the change in the IRES tax rate on the deferred tax assets and liabilities recognised in previous years.

The ***Reserve for stock option plans*** at 31 December 2015, consisted of the contra-entries for costs accrued, measured in accordance with IFRS 2, related to the three-year Stock Option Plans and the medium-long term incentive Plans assigned by Mediaset S.p.A. and, for the portion attributable to the Group, to the plans assigned by the subsidiary Mediaset España Comunicación S.A.. The change for the year included EUR 0.7 million for the cost accrued in relation to the new incentive plan issued by the Mediaset Group in July 2015 and to the reclassification to *Retained earnings* for the portion of the reserve associated with plans for which the exercise period has expired.

The ***Reserve for actuarial gains/(losses)*** consists of components arising from the actuarial valuation of defined benefit plans, recognised directly through shareholders' equity. The item *deferred tax assets/liabilities* includes the effect of the change in the IRES tax rate on the deferred tax assets and liabilities recognised in previous years.

The change in the ***Valuation reserve for financial assets for cash flow hedging purposes and the Valuation reserve for actuarial gains/(losses)***, before tax, is shown in the Comprehensive Income Statement.

9.6 Retained earnings

The change compared to 31 December 2014 was primarily due to the distribution of dividends by Mediaset S.p.A., the reclassification of the amount of the reserve related to stock option plans whose vesting period had ended, and the change in the percentage investment held in Mediaset España following the buyback of own shares by that company.

10 NON CURRENT LIABILITIES

10.1 Post-employment Benefits

Employee leaving indemnities due to eligible workers under Italian legislation qualify as post-employment benefits for the purposes of IAS 19 and must therefore be recognised in the financial statements on the basis of actuarial valuations.

The valuations of the Group's obligations to its employees were carried out by an independent actuary, according to the following steps:

- projected estimate of the cost of employee leaving indemnities already accrued at the valuation date up to the future point in time when employment contracts will terminate, or the when the accrued amounts may be paid in part as advances on the entitlement;
- discounting, at the valuation date, of the expected cash flows the Group will pay to its employees in the future;
- re-proportioning of the allocation of the discounted benefits on the basis of employee length of service at the valuation date compared to the length of service expected at the hypothetical date of payment by the Group.

The actuarial valuation of employee leaving indemnities in accordance with IAS 19 was conducted specifically for the closed population of current employees, i.e. specific calculations were made for each employee of the Mediaset Group, without taking into account any future hires.

The actuarial valuation model is founded on "technical bases" consisting of demographic, economic and financial assumptions relating to the valuation parameters used.

The assumptions are summarised below:

Demographic assumptions	
Death probability	ISTAT survival table, divided by age and gender, 2014
Probability of leaving the Group	Retirement, resignation, termination and contract expiration percentages were taken from the observation of the company's historical data. The employee attrition probabilities used were broken down by age, sex and contractual job title (office workers, managers and executives/journalists). For staff on temporary contracts, the development time horizon was taken to the expiration date set in the contract, and it was assumed that there were no departures before the expiration date. The actuarial valuations took account of start dates for pension benefits specified by Decree Law 201 of 6 December 2011 "Urgent Provisions for the Growth, Fairness and Consolidation of the State Budget," (converted with amendments by Law 214 of 22 December 2011) and the regulations governing adjustment of requirements to access the pension system for increases in life expectancy pursuant to Article 12 of Decree Law 78 of 31 May 2010 converted, with amendments, by Law 122 of 30 July 2012.
TFR advance	Frequencies of advances and average percentage of TFR requested in advance have been taken from the observation of historical data for each company of the Group
Supplementary retirement schemes	Those who fully transfer their TFR to supplementary pensions release the company from TFR obligations, and thus, are not the subject of valuation. On the other hand, for other employees, valuations were done taking into account the decisions actually made by employees updated to 31 December 2015.
Economic-financial assumptions	
Inflation rate	Inflation trends were taken from the document "Update of 2015 Economic and Financial Document" with the rate set to the planned inflation rate of 1% for 2016 and 1.5% for the next years as a weighted planned inflaction scenario.
Discount rates	Pursuant to IAS 19, the discount rate used was determined in relation to market returns on prime corporate bonds on the valuation date. In this regard, the "Composite" interest rate curve was used for securities issued by corporate issues with an AA rating in the "Investment Grade" category in the eurozone as of 31 December 2015 (source: Bloomberg).

Changes in provisions for employee leaving benefits are summarised in the following table:

	2015	**2014**
Balance at 1/1	**96.9**	**92.5**
Service Cost	0.1	0.2
Actuarial (gains)/losses	(2.0)	9.8
Interest Cost	0.1	0.4
Indemnities paid	(6.6)	(5.9)
Other changes	0.5	-
Balance at 31/12	**89.1**	**96.9**

The table below shows the amount of the liability in response to changes in the main demographic and economic and financial assumptions relating to the parameters involved in the calculation.

Economic and financial assumptions		DBO	Service cost
Discount rate curve	+50 b.p.	85.2	0.1
	-50 b.p.	92.4	0.1
Inflation rate	+50 b.p.	90.9	0.1
	-50 b.p.	86.5	0.1

Demographic assumptions - actuarial		DBO	Service cost
Wage increases	+50 b.p.	88.7	0.1
	-50 b.p.	88.6	0.1
Probability of termination of the employment relationship	+50%	88.9	0.1
	-50%	88.1	0.1
Change in TFR accrued	+50%	88.8	0.1
	-50%	88.5	0.1

10.2 Financial liabilities and payables

	31/12/2015	31/12/2014
Due to banks	198.0	197.5
Corporate bond	895.7	893.4
Due to other financial institutions	8.6	1.3
Financial liabilities on hedging derivatives (non current stake)	5.7	1.1
Other financial liabilities	0.2	0.4
Total	**1,108.1**	**1,093.8**

Financial payables refers to the portion of committed credit facilities (revolving) maturing beyond 12 months attributable to Mediaset S.p.A.. These payables are recognised in the financial statements using the amortised cost method.

Existing loans and credit facilities are subject to financial covenants on a consolidated basis as summarised below:

financing counterpart	covenant	checking period
Mediobanca loan 2011	Net Financial Position / EBITDA <= 2	every 6 months
	EBITDA / Net Financial Losses >= 10	every 6 months
Intesa - S.Paolo loan	Net Financial Position / EBITDA <= 2	every 6 months
Unicredit	Net Financial Position / EBITDA <= 2	every 6 months
	Net Financial Losses/Equity <= 2	every 6 months

Any breach of financial covenants, both for the loans and credit facilities, will require Mediaset S.p.A. to repay all amounts drawn.

To date, there has been no breach of covenant.

At 31 December 2015, approximately 64.1% of all approved credit facilities were committed facilities.

The following table shows the effective interest rates and financial charges expensed in the income statement for loans recognised using the amortised cost method and the fair value calculated on the basis of year-end markets rates.

	IRR	Financial Charges	Fair Value
Mediobanca (19.5.2011)	1.25%	2.7	203.7

Corporate bonds refer to non-current amounts of bonds issued by Mediaset S.p.A. and the subsidiary EI Towers S.p.A.. Both bond issues are recognised using the amortised cost method based on an internal rate of return.

The following table shows the key details of corporate bonds issued by the Mediaset Group.

Issuer	Issuing date	Notional Amount	Duration	Interest Rate	IRR	Amortized Cost
Mediaset S.p.A.	1 febbraio 2010	300.0	7 years	5.0%	5.24%	312.9
Mediaset S.p.A.	24 ottobre 2013	375.0	5 years	5.125%	5.42%	389.9
EI Towers S.p.A.	26 aprile 2013	230.0	5 years	3.875%	4.34%	233.7

Payables due to other financial institutions mainly refer to loans received to finance co-production and movie distribution activities totalling EUR 1.0 million (EUR 1.3 million at 31 December 2014) and EUR 7.4 million for the financial payables of the subsidiary Mediaset España.

Financial liabilities on hedging derivatives consist of non-current amounts of fair value of derivative instruments designated as hedges against the risk of interest rate fluctuations on medium and long-term financial liabilities and non-current amounts of derivative instruments designated as hedges against foreign exchange risk.

10.3 Provisions for risks and charges and contingent liabilities

The following is a breakdown of the provisions and their changes:

	2015	2014
Balance at 1/1	**128.8**	**160.6**
Provisions made during the period	64.6	60.2
Provisions used during the period	(77.6)	(92.3)
Financial charges	0.3	0.4
Other changes/Business combinations	667.0	0.0
Balance at 31/12	**116.9**	**128.8**
Of which:		
current	57.1	74.3
non current	59.8	54.5
Total	**116.9**	**128.8**

Risk provisions at 31 December 2015 mainly refer to legal proceedings totalling EUR 35.8 million (EUR 37.9 million at 31 December 2014), staff disputes totalling EUR 3.1 million (EUR 4.4 million at 31 December 2014) and contractual risks totalling EUR 65.7 million (EUR 60.0 million at 31 December 2014), of which risks relative to the under-utilisation of artistic resources compared to contractual agreements totalling EUR 21.4 million (EUR 15.6 million at 31 December 2014).

Following the ruling of the Court of Rome of 11 February 2016, which upheld the appeal lodged by Mediaset and cancelled the injunction order from the Italian Ministry of Economic Development for the return of the so-called “state aid on set-top boxes” and also ordered the Ministry to reimburse the amount paid, plus statutory interest, as at 31 December 2015 the associated provision of EUR 6.0 million made in 2009 has now been used. During the year, the subsidiary Publitalia ’80 also allocated a provision of EUR 6.5 million in relation to investigations, which are still underway, regarding dealings with a sales agent, and used an amount of EUR 6.9 million, mainly as a result of the signing of a series of settlement agreements relating to assessments for previous years.

Below is an update at 31 December 2015 of the main lawsuits pending and contingent liabilities associated with them, which were also reported in the financial statements of previous years and the interim statements for the year.

By order no. 25462 of 13 May 2015, the Italian Antitrust Authority approved the commencement of the Proceedings against Lega Nazionale Professionisti Serie A, Infront Italy S.r.l., Sky Italia S.r.l., RTI – Reti Televisive Italiane S.p.A. and Mediaset Premium S.p.A. for alleged violation of Article 101, paragraph 1, of the Treaty on the Functioning of the European Union (TFEU).

RTI and Mediaset Premium filed a detailed defence pleading, accompanied by an analysis by and economic advisor, refuting the claims made by the AGCM at the end of the preliminary phase, on the grounds that they were unfounded in fact and law, and consequently asking for the dismissal of the proceedings, which are due to be concluded by 30 April this year. Partly due to the complexity of the case, it is not currently possible to provide a credible prediction of the outcome of the preliminary proceedings, or a general estimate of the amount of the fine that the Authority could apply to RTI and Mediaset Premium.

However, on the basis of authoritative legal advice, we note that even in the event of a negative outcome, and a resulting final ruling confirming the alleged offence, with the issuing of the consequent fines, this can be appealed before the Administrative Courts (i.e. Regional Administrative Court of Lazio, at first instance, and the Council of State, at second instance), with strong chances of success for the companies involved.

On 17 June 2015, the Group became aware of the investigation by the Public Prosecutor of Rome, with the company Videotime S.p.A. as the injured party, against the service provider companies ascribable to Mr. Biancifiori. The Group swiftly responded to provide its cooperation to the investigators. The Group has also implemented all the internal procedures aimed at ascertaining the facts and any potential liability. These activities are still being carried out and based on the evidence currently available there are is not enough information to be able to assess the potential impacts of an economic nature.

On 17 March 2016, the Milan Court of Appeal partially overturned the first-instance acquittal and declared the Chairman and Chief Executive Officer of Mediaset guilty of the offence of tax fraud limited to tax year 2007, sentencing them to 1 year and 2 months imprisonment. The Court also acquitted the same parties of the offence of tax fraud for the tax year 2008 because the fact is no longer classed as an offence under the law. At the same time, the court ordered the defendants to pay damages, jointly and severally with the civilly liable parties Mediaset S.p.A. and RTI S.p.A., to be determined by separate judgment and therefore currently not quantifiable. In 2014, RTI determined and paid the tax liability connected to the events subject to the criminal proceedings.

Regarding Mediaset España, an update of the main lawsuits pending and contingent liabilities associated with those reported in the financial statements at 31 December 2014 is provided below.

On 6 February 2013, the Spanish Antitrust Authority (Consejo de la Comisión Nacional de la Competencia) imposed fines totalling EUR 15.6 million on Mediaset España for the alleged non-performance of obligations/commitments assumed in connection with the Telecinco/Cuatro merger completed in December 2010. Mediaset España decided to submit an appeal before the “Audiencia Nacional” and request suspension of payment of the fine. This suspension was accepted in 2015. In addition, two recent rulings of the Spanish Supreme Court, which confirmed the invalidity of certain aspects regarding the implementation of the plans imposed on the company by the Comisión Nacional de la Competencia, strengthen the possibility of the appeal being successful. Accordingly, since the company believed the risk to be unfounded, it has not allocated any provision in this regard for the year.

On 2 August 2011 the “Comisión Nacional de los Mercados y la Competencia (CNMC)” (Spanish anti-trust authority) fined Mediaset España EUR 3.6 million through Resolution SNC/0012/11, holding it liable for the late presentation of the Development Plan for the Telecinco/Cuatro deal that took place in December 2010. The company brought an appeal before the “Audiencia Nacional”, which rejected it in a ruling of 8 January 2013 and upheld the fine. A further appeal was lodged against that ruling before the Supreme Court. The Supreme Court upheld the appeal on 21 September 2015, cancelling the disputed ruling and referring the implementation of the plan back to the CNMC, which must produce a new resolution that is appropriate to the characteristics of the infringement. Therefore, since the company believed that the risk was unfounded, it decided not to allocate any specific provisions for it.

On 17 September 2015, the "Comisión Nacional de los Mercados y de la Competencia" (CNMC), by Resolution SNC/0036/15 fined Mediaset España by an amount of EUR 3.0 million for having sold advertising space of Telecinco and Cuatro in 2013 in a manner not compliant with the provisions of the merger between the two channels. Mediaset España, however, believes that the sale of advertising space in the two channels complied with the commitments undertaken and agreed, and has appealed against the CNMC's requests before the "Audiencia Nacional". The Company and its advisors did not consider the risk to be founded and therefore decided it was not necessary to allocate any provision in this regard.

11 CURRENT LIABILITIES

11.1 Financial payables

	31/12/2015	31/12/2014
Loans	2.6	3.1
Credit lines	91.3	207.3
Total	**93.9**	**210.4**

Loans refer to the current portion of committed credit facilities.

All **credit facilities** are subject to floating interest rates and refer to short-term advances that mature within a year by contract and are renewable. The fair value of credit facilities is the same as their carrying amount. The decrease of EUR 115.7 million refers to a reduced use of short-term credit facilities.

11.2 Trade and other payables

	Balance at 31/12/2015			Balance at 31/12/2014
		Due		
	Total	Within 1 year	After 1 year	
Due to suppliers	2,309.8	1,342.0	967.8	2,538.7
Due to related parties	59.2	59.2	0.0	50.4
Total	**2,368.9**	**1,401.2**	**967.8**	**2,589.1**

This item mainly included:

- EUR 1,824.4 million due to rights owners for the licensing of television and movie broadcasting rights and to the supplier Lega Nazionale Professionisti Serie A (including content licensed for less than one year) (EUR 2,126.6 million at 31 December 2014). This item shows payables due beyond 12 months of EUR 967.8 million;
- EUR 416.6 million for the purchase and production of TV programmes and amounts due to television artists and professionals (EUR 434.5 million at 31 December 2014).

Amounts due to related parties include payables to associates, affiliates and the holding company. Details of these payables are provided in Note 16 below (Related-Party Transactions).

11.3 Tax Payables

This item, amounting to EUR 1.2 million (EUR 5.8 million at 31 December 2014) includes the payable to the tax authorities for companies not scoped into the tax consolidation, and taxes payable by foreign companies.

11.4 Other Financial Liabilities

	31/12/2015	31/12/2014
Corporate bond	40.8	40.7
Due to other financial institutions	24.6	27.5
Financial liabilities on derivatives with no hedging purpose	1.0	0.1
Financial liabilities on hedging derivatives	4.3	4.0
Total	**70.7**	**72.2**

Corporate bonds refers to current amounts of bonds issued by Mediaset Group companies (reported in the note on **Financial liabilities and payables**), consisting of interest matured at 31 December 2015 that will be paid in 2016, of which EUR 6.7 million relating to the bond issued by the EI Towers Group.

Payables due to other financial institutions mainly consist of payables to factoring companies totalling EUR 3.7 million (EUR 4.8 million at 31 December 2014), current account facilities with associates totalling EUR 14.6 million (EUR 18.7 million at 31 December 2014), and loans received to finance movie development, distribution and production operations totalling EUR 4.7 million (EUR 3.6 million at 31 December 2014), and EUR 1.2 million of loans relating to Mediaset España.

Financial liabilities on derivatives with no hedging purpose refer to the fair value of derivative instruments (for which hedge accounting has not been applied), held to hedge the risk of changes in the fair value of items recognised in the financial statements.

Financial liabilities on hedging derivatives includes current amounts of the fair value of collar derivatives designated as hedges against the risk of interest rate fluctuations on medium and long-term financial liabilities and current amounts of derivative instruments designated as hedges against foreign exchange risk.

11.5 Hedging Derivatives

The following is a breakdown of the financial assets and liabilities relating to hedging derivatives, reported earlier in Notes 7.7 (Other Financial Assets), 8.4 (Current Financial Assets), 10.2 (Financial Liabilities and Payables) and 11.4 (Other Financial Liabilities), showing the Group's net position.

	31/12/2014	
	Assets	Liabilities
Foreign currency forward contracts	14.7	(5.7)
Exchange rate collars contracts	-	(5.2)
Total	**14.7**	**(11.0)**

The table below shows the notional amount of derivatives designated as hedges against foreign exchange risk associated with future commitments for the acquisition of broadcasting rights and existing contracts.

	31/12/2014	31/12/2013
United States Dollars (USD)	1,129.7	389.2
Great Britain Pounds (GBP)	0.2	0.1
Total	**1,129.7**	**389.3**

With reference to the hedging of future commitments for the acquisition of broadcasting rights, the derivative contracts held at 31 December 2015 were made with maturities that reflect the expected horizon in which these fixed assets will be formalised by contract and recognised in the financial statements. The income statement effect will be reflected in the amortisation of the assets as of the commencement date of the rights.

The following table states the horizon for the reference currency (US dollars), when cash flows are expected to appear.

	within 12 months	12-24 months	after 24 months	Total
2015	287.1	215.1	470.6	972.8
2014	193.3	69.4	0.3	263.0

11.6 Other Current Liabilities

	31/12/2015	31/12/2014
Due to social security institutions	21.8	22.6
Withholding tax on employees' wages and salaries	15.2	15.6
VAT payables	10.9	27.2
Other tax payables	18.2	28.9
Advances	14.6	19.6
Other payables	83.2	87.9
Accrued and deferred income	67.0	67.3
Total	**230.8**	**269.0**

Other tax payables includes EUR 6.5 million (EUR 7.6 million at 31 December 2014) in allocations by the subsidiary Mediaset España, representing 3% of its gross advertising revenues, as per Spanish Law 8/2009 on the funding of the Spanish Radio and Television Corporation (RTVE).

Other payables consist primarily of amounts due to personnel.

Accrued and other deferred income includes EUR 11.2 million (EUR 17.3 million at 31 December 2014) in pro-rata revenues from the sale of smart cards, vouchers and cams not accruing to the year; EUR 17.5 million in Mediaset Premium revenues from the sale of “Easy Pay” post-paid cards (EUR 15.3 million at 31 December 2014); and EUR 19.3 million in deferred income on the invoicing of fines relating to the non-payment of subscription fees.

11.7 Net Financial Position

In accordance with Consob Communication 6064293 of 28 July 2006, here we report the breakdown of the ***consolidated net financial position***, showing the Group's current and non-current net financial debt. For each of the items reported, reference is given to the relative explanatory note. For a breakdown of changes in the net financial position over the year, see the section on the Group's balance sheet and financial structure in the Report on Operations.

		31/12/2015	31/12/2014
Cash in hand and cash equivalents	8.5	0.1	0.1
Bank and postal deposits	8.5	351.5	457.2
Securities and other current financial assets	8.4	14.2	10.5
Total liquidity		**365.8**	**467.8**
Total current financial receivables	**8.4**	**41.6**	**46.7**
Due to banks	11.1	(91.3)	(207.5)
Other financial liabilities		(45.4)	(44.7)
Financial liabilities due to affiliated companies and joint ventures	11.4	(24.6)	(27.3)
Current financial debt		**(161.4)**	**(279.5)**
Current Net Financial Position		**246.0**	**234.9**
Due to banks	10.2	(198.0)	(197.5)
Corporate bond	10.2	(895.7)	(893.4)
Payables and other non current financial liabilities	10.2	(11.7)	(5.2)
Non current financial debt		**(1,105.4)**	**(1,096.2)**
Net Financial Position		**(859.4)**	**(861.3)**

Below is a breakdown of certain financial position items; please refer as required to individual financial statement items for comments on the main changes in figures.

Securities and other current financial assets at 31 December 2015 consist of bonds held by the subsidiary Mediaset Investments S.a.r.l. and the fair value of hedging derivatives for the amount exceeding the change in payables in currency hedged.

Current financial receivables consist mainly of government subsidies for movie productions.

Current financial liabilities and payables include payables due to factoring companies, current accounts with associates and joint ventures, loans to finance film development, distribution and production, as reported in Note 10.4, and the fair value of financial instruments not designated as hedges, for amounts surplus to the change in the underlying foreign currency payables.

Other non-current financial payables and liabilities include non-current amounts of the fair value of derivatives held to hedge against interest rate risk.

Current amounts of non-current financial debt primarily consist of current amounts of the corporate bond, equal to EUR 40.8 million (EUR 40.7 million at 31 December 2014), current amounts of medium- and long-term bank loans, equal to EUR 2.6 million (EUR 2.9 million at 31 December 2014), and the current portion of the fair value of derivatives held to hedge against interest rate fluctuations, equal to EUR 2.0 million (EUR 1.1 million at 31 December 2014).

NOTES ON THE MAIN ITEMS OF THE STATEMENT OF INCOME

12.1 Revenues from sales and services

Below is a breakdown of the main types of these revenues:

	2015	2014
Television advertising revenues	2,498.0	2,452.0
Other advertising revenues	100.3	95.9
Trading of TV rights and television production	37.8	40.9
Pay-tv subscriptions and sales of pre-paid cards	558.6	541.3
Sales of goods	20.2	23.9
Construction and maintenance of television equipment	144.0	134.9
Movie distribution	36.6	42.7
Other revenues	40.2	42.2
Total	**3,435.5**	**3,373.8**

Revenues from the sale of **television advertising** includes the revenues, net of agency commissions, from the sale of advertising space on free-to-air networks by Publitalia ’80 S.p.A., revenues from the sale of advertising space on pay TV channels broadcast via digital terrestrial technology by Digitalia ‘08 S.r.l., and revenues from the sale of advertising space on Spanish broadcasters of the Mediaset España Group by Publiespaña S.A. and Publimedia S.A.. The item also includes revenues from the resale of television space through barter activity by Promoservice S.r.l.

Other advertising revenues relate to fees due to the Group relative to revenues from advertising space on proprietary websites (managed by investees), revenues for teletext commercial services, and advertising revenues from non-TV media, earned by Publieurope Ltd. and Publimedia S.A., and from the fourth quarter 2015 to the fees due to Monradio on the radio advertising sales under exclusive concessions of Mediamond.

Revenues from the **trading of TV rights and television production** mainly include revenues from the multi-platform sale of premium content and the sale of movie rights on home videos and television.

Revenues from Pay-TV subscriptions are mainly generated by the sale of subscriptions and pre-paid cards relative to the Mediaset Premium offer and the Infinity offer.

The revenues from the **sales of goods** relate to teleshopping operations and advertising bartering activities.

Revenues from **construction and maintenance of television equipment** mainly relate to the income paid in return for the use of transmission capacity on digital terrestrial television networks. This item also includes revenues from the sale of equipment by Elettronica Industriale S.p.A. to external customers, and hosting and maintenance services provided to television and telecommunications operators by the EI Towers Group.

Movie distribution revenues include the movie distribution revenues of Mediaset España and rental of movies to cinema operators throughout Italy by Medusa Film.

Other revenues mainly includes royalties relating to merchandising, income from telephone traffic originating from the interaction of various TV productions on the Mediaset and Mediaset

España networks, and the sale of multimedia content and services to telephone service providers.

Revenue breakdown by geographical area

Below is a breakdown of revenues by geographical area, according to the customer's country of residence:

	2015	2014
Italy	2,401.7	2,368.3
Spain	928.9	899.5
Other EU Countries	70.9	74.9
North America	10.8	6.0
Other Countries	23.1	25.2
Total	**3,435.5**	**3,373.8**

Concentration of revenues

None of the income receivable from individual customers amounts to or exceeds 10% of the net consolidated revenues.

12.2 Other revenues and income

This item mainly includes non-core revenues and income, revenues from property rents and leases and contingent assets. The change compared to the year 2014 was mainly attributable to collaboration and digital content development agreements entered into with players in the media industry during the year.

12.3 Personnel expenses

Personnel expenses decreased from EUR 537.5 million in 2014 to EUR 520.5 million in 2015.

	2015	2014
Ordinary pay	270.3	275.8
Overtime	13.9	13.1
Special benefits	40.9	40.5
Additional salary period (13th and 14th salary period)	40.0	40.8
Accrued holiday pay	-3.1	1.2
Total wages and salary	**361.9**	371.3
Social security contributions	103.5	105.1
Employee severence indemnity	0.1	0.2
Stock Option Plans/ M/L term incentives	0.7	-
Other expenses and layoff	54.3	61.0
Total personnel expenses	**520.5**	537.5

The item *Stock Option Plans/MLT incentives* includes the charge for the year 2015 for the medium/long-term incentive plan assigned by Mediaset S.p.A. in July.

Other expenses and leaving incentives include leaving incentives awarded to employees who have left the Group during the year and short-term benefits for employees (other than wages, salaries, contributions and paid leave), such as medical assistance, company cars, meal services and other free or subsidized goods and services. The item also includes fees paid to directors employed by Group companies, totalling EUR 7.0 million (EUR 10.9 million at 31 December 2014), of which EUR 4.2 million relating to the Mediaset España Group (EUR 6.7 million at 31 December 2014).

12.4 Purchases, services and other costs

	2015	2014
Purchases	**158.3**	**154.8**
Change in the inventories of raw materials, work in progress, semi-finished and finished goods	**(142.9)**	**(85.3)**
Consultants, temporary staff and services	202.2	202.5
Production services and purchase of television products	622.9	527.4
Publisher's fees and other fixed fees ("minimi garantiti")	43.8	38.2
Advertising spaces and public relations	30.5	30.8
EDP	24.8	21.7
Personnell search, training and other costs	11.8	11.6
Other services	338.9	312.7
Total services	**1,274.8**	**1,144.9**
Leasing and rentals	**268.5**	**268.8**
Provisions for risks	**14.0**	**6.1**
Other operating costs	**65.8**	**55.2**
Total purchases, service and other costs	**1,638.4**	**1,544.5**

Purchases include EUR 75.4 million relating to the acquisition of broadcasting rights with a term of less than 12 months (EUR 76.5 million at 31 December 2014).

Other services mainly refers to trade association costs for the use of intellectual property rights of EUR 82.3 million (EUR 79.5 million at 31 December 2014), costs for customer care activities primarily relating to Mediaset Premium of EUR 32.7 million (EUR 31.2 million at 31 December 2014), and EUR 37.7 million of maintenance and operating costs for the broadcasting networks (EUR 34.4 million at 31 December 2014). The item also includes costs for commissions, utilities, and banking and insurance fees.

Leasing and rentals include EUR 149.9 million relating to the transmission of television signals (EUR 148.5 million at 31 December 2014), EUR 46.1 million of royalties (EUR 52.0 million at 31 December 2014), and EUR 45.1 million relating to rents and leases, mainly for television studios and equipment and office space (EUR 39.7 million at 31 December 2014).

Other operating costs include costs relating to the contribution of 3% of the gross advertising sales of the Mediaset España Group in accordance with the industry sector law on funding public television.

12.5 Amortisation, depreciation and write-downs

	2015	2014
Amortisation of TV and movie rights	995.1	919.2
Amortisation of other intangible assets	43.8	51.5
Amortisation of tangible assets	79.8	85.5
Write-downs/(Reversal) of TV and movies rights	2.1	4.9
Write-downs/(Reversal) of fixed assets	0.1	2.0
Write downs of receivables	13.4	20.7
Total amortisation, depreciation and write-downs	**1,134.4**	**1,083.7**

12.6 Financial expenses

	2015	2014
Interests on financial liabilities	(49.9)	(55.4)
Financial expenses on securities	(0.1)	(0.1)
From derivative instruments	(1.0)	(1.3)
Other financial losses	(10.7)	(19.4)
Foreign exchange losses	(37.3)	(24.9)
		-
Total financial losses	**(99.1)**	**(101.0)**

Interest expense on financial liabilities includes the interest expense for the period on bonds issued by the Mediaset Group and the EI Towers Group totalling EUR 45.6 million (EUR 45.6 million at 31 December 2014).

Other financial expenses included expenses as at 31 December 2014 resulting from the early pay-off of committed credit facilities during the year.

12.7 Financial income

	2015	2014
Interests on financial assets	4.4	4.1
From derivative instruments	1.2	
Other financial income	44.2	1.1
Total financial income	**49.7**	**30.7**

Foreign exchange gains include the effects of derivatives relating to the hedging of foreign currency exposure connected to commitments for the future acquisition of rights, and the effect of derivatives used to hedge against fluctuations in the exchange rates on financial statement items.

12.8 Financial income/expenses recognised according to IAS 39

The table below summarises the income and expenses recorded in the income statement, classified according to the IAS 39 categories. For more details see Note 13, which contains additional information on financial instruments and risk management policies.

	2015	2014
Trading derivatives	15.4	13.5
Liabilities evaluated with amortized cost method	(64.1)	(77.7)
Loans and receivables	3.0	2.3
Other financial income/(losses)	(3.6)	(8.5)
Total financial income/(losses)	**(49.4)**	**(70.4)**

Trading derivatives include net financial income and charges relating to derivatives used to hedge against the risk of fluctuating interest rates for medium/long term financial liabilities, and those used to hedge against fluctuating exchange rates.

Other financial income/(expenses) include the charges relating to the time discounting of employee leaving indemnities and interest relating to the time discounting of provisions for risks expiring after 12 months.

12.9 Result from equity investments

This item includes the portion of net result of companies accounted for ***at equity*** including any impairment or recoveries, write-downs of equity investments classified as available for sale included under ***other non-current financial assets*** and the financial receivables related to them, allocations to the provision for risks on equity investments, and income from the collection of dividends and capital gains and losses.

	2015	2014
Result of equity investments valued with the equity method	1.3	(10.7)
Other equity investments	(0.5)	(0.1)
Write-downs of financial assets	(1.4)	(1.2)
Gain/(losses) from the sale of equity investments	15.7	(27.8)
Total income/(expenses) from equity investments	**15.0**	**(39.8)**

In 2015, the result of ***equity investments valued with the equity method*** mainly includes costs and income related to the pro-rata recording of the profit from equity investments in associates and joint ventures. In particular:

- the negative effect of EUR 1.9 million relating to the equity investment held in Emissions Digitals Catalunya;
- expenses totalling EUR 0.8 million related to the equity investment in Pegaso Televisión Inc.;
- expenses totalling EUR 0.6 million related to the equity investment in RB1 S.p.A. (holding company of the Finelco Group);
- income totalling EUR 1.1 million related to the equity investment in La Fábrica de la Tele;

- income totalling EUR 0.6 million related to the equity investment in Producciones Mandarina S.L.;
- income totalling EUR 0.4 million related to the equity investment in Boing S.p.A.;
- income totalling EUR 0.5 million related to the equity investment in Supersport Television S.L.;
- income totalling EUR 0.9 million related to the equity investment in Tivù S.r.l..

Write-downs of financial assets refer to the write-down of financial receivables from the company Pegaso Televisión INC.

Gain/(losses) from sale of equity investments mainly consist of:

- proceeds of EUR 10.0 million for the amount received by Mediaset España as a price adjustment for the sale of its 22% stake in Distribuidora de Televisión Digital S.A. to Telefónica during the third quarter of last year;
- the gain of EUR 5.4 million on the sale of the equity investment held by Mediaset España in the company Grupo Yamm Comida a Domicilio S.L..

12.10 Taxes for the year

	2015	2014
Irap tax	7.7	15.1
Ires tax	(15.7)	(3.4)
Previous year tax	5.9	(3.5)
Current tax expenses (foreign companies)	26.1	11.8
Total current tax	**24.0**	**20.1**
Income from tax asset	(30.5)	(53.0)
reversal from tax asset	103.7	100.4
Total deferred tax asset	**73.2**	**47.4**
provision from deferred tax liabilities	2.4	1.2
reversal from deferred tax liabilities	(13.1)	(7.0)
Total deferred tax liabilities	**(10.7)**	**(5.8)**
Total income tax	**86.6**	**61.7**

The change in *current taxes* (IRAP and IRES) for the financial year, compared to those for 2014, was due to the overall negative taxable base during the year for IRES (Income Tax) purposes, relative to the earnings performance achieved in the financial year by the Group companies in Italy scoped in the tax consolidation.

Prior year tax mainly includes expense generated as a result of the recalculation of taxes upon submission of the income tax return with respect to the amount recognised in the financial statements for previous years.

The *tax expenses (foreign companies)* mainly relate to the taxes for the year posted by the Spanish subsidiary company Mediaset España.

The items *deferred tax assets and liabilities* comprise the financial movements for the year for the allocations and/or uses generated as a result of the changes in the temporary differences between the values for tax and accounting purposes.

In 2015, total net expenses were posted to this item of EUR 62.6 million, due to the net uses of deferred tax assets of EUR 73.2 million and the net uses of deferred taxes of EUR 10.7 million. This amount included the effect of the adjustment of the IRES tax rate from 27.5% to 24% following the approval of the 2016 Stability Law generating a total expense of EUR 22.7 million.

The table below shows a reconciliation between the standard tax rate in force in Italy on the income tax for companies for the tax years 2015 and 2014, and the effective tax rate of the Group.

	2015	2014
Current tax rate	**31.40%**	**31.40%**
IRAP tax non deductible expenses	4.01%	9.52%
Effects of companies with different tax rate	-8.19%	-8.42%
Effects of change in tax rate	11.51%	10.31%
Non deductible expenses and consolidation adjustment with no tax effect	5.35%	1.65%
Actual tax rate	**44.08%**	**44.41%**

12.11 Net result for the year and proposed dividend

The net consolidated result at 31 December 2015 improved from a net consolidated profit of EUR 23.7 million for the previous year to a net consolidated profit of EUR 4.0 million. The unit dividend proposed by the Board of Directors to the Shareholders' Meeting is EUR 2 cents per share, corresponding to a total estimated payout of EUR 22.7 million calculated net of treasury shares.

12.12 Profit/(loss) per share

The calculation of basic and diluted earnings per share is based on the following data:

	31 dicembre 2015	31 dicembre 2014
Net profit for the year (millions of euro)	**4.0**	**23.7**
Weighted average number of ordinary shares (without own shares)	1,136,402,064	1,136,402,064
Basic EPS	**0.00**	**0.02**
Weighted average number of ordinary shares for the diluted EPS computation	1,136,402,064	1,136,402,064
Diluted EPS	**0.00**	**0.02**

The figure for earnings per share is calculated using the ratio of the Group's net profit to the weighted average number of shares in circulation during the period, net of treasury shares. The figure for earnings per diluted share is calculated using the number of shares in circulation and the potential diluting effect from the allocation of treasury shares to the beneficiaries of vested stock option rights.

CASH FLOW STATEMENT

13.1 Change in payables for investments

For the two reference periods, the change in payables to Lega Calcio following the assignment of the Serie A league championship broadcasting rights is shown net of receivables for the amount arising from the sub-licensing of such broadcasting rights to Sky Italia.

13.2 Business combinations net of cash and cash equivalents acquired

This item included EUR 49.0 million from the impact on cash and cash equivalents arising from the completion of the acquisition of NewTelTowers S.p.A. (formerly Hightel S.p.A.) in the fourth quarter of 2014, the acquisition of the companies Tecnorad Italia S.p.A. and DAS Immobiliare S.r.l. in July, and the acquisition of 100% of the share capital of 13 companies, mainly hosting mobile telecommunications operators, and some land located in the Liguria region, in addition to EUR 36.4 million from the acquisition of 80% of the share capital of the company Mondario S.r.l.. In the previous year, this item referred to the impact on cash and cash equivalents arising from the purchase of 100% of the share capital of the company Società Assistenza Ripetitori Televisivi S.r.l..

13.3 Changes in stakes in subsidiaries

The amount for 2015 relates to the proceeds from the sale of the 11.11% ownership interest of the subsidiary Mediaset Premium S.p.A., whereas for the same period of the previous year it related to the net proceeds from the sale of the 25% ownership interest in the subsidiary EI Towers S.p.A..

13.4 Change in treasury Shares

The amount relates to the outflow for 2015 amounting to EUR 238.6 million for the buyback of 21,609,964 treasury shares by Mediaset España as part of the share buyback programme approved by the Board of Directors of the Company. In the previous year, the amount related to the outflow of EUR 307.5 million for the buyback by Mediaset España of 34,583,221 treasury shares representing 8.5% of the company's share capital.

14. DISCLOSURES ON FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

The tables below provide, separately for the two years being compared, the disclosures required by IFRS 7, for the purpose evaluating the significance of the financial instruments with reference to the balance sheet, cash flow and the income statement result of the Group.

Categories of financial assets and liabilities

Here below is a breakdown of the carrying amount of financial assets and liabilities in the categories laid down by IAS 39.

FINANCIAL ASSETS AS AT 31 DECEMBER 2015	IAS 39 CATEGORIES			BOOK VALUE	EXPLANATORY NOTES
	Held for trading financials instruments evaluated at fair	Loans and receivables	Financials instruments available for sale		
OTHER FINANCIALS ASSETS:					
equity investments			26.9	26.9	
hedging derivatives (non current stake)	0.7			-	**7.7**
other financials assets					
financials receivables (due after 12 months)		17.0		17.0	
TRADE RECEIVABLES:					
receivables from customers		1,370.2		1,370.2	**8.2**
receivables from related parties		36.9		36.9	
OTHER RECEIVABLES/CURRENT ASSETS:					
Other receivables		4.5		4.5	**8.3**
receivables from factoring companies		60.0		60.0	
CURRENT FINANCIALS ASSETS:					
financials receivables (due within 12 months)		43.6		43.6	**8.4**
securities and financial receivables	10.2			10.2	
hedging derivatives	11.6			11.6	
derivatives with no hedging purpose	0.1			2.4	
CASH AND CASH EQUIVALENTS					
bank and postal deposits		351.5		351.5	**8.5**
TOTAL FINANCIALS ASSETS	**24.9**	**1,883.8**	**26.9**	**1,934.9**	

FINANCIAL LIABILITIES AS AT 31 DECEMBER 2015	IAS 39 CATEGORIES		BOOK VALUE	EXPLANATORY NOTES
	Held for trading financials instruments evaluated at fair value	Liabilities at amortizated cost		
NON CURRENT FINANCIAL LIABILITIES AND PAYABLES:				
due to banks		198.0	198.0	10.2
corporate bond		895.7	895.7	
hedging derivatives (non current stake)	5.7		5.7	
other financial liabilities		8.7	8.7	
CURRENT LIABILITIES:				
due to banks		93.9	93.9	11.1
due to suppliers		2,309.8	2,309.8	11.2
due to related parties		59.2	59.2	
OTHER FINANCIAL LIABILITIES:				
due to factoring company		3.7	3.7	11.4
corporate bond		40.8	40.8	
other financial liabilities		6.3	6.3	
hedging derivatives	4.3		3.2	
derivatives with no hedging purpose	1.0		1.8	
financial liabilities to related parties		14.6	14.6	
TOTAL FINANCIAL LIABILITIES	**11.0**	**3,630.7**	**3,641.7**	

FINANCIAL ASSETS AS AT 31 DECEMBER 2014	IAS 39 CATEGORIES			BOOK VALUE	EXPLANATORY NOTES
	Held for trading financials instruments evaluated at fair value	Loans and receivables	Financials instruments available for sale		
OTHER FINANCIALS ASSETS:					
equity investments			21.7	21.7	7.7
other financials assets		-			
financials receivables (due after 12 months)		24.1		24.1	
TRADE RECEIVABLES:					
receivables from customers		1,454.5		1,454.5	8.2
receivables from related parties		35.3		35.3	
OTHER RECEIVABLES/CURRENT ASSETS:					
Other receivables		7.7			
receivables from factoring companies		69.3		29.1	8.3
CURRENT FINANCIALS ASSETS:					
financials receivables (due within 12 months)		46.8		9.0	7.4
securities and financial receivables	9.0			63.1	
hedging derivatives	13.1			20.0	
derivatives with no hedging purpose	4.3			3.5	
CASH AND CASH EQUIVALENTS		-			
bank and postal deposits		457.2		113.8	7.5
TOTAL FINANCIALS ASSETS	**30.7**	**2,094.8**	**21.7**	**2,147.1**	

FINANCIAL LIABILITIES AS AT 31 DECEMBER 2014	IAS 39 CATEGORIES Held for trading financials instruments evaluated at fair value	Liabilities at amortizated cost	BOOK VALUE	EXPLANATORY NOTES
NON CURRENT FINANCIAL LIABILITIES AND PAYABLES:				
due to banks		197.5	197.5	10.2
corporate bond		893.4	893.4	
hedging derivatives (non current stake)	1.1		1.1	
other financial liabilities		1.7	1.7	
CURRENT LIABILITIES:				
due to banks		210.4	210.4	11.1
due to suppliers		2,538.7	2,538.7	11.2
due to related parties		50.4	50.4	
OTHER FINANCIAL LIABILITIES:				
due to factoring company		4.8	4.8	11.4
corporate bond		40.7	40.7	
other financial liabilities		4.0	4.0	
hedging derivatives	4.0		4.0	
derivatives with no hedging purpose	0.1		0.1	
financial liabilities to related parties		18.7	18.7	
TOTAL FINANCIAL LIABILITIES	**5.2**	**3,960.2**	**3,965.3**	

Fair value of financial assets and liabilities, and calculation models and input data used

Below is an analysis of the amounts corresponding to the fair value of assets and liabilities broken down based on the methodologies and the calculation models used to calculate them.

Note that the tables do not show those financial assets and liabilities whose fair value cannot be calculated objectively, since their book value is very close to the fair value, and that the fair value of derivatives constitutes the net position between asset and liability values.

The input data used for measurement of fair value at the reporting date, obtained from the infoprovider Bloomberg, were as follows:

- Euro curves for the estimation of forward rates and discount factors;
- Spot exchange rates of the ECB;
- Forward exchange rates calculated by Bloomberg;
- The matrix of implied volatility in the Euribor -indexed Caps/Floors;
- The fixing of the Euribor rate;
- The “mid” credit default swap (CDS) spread listed by various counterparties (if available);
- Credit spread of Mediaset S.p.A., EI Towers S.p.A. and Mediaset España S.A.

ITEM OF BALANCE AS AT 31 DECEMBER 2015	BOOK VALUE	Mark to Market	Mark to Model			TOTAL FAIR VALUE	EXPLANATORY NOTES
			Black&Scholes's Model	Binomial Model	DCF Model		
Financial receivables	-	-	-	-	-	-	7.7
Other Financial Assets	9.4	-	-	-	9.4	-	0
Trade receivables	546.9				547.2	**547.2**	8.2
Securities	10.2	10.2				**10.2**	8.4
Due to banks	(200.4)				(203.7)	**(203.7)**	10.2
Corporate bond	(936.6)	(999.1)			-	**(999.1)**	10.2
Due to suppliers at mid/long term	(1,532.5)				(1,512.0)	**(1,512.0)**	11.2
Derivatives with no hedging cash flow:							
- Plain vanilla options							
- Options with barrier							8.4;11.4
- Forward contracts	1.3				1.3	**1.3**	
Derivatives for cash flow hedge:							
- Plain vanilla options	(5.2)		(5.2)			**(5.2)**	7.7;8.4;
- Forward contracts	7.6				7.6	**7.6**	10.2;11.4

ITEM OF BALANCE AS AT 31 DECEMBER 2014	BOOK VALUE	Mark to Market	Mark to Model			TOTAL FAIR VALUE	EXPLANATORY NOTES
			Black&Scholes's Model	Binomial Model	DCF Model		
Financial receivables	1.8	-	-	-	1.8	**1.8**	7.7
Other Financial Assets	17.3	-	-	-	17.2	-	0
Trade receivables	645.1				643.5	**643.5**	8.2
Securities	9.0	9.0				**9.0**	8.4
Due to banks	(200.4)				(206.7)	**(206.7)**	10.2
Corporate bond	(934.1)	(1,009.6)				**(1,009.6)**	10.2
Due to suppliers at mid/long term	(1,921.4)				(1,886.4)	**(1,886.4)**	11.2
Derivatives with no hedging cash flow:							
- Plain vanilla options							
- Options with barrier							8.4;11.4
- Forward contracts	4.2				4.2	**4.2**	
Derivatives for cash flow hedge:							
- Plain vanilla options	(5.1)		(5.1)			**(5.1)**	7.7;8.4;
- Forward contracts	17.3				17.3	**17.3**	10.2;11.4

The fair value of **securities** listed on an active market is based on market prices at the reporting date. The fair value of securities not listed in an active market and trading derivatives is determined by employing the most commonly used valuation models and techniques on the market or using the price provided by several independent counterparties, with reference to comparable listed securities prices.

The fair value of **non-current financial payables** has been calculated considering the credit spread of Mediaset S.p.A. and also including the short-term component of the medium/long term loans.

With regard to the bonds issued by the Group and listed on the Luxembourg and Irish Stock Exchanges, fair value has been measured using the market values at 31 December 2015 detailed below:

issuer	issuing date	book value	duration	Market price (*)
Mediaset S.p.A.	1st february 2010	300.0	7 years	108.0
Mediaset S.p.A.	24th october 2013	375.0	5 years	112.0
EI Towers S.p.A.	26th april 2013	230.0	5 years	110.4

(*) inclusive of the interest accrual

Note that the fair value of trade receivables and payables due within the financial year has not been calculated, since their carrying amount is very close to the fair value. As a result, the carrying amount stated for the receivables and payables for which the fair value was calculated, also includes the portion due within 12 months from the reporting date. The calculation of the fair value of trade receivables only takes account of creditworthiness of the counterparty when there is market information that can be used for its determination. With regard to trade payables, fair value has been adjusted taking into account the creditworthiness of Mediaset S.p.A., EI Towers S.p.A: and Mediaset España S.A.

It should also be noted that the fair value of derivatives refers to valuation techniques already described in the section *Summary of accounting standards and valuation criteria* which use variables observable in the market, for example the rates curve and exchange rates.

The financial assets and liabilities valued at fair value are classified in the following table, based on the nature of financial parameters used in determining the fair value, on the basis of the fair value hierarchy envisaged by the standard:

- **Level I**: listed prices on active markets for identical instruments;
- **Level II**: variables other than listed prices in active markets that may be observed either directly (as in the case of prices) or indirectly (derived from the prices);
- **Level III**: variables that are not based on observable market values.
-

ITEM OF BALANCE AS AT 31 DECEMBER 2015	BOOK VALUE	Level I	Level II	Level III	TOTAL FAIR VALUE	Explanatory Notes
Securities	10.2	10.2			**10.2**	8.4
Derivatives with no hedging cash flow:						
- Plain vanilla options						
- Options with barrier						8.4;11.4
- Forward contracts	1.3		1.3		**1.3**	
Derivatives for cash flow hedge:						
- Plain vanilla options	(5.2)		(5.2)		**(5.2)**	7.7;8.4;
- Forward contracts	7.6		7.6		**7.6**	10.2;11.4

ITEM OF BALANCE AS AT 31 DECEMBER 2014	BOOK VALUE	Level I	Level II	Level III	TOTAL FAIR VALUE	Explanatory Notes
Securities	9.0	9.0	-		**9.0**	8.4
Derivatives with no hedging cash flow:						
- Plain vanilla options						
- Options with barrier						8.4;11.4
- Forward contracts	4.2		4.2		**4.2**	
Derivatives for cash flow hedge:						
- Plain vanilla options	(5.1)		(5.1)		**(5.1)**	7.7;8.4;
- Forward contracts	17.3		17.3		**17.3**	10.2;11.4

Financial charges and income recognised in compliance with IAS 39

Below is an analysis of the net financial charges and income generated from financial assets and liabilities, broken down according to the categories laid down by IAS 39 (as shown in Note 11.8) and illustrating, for each category, the nature of these charges and income.

IAS 39 categories as at 31 December 2015	From interests	From changes in fair value	From equity reserve	Foreign exchange gains/losses	**Net gains/losses**
Financials instrument held for trading	0.2	(1.1)	(0.6)	16.9	**15.4**
Liabilities at amortized cost	(54.7)	-	-	(9.4)	**(64.1)**
Financial instruments held to maturity	-	-	-	-	**-**
Loans and receivables	3.0	-	-	-	**3.0**
Financials instruments available for sale	-	-	-	-	**-**
Total IAS 39 categories	**(51.5)**	**(1.1)**	**(0.6)**	**7.5**	**(45.7)**

IAS 39 categories as at 31 December 2014	From interests	From changes in fair value	From equity reserve	Foreign exchange gains/losses	**Net gains/losses**
Financials instrument held for trading	-	(0.6)	(0.5)	14.7	**13.5**
Liabilities at amortized cost	(63.6)	-	-	(14.2)	**(77.7)**
Financial instruments held to maturity	-	-	-	-	**-**
Loans and receivables	2.3	-	-	-	**2.3**
Financials instruments available for sale	-	-	-	-	**-**
Total IAS 39 categories	**(61.3)**	**(0.6)**	**(0.5)**	**0.5**	**(61.9)**

Capital management

The Group's objectives regarding the management its capital are aimed at protecting the Group's ability continue to both guarantee profitability for shareholders, stakeholders' interests and compliance with covenants, and maintain an optimal capital structure.

Types of financial risks and relating hedging

Mediaset has defined specific policies for the management of the Group's financial risks, aimed at reducing its exposure to exchange rate risks, interest rate risks and liquidity risks. For the purpose of optimising the structure of operating costs and the related resources dedicated, this activity is centralised within the group parent Mediaset S.p.A., which has been entrusted with the task of collecting the information regarding the positions exposed to risk and hedging them.

Mediaset S.p.A. and Mediaset España directly operate in their own specific markets, controlling and managing financial risk for their subsidiaries. The selection of the financial counterparts focuses on those with a high credit standing while, at the same time, ensuring a limited concentration of exposures towards them.

Exchange rate risk

The Group's exposure to exchange rate risk mainly stems from the acquisition of television and movie broadcasting rights in currencies other than the Euro, mainly in US dollars, carried out in their respective areas of operation by RTI S.p.A. and Mediaset España Comunicación S.A..

In compliance with the Group's policies, the companies adopt an approach to exchange rate risk management aimed at eliminating the effect of exchange rate fluctuations while setting in advance the book value at which the rights will be posted once they are acquired.

Exchange rate risk emerges from the early stages of negotiations for entering into any contract and continues up to payment of the amount due for the acquisition of the broadcasting rights. From an accounting standpoint, from the date the derivatives contract is entered into until the date the asset is posted, the Mediaset Group applies the hedge accounting methodology documenting by way of the hedging relationship, the risk hedged and the purposes of the hedging, periodically checking the hedge effectiveness.

Specifically, in the period from the date the purchase commitment is defined to the time of subsequent accounting for the hedged television right, the cash flow hedge method is applied in accordance with IAS 39. Based on this method, as more detailed in the section "Summary of accounting standards and valuation criteria", the effective portion of the change in the value of the derivative is accounted for in a reserve in Shareholders' Equity, which is used to adjust the carrying amount of the right in the Financial Statements (basis adjustment), generating an impact on the Income Statement when the hedged item, i.e. the right, is amortised.

At the same time as the posting of the right, in the period from the time the payable arises until it is paid in full, following the termination of the formal cash flow hedge, the subsequent accounting is performed by implementing the "natural hedge" due to which both the adjustment of the exchange rates on the payable and the adjustment of the exchange rate derivative to fair value are posted "naturally" to the Income Statement, which takes in their opposite impacts.

The types of derivatives mainly used are forward purchases and purchases of option contracts. The fair value of forward contracts on currencies is determined as the discounted difference between the notional amount calculated using the contractual forward rate and the notional amount calculated using the forward exchange rate at the reporting date adjusted for creditworthiness.

The effectiveness test is intended to show the high correlation between the technical and financial characteristics of the hedged risk (maturity, amount, etc.) and those of the hedging instrument through the application of specific retrospective and prospective tests, using the dollar off-set and volatility reduction measure methods, respectively.

The expectation of future cash flows subject to hedging is shown in a specific table illustrating the changes in the cash flow hedge reserve.

Sensitivity analysis

Financial instruments exposed to EURO/USD exchange rate risk, mainly comprising payables for the acquisition of broadcasting rights and exchange rate derivatives, were subject to sensitivity analysis at the Balance Sheet date. The book value of such financial instruments was adjusted by applying a symmetrical percentage change to the period-end exchange rate equal to the 1-year implicit volatility of the reference currency published by Bloomberg, equal to 10.07% (8.91% for 2014).

This sensitivity analysis of the derivatives under cash flow hedge accounting had an impact on the changes in spot values posted to the Shareholders' Equity Reserve, while the change resulting from the forward points impacts the Income Statement Result, in compliance with the method defined by the hedging relationship.

The following table below summarises the changes in the Result for the year and in the Consolidated Shareholders' Equity, deriving from the sensitivity analysis carried out net of the relevant taxes calculated on the basis of the standard tax rate in force at the reporting date:

	EUR/USD exchange as at 31 december	rectified EUR/USD exchange rate % change		through Profit and Loss	through Equity	Total Shareholders' Equity
2015	1.0887	10.1%	1.1983	4.7	(62.1)	(57.5)
		-10.1%	0.9791	(5.2)	76.1	70.8
2014	1.2141	8,91%	1.3223	0.1	(12.9)	(12.8)
		- 8,91%	1.1059	(0.1)	15.4	15.3

Interest rate risk

The management of the financial resources of the Mediaset Group involves the centralised cash-pooling with the group parent Mediaset S.p.A. and with Mediaset España Comunicación S.A. for its subsidiaries. These companies are fully entrusted with obtaining funding from the market by entering into medium/long term loans and opening committed and uncommitted credit facilities.

Interest rate risk mainly originates from variable rate financial payables, which expose the Group to cash flow risk. The management objective is to limit the fluctuation of financial charges that impact the financial result, limiting the risk of a potential rise in interest rates.

Within this context, the Group pursues its objectives using financial derivatives contracts entered into with third parties aimed at setting in advance or reducing, the change in cash flows due to the market change in interest rates on medium/long-term debt. The timeframe considered significant for managing interest rate risk is defined as a minimum term of 18 months of residual duration of the operation.

Hedge Accounting is put in place from the date the derivatives contract is entered into until the date of its extinction or expiry, documenting, by way of the "hedging relationship", the risk hedged and the purposes of the hedging, periodically checking the hedge effectiveness.

Specifically, the cash flow hedge methodology set out by IAS 39 is used. According to this methodology the intrinsic clean value, i.e. the intrinsic value of the valuation at fair value of the financial derivatives, net of accruals of interest on "in the money" financial derivatives at the same date, is accounted for in a reserve in Shareholders' Equity. The difference between this intrinsic value and the total fair value, known as "time value", is transferred into the Income Statement at each valuation date. Both the intrinsic clean value and the time value are proportionately adjusted to take account of creditworthiness.

The effectiveness test is intended to show the high correlation between the technical and financial characteristics of the hedged liabilities (maturity, amount, etc.) and those of the hedging instrument through the application of specific retrospective and prospective tests, using the dollar off-set and volatility reduction measure methods, respectively.

The fair value of the interest rate collar options is calculated using the Black & Scholes formula adjusted to take account of creditworthiness.

The expectation of future cash flows subject to hedging is shown in a specific table illustrating the changes in the cash flow hedge reserve.

The Group has collar derivatives in place to hedge variable rate medium/long term loans. The main features of these are shown below.

		Cap	Floor	Maturity
Collar on interest rate for global notional amounts EUR 50 mln		2.50%	0.46%	27/07/2015
	from 27/7/2015	2.70%	0.90%	30/04/2019
Collar on interest rate for global notional amounts EUR 50 mln		2.50%	0.49%	27/07/2015
	from 27/7/2015	2.70%	0.90%	30/04/2019
Collar on interest rate for global notional amounts EUR 50 mln		2.50%	0.35%	27/07/2015
	from 27/7/2015	2.70%	0.79%	30/04/2019
Collar on interest rate for global notional amounts EUR 50 mln		2.50%	0.35%	27/07/2015
	from 27/7/2015	2.70%	0.80%	30/04/2019

Sensitivity analysis

Sensitivity analysis was conducted on the financial instruments exposed to interest rate risk at the time of the drafting of these Financial Statements. The assumptions upon which the model is based are illustrated below:

- Medium-to-long term payables were subject to a change of 50 bps upwards and 20 bps downwards at the date of re-fixing the internal rate of return posted during the year.
- Short and medium/long revolving payables and other current financial items were subject to a recalculation of the amount of financial charges by applying a change of 50 bps upwards and 20 bps downwards to the values posted to the financial statements.
- Interest rate collars were subject to recalculation of the fair value by applying a non-symmetrical shift (+50 bps; -20 bps) to the interest rate curve at the reporting date. The ineffective portion was calculated based on the fair value recalculated using the adjusted interest rate curve. In addition, any use of derivatives at each date of recording of the underlying interest rate was considered.

It was not possible to apply a symmetrical change of 50 bps as the very short-term interest rate curve at the reporting date amounted to close to 0.

The following table below summarises the changes in the Result for the year and in the Consolidated Shareholders' Equity, deriving from the sensitivity analysis carried out net of the relevant taxes calculated on the basis of the standard tax rate in force at the reporting date:

	changes	through Profit and Loss	through Equity	Total Shareholders' Equity
2015	+50 b.p.	(0.5)	1.8	1.3
	-20 b.p.	0.0	(0.0)	0.0
2014	+50 b.p.	(1.2)	2.5	1.3
	-10 b.p.	0.2	(0.4)	(0.2)

Liquidity risk

Liquidity risk is related to the difficulty of finding funds to meet commitments.

This may be due to the unavailability of sufficient funds to satisfy financial commitments in accordance with the established terms and due dates in case upon sudden revocation of uncommitted credit lines or in the event that the Company has to settle its financial liabilities before their natural maturity.

Through a careful and prudent financial management, which is reflected in the policy adopted, and the constant monitoring of the relationship between granted credit lines and their use, as well as the balance between short-term debt and medium/long term debt, the Mediaset Group has put in place sufficient credit lines, both in terms of quantity and quality, to face the current crisis.

As already mentioned, the Group's treasury activities are centralised within Mediaset S.p.A. and Mediaset España, operating in their respective domestic markets as well as internationally, through the use of automatic cash pooling movements used by almost all the group companies.

The management of the liquidity risk involves:

- the maintenance of a substantial balance between committed and uncommitted credit lines in order to avoid liquidity crises in the event of requests for reimbursement by the lenders;
- average financial exposure during the year not exceeding 80% of the total credit issued by the banks;
- the availability of financial assets that can be readily liquidated to meet any cash requirements.

In order to optimise the management of liquidity, the Group concentrates the payment dates to almost all its suppliers at the same dates as those of the most significant cash inflows.

The table below shows the Group's financial obligations, by contract maturity date considering the worst case scenario and at undiscounted values, based on the type of financing received, considering the nearest date when the Group may be asked to make payment and showing the related explanatory notes for each class.

At 31 December 2015 the items of "*current financial payables*" due within 3 months include credit facilities for very short term advances, with due date set formally at one year and renewable, totalling EUR 86.0 million (EUR 207.0 million at 31 December 2014). Lastly, *current financial payables* contain the payables for the interest on term loans due within one year.

The item **Corporate bonds** also includes the current amount due within 12 months for the interest that will be paid during the course of 2016, posted under the item **Other financial liabilities**.

ITEM OF BALANCE as at 31 DECEMBER 2015	Book value	Time Bands: from 0 to 3 months	from 4 to 6 months	from 7 to 12 months	from 1 to 5 years	after 5 years	Total cash flows	Explanatory Notes
FINANCIAL LIABILITIES:								
Non current due to bank	198.0	-	-	-	206.2	-	206.2	10.2
Corporate bond	936.6	34.2	8.9	0.0	1,004.4	-	1,047.6	10.2;11.4
Current due to bank	93.9	93.9	0.7	1.4	-	-	95.9	11.1
Financial due to related parties	14.6	14.6	-	-	-	-	14.6	11.4
Due to suppliers for television and movie rights	1,824.4	408.0	115.1	336.6	964.7	-	1,824.4	11.2
Due to other suppliers	485.4	456.0	21.1	8.3	-	-	485.4	11.2
Due to related parties	59.2	58.3	0.9	-	-	-	59.2	11.2
Due to factoring companies	3.7	3.7	-	-	-	-	3.7	11.4
Due to leasing companies	0.2	-	-	-	0.2	-	0.2	11.4
Other debt and financial liabilities (*)	15.1	12.4	-	4.5	-	-	16.9	11.4
Total	**3,630.9**	**1,081.1**	**146.7**	**350.7**	**2,175.6**	**-**	**3,754.1**	
DERIVATIVES:								
hedging derivatives (buying currency)								
(value to the contractual exchange)	(7.6)	205.0	48.9	-	606.5	-	**860.4**	7.7;8.4; 10.2;11.4
hedging derivatives (availability currency):								
(value to the exchange at the end of the year)		(204.4)	(59.3)	-	(629.8)	-	**(893.5)**	
derivatives with no hedging purpose (buying currency)								
(value to the contractual exchange)	(1.3)	132.8	1.8	-	10.1	-	**144.7**	8.4;11.4
derivatives with no hedging purpose (availability currency)								
(value to the exchange at the end of the year)		(132.9)	(2.2)	-	(10.4)	-	**(145.5)**	
hedging derivatives (rate risk)	5.2	0.5	0.5	1.0	4.2	-	**6.1**	7.7;8.4;10.2;11.4
Total	**(3.7)**	**1.0**	**(10.3)**	**1.0**	**(19.4)**	**-**	**(27.8)**	

(*) Includes the item advances for barter operations

ITEM OF BALANCE as at 31 DECEMBER 2014	Book value	Time Bands: from 0 to 3 months	from 4 to 6 months	from 7 to 12 months	from 1 to 5 years	after 5 years	Total cash flows	Explanatory Notes
FINANCIAL LIABILITIES:								
Non current due to bank	197.5	-	-	-	210.9	-	210.9	10.2
Corporate bond	934.1	34.2	8.9	0.0	1,038.6	-	1,081.8	10.2;11.4
Current due to bank	210.4	208.9	1.4	1.7	-	-	212.0	11.1
Financial due to related parties	18.7	18.7	-	-	-	-	18.7	11.4
Due to suppliers for television and movie rights	2,126.7	337.8	59.7	273.6	1,455.6	-	2,126.7	11.2
Due to other suppliers	412.1	370.3	31.3	10.3	0.1	-	412.1	11.2
Due to related parties	50.4	42.9	5.4	0.8	1.3	-	50.4	11.2
Due to factoring companies	4.8	4.8	-	-	-	-	4.8	11.4
Due to leasing companies	-	-	-	-	0.1	-	0.1	11.4
Other debt and financial liabilities	9.7	0.8	0.2	8.7	-	-	9.7	11.4
Total	**3,964.3**	**1,018.4**	**107.0**	**295.1**	**2,706.6**	**-**	**4,127.1**	
DERIVATIVES:								
hedging derivatives (buying currency)								
(value to the contractual exchange)	(17.3)	17.1	103.1	25.8	52.7	-	**198.6**	7.7;8.4; 10.2;11.4
hedging derivatives (availability currency):								
(value to the exchange at the end of the year)	-	(18.6)	(112.7)	(27.9)	(57.5)	-	**(216.6)**	
derivatives with no hedging purpose (buying currency)								
(value to the contractual exchange)	(4.2)	76.6	14.7	7.7	0.0	-	**99.1**	8.4;11.4
derivatives with no hedging purpose (availability currency)								
(value to the exchange at the end of the year)	-	(79.4)	(15.8)	(8.1)	(0.0)	-	**(103.4)**	
hedging derivatives (rate risk)	5.1	0.2	0.2	0.6	4.8	-	**5.7**	7.7;8.4;10.2;11.4
Total	**(16.4)**	**(4.2)**	**(10.5)**	**(1.9)**	**0.1**	**-**	**(16.5)**	

(*) Includes the item advances for barter operations

The Group expects to meet these obligations through the realisation of its financial assets and, specifically, through the collection of receivables connected to its various commercial activities.

The difference between the book values and the total of the financial flows is mainly due to the calculation of interest on the contractual duration of the amounts due to banks. In addition, with reference to loans valued using the amortised cost method, the interest calculation method involves the use of the nominal rate instead of the actual yield rate.

With reference to the section relating to financial derivatives, in the scenario of settlement of gross flows, the contractual exchange rate means the forward exchange rate set at the date of entry into the contract, while the year end rate means the spot rate at the reporting date.

Credit risk

The credit risk mainly originates from the advertising sales on the Mediaset Group's Italian and Spanish television networks and on assets resulting from the sale of Mediaset Premium cards and subscriptions.

The Group, based on a specific policy, manages the credit risk relative to the advertising sales through a comprehensive customer credit rating procedure, with an analysis of their economic and financial situations both at the time of setting the initial credit limit and through the ongoing and continuous monitoring of observance of payment terms, updating, when necessary, the previously assigned credit limit.

Based on the above-mentioned credit rating procedure and its subsequent updates, it is possible to break down customer exposure into the following three classes of risk, which represent the summary of a wider and more complex subdivision:

Low risk

Customers with a standard risk index and a financial position that adequately supports their assigned credit limit.

Medium risk

Customers who have not regularly fulfilled their contractual commitments or have current economic/financial situations that are critical compared to those relative to their original credit limit. Based on these specifications of credit positions, a write-down is calculated based on the percentage impact of historically observed losses.

High risk

Customers with whom there are ongoing default situations, or there is objective insolvency regarding their receivables, for which specific write-downs are made and, in some cases, recovery plans agreed, or extended payment terms which, in any case, do not exceed 12 months.

Below is a summary table of the net balances and of the bad debts provision broken down according to the above-mentioned classes.

RISK CLASSES as at 31 DECEMBER 2015	Receivables	Net matured				Total net matured	Provision for bad debts	Net receivables
		0-30days	30-60days	60-90days	further			
ITALY ADVERTISING RECEIVABLES:								
low	336.5	11.8	1.8	0.1	2.6	16.3	-	336.7
medium	134.5	9.8	4.4	1.9	1.9	17.9	9.0	125.5
high	25.0	0.9	0.3	0.1	5.6	7.0	13.9	11.2
FOREIGN ADVERTISING RECEIVABLES :	-							
low	225.1	61.0	14.6	2.4	4.4	82.3	9.4	215.7
medium	10.3	1.0	1.0	0.5	0.8	3.2	2.7	7.6
high	6.4	0.1	0.1	0.0	0.1	0.3	6.0	0.4
OTHER RECEIVABLES :								
Distributors	5.7	0.8	0.2	0.2	1.4	2.6	-	5.7
Phone and television operator	561.1	41.3	0.5	0.6	1.3	43.7	0.3	560.9
Phone and television operator - Towers	32.1	0.8	1.4	1.2	15.5	18.8	6.5	25.6
Film area	35.2	13.5	0.2	0.1	10.8	24.7	13.2	22.0
Other customers	96.0	9.7	4.6	2.8	54.5	71.6	36.9	58.9
RECEIVABLES FROM RELATED PARTIES:								
low	36.9	1.6	-	-	-	1.6	-	36.9
TOTAL TRADE RECEIVABLES	**1,505.0**	**152.1**	**29.1**	**9.9**	**98.7**	**289.8**	**97.9**	**1,407.1**

RISK CLASSES as at 31 DECEMBER 2014	Receivables	Net matured				Total net matured	Provision for bad debts	Net receivables
		0-30days	30-60days	60-90days	further			
ITALY ADVERTISING RECEIVABLES:								
low	403.7	41.1	3.3	0.2	1.4	46.0	-	403.7
medium	60.0	2.7	1.7	1.4	14.1	19.9	2.5	57.4
high	31.4	1.4	0.8	0.6	18.3	21.1	20.2	11.2
FOREIGN ADVERTISING RECEIVABLES :	-							
low	210.7	25.9	23.4	10.9	11.2	71.4	10.0	200.6
medium	10.0	0.5	0.5	0.7	3.0	4.6	2.7	7.3
high	6.4	0.0	0.0	0.1	5.9	6.1	5.3	1.1
OTHER RECEIVABLES :								
Distributors	9.1	0.2	0.3	1.0	2.2	3.6	1.4	7.8
Phone and television operator	654.3	0.7	0.6	0.1	2.4	3.8	0.4	653.9
Phone and television operator - Towers	29.4	0.9	0.5	1.4	13.5	16.4	9.2	20.2
Film area	52.5	30.5	1.0	0.0	20.9	52.5	14.0	38.4
Other customers	102.9	11.3	4.3	2.3	71.0	88.9	50.1	52.8
RECEIVABLES FROM RELATED PARTIES:								
low	35.3	0.2	-	-	-	0.2	-	35.3
TOTAL TRADE RECEIVABLES	**1,605.7**	**115.4**	**36.5**	**18.7**	**164.1**	**334.6**	**115.9**	**1,489.8**

The item *Distributors* mainly comprises receivables from the distribution of Mediaset Premium cards.

The item *Telephone/television operators* mainly comprises receivables from the sale of content activities. It includes the receivable due from Sky Italia arising from sub-licensing the television broadcasting rights relating to the Serie A league championship for the seasons 2015-2018.

The item *Telephone/television operators – Towers* mainly comprises receivables related to the EI Towers Group.

The item *Other clients* includes receivables relative to Mediaset Premium's customers.

The overall amount of guarantees received, mainly bank guarantees, for the receivables balances of third parties totals EUR 23.8 million (EUR 19.6 million at 31 December 2014) of which EUR 16.5 million relating to the Mediaset España Group (EUR 19.6 million at 31 December 2014).

In addition, bank guarantees in favour of associates and third party companies have been issued for a total amount of EUR 94.4 million (EUR 71.2 million at 31 December 2014). Of this amount, EUR 76.8 million were issued by the Mediaset España Group (EUR 56.4 million at 31 December 2014).

With reference to the main category of trade receivables generated by advertising activities in Italy, it should be noted that in terms of concentration, the top 10 customers accounted for approximately 20%.

Below is a table showing the changes in the bad debts provision.

	Balance at 1/1	Provisions made during the period	Employment of the period	Balance at 31/12
2015	115.8	18.6	(36.6)	97.9
2014	114.7	20.7	(19.6)	115.8

In addition, below is a table showing a detailed analysis of other financial assets, whose maximum credit risk exposure corresponds to the book value.

	2015	2014
Financial receivables	65.1	78.5
Other financial assets	10.2	9.0
Hedging derivatives	12.3	17.3
Derivatives with no hedging purpose	2.4	4.3
Receivables from factor companies	60.0	69.3
Bank and postal deposits	351.5	457.2
Total financial asset	**501.6**	**635.6**

Factored receivables with recourse amount overall to EUR 9.2 million and are included in the item Receivables due from customers. For these receivables, no advances have been requested from the factor.

15. SHARE-BASED PAYMENTS

At 31 December 2015, the stock option plans assigned and exercisable during the years 2009 and 2010 relating to the allocation of options on Mediaset ordinary shares, as well as the Medium/long-term incentive plans attributed during 2015, have been accounted for pursuant to IFRS 2. However, the plan assigned in 2011 has not been recognised because it could not be exercised due to the failure to meet the objectives set.

In July 2015, a Medium/long-term incentive plan was attributed for the period 2015-2017. This Plan provides for the allocation of free rights for the granting of shares with regular dividend entitlement, subject to the achievement of performance targets, as well as the existence of an Employment Relationship with the Company at the end of the vesting period. The rights were allocated to each recipient, in exchange for the allocation by the latter of an amount corresponding alternatively to 25% or 50% of the profit bonus. The plan also provides for the granting of matching rights, free of charge, in a number equal to the basic rights.

The plans that had an impact on the income statement are those that can be exercised and which, at the reporting date, have not yet been concluded, or those that have vested during the year.

All the plans are equity-settled, i.e., they involve the allocation of treasury shares bought back from the market. The options and the free allocation rights granted to the employee beneficiaries are linked to the company's achievement of financial performance targets and the employee remaining with the Group for a certain length of time.

The characteristics of these stock option and incentive plans can be summarised as follows:

	Stock Option Plan 2009	**Stock Option Plan 2010**	**incentive plan 2015(*)**
Grant date	29/09/2009	22/06/2010	01/07/2015
Vesting Period	from 01/01/2009 to 29/09/2012	from 01/01/2010 to 22/06/2013	from 01/01/2015 to 31/07/2017
Exercise period	from 30/09/2012 to 29/09/2015	from 23/06/2013 to 22/06/2016	from01/08/2018
Fair Value	EUR 1.35	EUR 0.68	EUR 4.312
Strike price	EUR 4.72	EUR 4.92	

(*) Medium/long-term incentive plan with free granting of shares to the beneficiaries

It should be noted that, for the medium/long-term incentive plan, a total of 816,756 rights were granted on Mediaset S.p.A. ordinary shares, whose grant period will commence from 1 August 2018. In 2015, 3,110,000 options assigned under the 2009 plan were not exercised as the exercise period had lapsed. In addition, due to the absence of conditions required for vesting the options (e.g. the employee leaving the Group), 110,000 stock options under the 2010 plan were forfeited.

Below is a summary of the changes to stock option plans and the medium/long-term incentive plans:

	Stock Option Plan 2009	Stock Option Plan 2010	Stock Option Plan 2011 (out of the money)	Incentive plan 2015 (*)	Total
Options outstanding at 1/1/2014	**3,220,000**	**3,220,000**	**-**	**-**	**6,440,000**
Options issued during the year	-	-	-	-	-
Options exercised during the year	-	-	-	-	-
Options not-exercised during the year	-	-	-	-	-
Options expired/cancelled during the year	(110,000)	(110,000)	-	-	(220,000)
Options outstanding at 31/12/2014	**3,110,000**	**3,110,000**	**-**	**-**	**6,220,000**
Options outstanding at 1/1/2015	**3,110,000**	**3,110,000**	**-**	**-**	**6,220,000**
Options issued during the year	-	-	-	816,756	816,756
Options exercised during the year	-	-	-	-	-
Options not-exercised during the year	(3,110,000)	-	-	-	(3,110,000)
Options expired/cancelled during the year	-	(100,000)	-	-	(100,000)
Options outstanding at 31/12/2015	**-**	**3,010,000**	**-**	**816,756**	**3,010,000**

(*) Medium/long-term incentive plan with free granting of shares to the beneficiaries

The stock options are posted to the Financial Statements at their fair value:

- Stock Option Plan 2010: EUR 0.68 per option;
- Stock Option Plan 2015: EUR 4.312 per option.

The fair value of the stock option plans was determined using the binomial method: the exercise of the stock options is incorporated into the model, on the assumption that it will take place as soon as the option price is higher than a pre-set multiple of the strike price. Any dilution of the share listings due to the issue of new shares is already discounted by the current market prices. The data used in the model are as follows:

- spot price on the valuation date (benchmark price)
- 6-year ex-dividend historic volatility (calculated on the benchmark prices)
- the expected dividend yield calculated by assuming the dividend distributed during the year will remain constant until expiry
- the Euro interest rate curve
- the exit rate of the stock option holders as zero.

The fair value of the incentive plans was calculated based on the stock market price on the grant date.

The assumptions underlying the main amounts used in the calculation model for the stock option plans are given below:

	Stock Option Plan 2009	Stock Option Plan 2010
Average stock price	EUR 4.85	EUR 5.08
Historical volatility	45.39%	31.46%
Risk-free rate	3.00%	2.46%
Expected dividend yield	5.72%	10.32%

The subsidiary Mediaset España also has stock option plans, allocated in 2010, and 2011. The characteristics of these plans are summarised in the table below:

	Stock Option Plan 2010	Stock Option Plan 2011
Grant date	28/07/2010	26/07/2011
Vesting Period	from 28/07/2010 to 28/07/2013	from 26/07/2011 to 26/07/2014
Exercise period	from 28/07/2013 to 27/07/2015	from 26/07/2014 to 26/07/2016
Fair Value	EUR 2.34	EUR 1.21
Strike price	EUR 7.7	EUR 5.83

Below is a summary of the changes to the stock option plans allocated by Mediaset España:

	Stock Option Plan 2010	Stock Option Plan 2011	Total
Options outstanding at 1/1/2014	**1,044,400**	**616,225**	**1,660,625**
Options issued during the year	-	-	0
Options exercised during the year	(485,900)	(171,775)	(657,675.0)
Options not-exercised during the year	-	-	-
Options expired/cancelled during the year	-	-	0
Options outstanding at 31/12/2014	**558,500**	**444,450**	**1,002,950**
	0	0	0
Options outstanding at 1/1/2015	**558,500**	**444,450**	**1,002,950**
Options issued during the year	-	-	-
Options exercised during the year	(558,500)	(156,500)	(715,000.0)
Options not-exercised during the year	-	-	-
Options expired/cancelled during the year	-	-	-
Options outstanding at 31/12/2015	**-**	**287,950**	**287,950**

The assumptions underlying the main amounts used in the calculation model are given below:

	Stock Option Plan 2010	Stock Option Plan 2011
Average stock price	EUR 7.00	EUR 6.22
Historical volatility	50.00%	37.00%
Expected dividend yield	5.50%	5.50%

16. RELATED-PARTY TRANSACTIONS

The following summary table shows, for the main income statement and balance sheet groupings, the details of the companies that are the counterparts of these transactions.

The total values of the related-party positions/transactions and their impact on the relative types of financial statement are shown in the specific Balance Sheet and Income Statement schedules drafted in accordance with CONSOB Decision no.15519 of 27 July 2006, which are reported at the beginning of these Financial Statements.

	Revenues	Operating costs	Financial income/ (charge)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITY						
Fininvest S.p.A.	0.2	5.0	-	0.1	0.0	0.2
AFFILIATED ENTITIES	**0**	**0**	**0**	**0**	**0**	**0**
A.C. Milan S.p.A.*	0.2	0.6	-	0.1	9.8	0.0
Alba Servizi Aerotrasporti S.p.A.	0.1	0.8	-	0.0	0.3	-
Arnoldo Mondadori Editore S.p.A.*	11.7	0.9	-	4.7	0.5	(0.0)
Fininvest Gestione Servizi S.p.A.	0.1	0.0	-	0.0	-	-
Isim S.p.A.	-	-	-	-	-	-
Mediobanca S.p.A.	-	0.1	(4.9)	-	-	(200.9)
Mediolanum S.p.A.*	4.9	0.0	-	1.6	-	-
Trefinance S.A.*	-	0.0	-	-	-	-
Other Affiliated Companies	0.0	0.8	-	0.0	0.0	0.3
Total Affiliated	**16.9**	**3.1**	**(4.9)**	**6.5**	**10.6**	**(200.6)**
JOINT CONTROLLED AND ASSOCIATES ENTITIES	**0**	**0**	**0**	**0**	**0**	**0**
60 DB Entertainment S.L.	-	-	-	-	-	-
Furia de Titanes II A.I.E.	-	-	-	-	-	-
Auditel S.p.A.	-	5.2	-	-	-	-
Beigua S.r.l.	-	-	-	-	-	-
Big Bang Media S.L.	-	(0.0)	-	-	-	-
Blasteem S.r.l.	-	-	-	-	-	-
Boing S.p.A.	9.9	40.4	0.1	3.6	20.7	11.2
Editora Digital de Medios S.L.	0.0	0.0	-	-	-	-
Emissions Digitals Catalunya SA	0.2	4.2	-	0.1	1.9	-
Fascino Produzione Gestione Teatro S.r.l.	0.2	45.5	(0.0)	0.1	10.2	(14.5)
La Fabbrica De la Tele SL	0.0	26.6	-	-	8.2	-
Mediamond S.p.A.	32.9	7.9	0.4	23.0	3.6	17.6
MegaMedia Televisión SL	0.2	4.8	-	0.0	0.9	-
Nessma Lux S.A.**	-	-	0.2	0.0	-	1.7
Pegaso Television INC**	-	-	1.1	2.0	-	4.1
Produciones Mandarina SL	0.0	10.5	-	0.0	1.7	-
RB1 S.p.A.	-	-	-	-	-	-
Supersport Televisión SL	1.5	10.0	-	0.2	0.8	-
Titanus Elios S.p.A.	-	4.5	-	-	0.0	5.7
Tivù S.r.l.	2.5	1.3	-	1.2	0.5	-
Total Joint controlled and affiliates entities	**47.5**	**160.9**	**1.8**	**30.2**	**48.4**	**25.6**
KEY STRATEGIC MANAGERS (***)	**-**	**2.9**	**-**	**-**	**0.2**	**(0.5)**
PENSION FUND (Mediafonf)	**-**	**-**	**-**	**-**	**-**	**(0.9)**
OTHER RELATED PARTIES******	**0.0**	**0.0**	**0.0**	**0.1**	**-**	**-**
TOTAL RELATED PARTIES	**64.6**	**171.9**	**(3.2)**	**36.9**	**59.2**	**(176.2)**

* The figure includes the company and its subsidiaries, associates or jointly controlled companies
** The figure includes the company and its subsidiaries
*** The figure includes the directors of Mediaset S.p.A. and of Fininvest S.p.A., their close family members and companies in which these persons exercise control, joint control or significant influence or in which they hold, either directly or indirectly, a significant stake of no less than 20%, of the voting rights
**** The figure includes transactions with several consortia that mainly carry out activities connected with the television signal transmission operational management.

Revenues and *trade receivables* due from *affiliates* mainly relate to the sales of television advertising space. The *costs* and the related *trade payables* mainly refer to purchases of television productions and broadcasting rights and to the fees paid to associates for the sale of advertising space managed through exclusive concessions by Group companies.

The item *other receivables/(payables)* mainly refers to payables for loans and credit facilities due to affiliate companies, intercompany current accounts and loans given to associates. The other receivables due from Boing S.p.A. mainly relate to the remaining consideration due to R.T.I. S.p.A. for the disposal of the business unit carried out on 1 April 2013.

Payables for loans and credit facilities due to affiliate companies, amounting to EUR 200.4 million, relate to the draw down of the revolving facility with a term of 8 years granted by Mediobanca in May 2011.

Transactions under the item *key management personnel* refer to the Group's transactions with the directors of Mediaset S.p.A. and Fininvest S.p.A., their close family members and companies in which those persons exercise control, joint control or a significant influence, or hold (directly or indirectly) a significant stake of no less than 20% of the voting rights.

For the disclosures required under IAS 24, relating to the compensation of key management personnel, please refer to the Compensation Report.

The item *Other related parties* includes the transactions of the Mediaset Group with several consortia mainly for the management of television signal transmission operations.

The main impacts on the consolidated cash flows generated by the related-party transactions during the year related to outflows for the acquisition of rights regarding the company Milan A.C. of EUR 39.2 million, which was mainly calculated on the basis of instructions from the Lega Calcio and outflows for the payment of EUR 7.9 million in dividends to the holding company Fininvest S.p.A. During the year, dividends were also received from associates and joint ventures totalling EUR 2.5 million.

17. COMMITMENTS

The main commitments of the Mediaset Group can be summarised as follows:

- commitments for the acquisition of television and movie broadcasting rights, totalling EUR 1,437.6 million (EUR 584.5 million at 31 December 2014). These future commitments relate mainly to volume deal contracts of the Mediaset Group with some of the leading American TV producers. The increase for the period mainly relates to the new volume deal agreements signed with Warner Bros International Television Distribution Inc. and Nbc Universal;
- commitments for content and program rental contracts totalling EUR 588.4 million, of which 20.1 to associates (EUR 816.9 million at 31 December 2014). This item mainly includes the commitments for the purchase of the exclusive broadcasting rights on all platforms for the Champions League for the years 2015-2018;
- commitments for artistic projects, television productions and press agency contracts of approximately EUR 102.3 million (EUR 102.8 million at 31 December 2014), of which EUR 12.9 million due to Related Parties;
- commitments for digital broadcasting capacity services of EUR 230.9 million (EUR 199.9 million at 31 December 2014);
- contractual commitments for the use of satellite capacity of EUR 72.0 million (EUR 83.4 million at 31 December 2014);
- commitments for the purchase of new equipment, maintenance of network infrastructure, multi-year rents and leases, the supply of EDP services and commitments to trade associations for the use of intellectual property rights totalling EUR 266.5 million.

.

For the Board of Directors
the Chairman

LIST OF EQUITY INVESTMENTS INCLUDED IN THE GROUP'S CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2015

(values in EUR million)

Companies consolidated on a line-by-line basis	Registered Office	Currency	Share capital	% held by the Group (*)
Mediaset S.p.A.	Milan	EUR	614.2	-
Publitalia '80 S.p.A.	Milan	EUR	52.0	100.00%
Digitalia '08 S.r.l.	Milan	EUR	10.3	100.00%
Promoservice Italia S.r.l.	Milan	EUR	6.7	100.00%
Publieurope Ltd.	London	GBP	5.0	100.00%
R.T.I. S.p.A.	Rome	EUR	500.0	100.00%
Videotime S.p.A.	Milan	EUR	52.0	99.17%
Elettronica Industriale S.p.A.	Lissone (MB)	EUR	363.2	100.00%
E.I. Towers S.p.A.	Lissone (MB)	EUR	2.8	40.00%
Towertel S.p.A.	Lissone (MB)	EUR	22.0	40.00%
NewTelTowers S.p.A.	Roma	EUR	0.2	40.00%
Nettrotter S.r.l.	Lissone (MB)	EUR	0.1	38.00%
Medusa S.p.A.	Rome	EUR	120.0	100.00%
Monradio S.r.l.	Rome	EUR	6.1	80.00%
Taodue S.r.l.	Milan	EUR	0.1	100.00%
Mediashopping S.p.A.	Milan	EUR	10.0	100.00%
Mediaset Premium S.p.A.	Luxembourg	EUR	30.0	88.89%
Mediaset Investment S.a.r.l.	Luxembourg	EUR	50.5	100.00%
Mediaset España Comunicaciòn S.A.	Madrid	EUR	183.1	48.76%
Publiespaña S.A.U	Madrid	EUR	0.6	48.76%
Publimedia Gestion S.A.U.	Madrid	EUR	0.1	48.76%
Integracion Transmedia S.A.U.	Madrid	EUR	0.1	48.76%
Netsonic S.L	Barcelona	EUR	0.0	34.07%
Grupo Editorial Tele 5 S.A.U.	Madrid	EUR	0.1	48.76%
Telecinco Cinema S.A.U.	Madrid	EUR	0.2	48.76%
Conecta 5 Telecinco S.A.U.	Madrid	EUR	0.1	48.76%
Mediacinco Cartera S.L.	Madrid	EUR	0.1	61.57%
Premiere Megaplex S.A.	Madrid	EUR	0.2	48.76%
Sogecable Editorial S.L.U.	Madrid	EUR	0.0	48.76%
Advertisement 4 Adventure, SLU (ex Sogecanle Media S.L.U.)	Madrid	EUR	0.0	48.76%

Joint control and affiliated companies	Registered Office	Currency	Share capital	% held by the Group
Agrupacion de interés Economico Furia de Titanes II A.I.E.	Santa Cruz de Tenerife	EUR	0.0	16.58%
Auditel S.r.l.	Milan	EUR	0.3	26.67%
Blasteem S.r.l.	Turin	EUR	0.0	28.00%
Boing S.p.A.	Milan	EUR	10.0	51.00%
Deporvillage S.L.	Barcelona	EUR	0.2	11.91%
Emissions Digital Catalunya S.A.	Barcelona	EUR	3.3	19.50%
Fascino Produzione Gestione Teatro S.r.l.	Rome	EUR	0.0	50.00%
La Fabrica De La Tele S.L.	Madrid	EUR	0.0	14.63%
Mediamond S.p.A.	Milan	EUR	1.5	50.00%
Megamedia Television S.L.	Madrid	EUR	0.1	14.63%
Nessma S.A.	Luxembourg	EUR	11.3	34.12%
Nessma Broadcast S.a.r.l.	Tunis	EUR	1.0	20.06%
Pegaso Television INC	Miami (Florida)	EUR	83.3	21.31%
Producciones Mandarina S.L.	Madrid	EUR	0.0	14.63%
RBI (holding Gruppo Finelco)	Milan	EUR	0.5	19.00%
Titanus Elios S.p.A.	Rome	EUR	5.0	29.75%
Tivù S.r.l.	Rome	EUR	1.0	48.16%
Supersport Media S.L.	Madrid	EUR	0.1	14.63%

Equity investments held as "Available for sale"	Registered Office	Currency	Share capital	% held by the Group
Aprok Imagen S.L. (in liquidazione)	Madrid	EUR	0.3	1.49%
Aranova Freedom S.C.aR.L	Bologna	EUR	0.0	13.34%
Ares Film S.r.l.	Rome	EUR	0.1	5.00%
Audiradio S.r.l. (in liquidazione)	Milan	EUR	0.0	2.00%
ByHours Travel S.L.	Madrid	EUR	0.0	3.29%
Cinecittà Digital Factory S.r.l.	Rome	EUR	6.0	15.00%
Class CNBC S.p.A.	Milan	EUR	0.6	10.90%
Club Dab Italia Società Consortile per Azioni	Milan	EUR	0.0	10.00%
Farman Newco S.r.l.	Milan	EUR	0.0	7.81%
Grattacielo S.r.l.	Milan	EUR	0.1	10.00%
Innovacon y Desarrollo Nuevos	Madrid	EUR	0.0	3.71%
Isalud Health Services	Barcelona	EUR	0.0	1.25%
Kirch Media GmbH & Co. Kommanditgesellschaft auf Aktien	Unterföhring (Germania)	EUR	55.3	2.28%
Private Griffe	Milan	EUR	0.2	14.10%
Radio e Reti S.r.l.	Milan	EUR	1.0	10.00%
Romaintv S.p.A. (in liquidazione)	Rome	EUR	0.8	9.68%
Sportsnet Media Limited	George Town (Grand Cayman)	EUR	0.1	12.00%
Springlane Gmbh	Dusseldorf	EUR	0.1	8.74%
Westwing Group Gmbh (già Jade 1290 Gmbh)	Monaco	EUR	0.1	2.60%
Wimdu Gmbh	Berlin	EUR	0.1	4.43%

(*) company's own shares not included

MEDIASET GROUP

2015 Consolidated Annual Report

Certification on the consolidated Annual financial statements pursuant art. 154-bis of Legislative Decree 58/98

Attestation of the Consolidated Financial Statements pursuant to article 154, part two, of the Legislative Decree 58/98

1. The undersigned persons Fedele Confalonieri, Chairman of the Board of Directors and Luca Marconcini, the Assigned Executive for the drafting of the company accounting documents of Mediaset S.p.A. attest, also taking into account what is laid down by article 154, part two, paragraphs 3 and 4, of the Legislative Decree of 24th February 1998, n° 58,

   • to the adequacy relative to the characteristics of the Group and

   • the effective application

   of the administrative and accounting procedures for building up the Consolidated Financial Statements, during the financial year 2015.

2. The evaluation of the adequacy of the administrative and accounting procedures for building up the Consolidated Financial Statements at 31st December 2015 was carried out based on the rules and methodologies defined by Mediaset S.p.A. in line with the model *Internal Control - Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, which represents a body of general reference principles for the system of internal controls that is generally accepted at international level.

3. Furthermore, it is also attested that:

3.1 The Consolidated Financial Statements:

   a) Are drawn up in conformity with the applicable International Accounting Standards recognised within the European Community, pursuant to the regulation (EC) n° 1606/2002 of the European Parliament and Council, of 19th July 2002, as well as with the measures issued to actuate article 9 of the Legislative Decree n° 38/2005;

   b) Reflect the balances in the books and the accounting postings;

   c) Are suitable and appropriate in order to give a true and fair view of the Balance Sheet, Income Statement and Financial situations of the Issuer and of the group of companies included within the consolidation;

3.2 The Board of Directors Report on Operations contains a trustworthy analysis of the progress and result of operations, as well as of the situation of the Issuer and of the group of companies included within the consolidation, together with the description of the main risks and uncertainties to which they are exposed.

22nd March 2016

For the Board of Directors
The Chairman

(Fedele Confalonieri)

The Assigned Executive for the drafting
of the company accounting documents

(Luca Marconcini)

MEDIASET GROUP

2015 Consolidated Annual Report

Indipendent Auditors' Report

Building a better working world

Reconta Ernst & Young S.p.A.
Via della Chiusa, 2
20123 Milano

Tel: +39 02 722121
Fax: +39 02 72212037
ey.com

Independent auditor's report
in accordance with art. 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of Mediaset S.p.A.

Report on the consolidated financial statements

We have audited the accompanying financial statements of Mediaset Group, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of cash flows, and the consolidated statement of changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The Directors of Mediaset S.p.A. are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree 38/05.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with art. 11, paragraph 3 of Legislative Decree n. 39 dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Reconta Ernst & Young S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta all'Albo Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Mediaset Group as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree N. 38/05.

Report on other legal and regulatory requirements

Opinion on the consistency with the consolidated financial statements of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure as provided for by art. 123-bis, paragraph 4 of Legislative Decree 58/98, with the consolidated financial statements, as required by the law. The Directors of Mediaset S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the consolidated financial statements of Mediaset Group as at 31 December 2015.

Milan, 4 April 2016

Reconta Ernst & Young S.p.A.

Signed by: Luca Pellizzoni, Partner

This report has been translated into the English language solely for the convenience of international readers.

Mediaset S.p.A.

2015 Annual Report

Financial Statements and Explanatory Notes

Statement of Financial Position

(values in EUR)

ASSETS	Notes	31/12/15	31/12/14
Non-current assets	**5**		
Property, plant and equipment	5.1	4,645,785	4,678,678
Other intangible fixed assets	5.4	411	183
Equity investments in:	5.5		
subsidiaries		1,470,381,636	1,470,026,473
other companies		1,999	1,999
Total		1,470,383,635	1,470,028,472
Receivables and other non-current financial assets	5.6	3,501,882	4,394,162
Deferred tax assets	5.9	73,588,051	50,118,827
Total non-current assets		**1,552,119,764**	**1,529,220,322**
Current Assets	**6**		
Trade receivables due from:	6.2		
customers		7,323	83,368
subsidiaries		1,521,133	1,949,359
associates and joint ventures		5,063	3,396
Total		1,533,519	2,036,123
Tax receivables	6.3	32,108,695	36,338,404
Other receivables and current assets	6.4	43,590,461	38,000,792
Intercompany financial receivables due from	6.5		
subsidiaries		1,812,708,850	1,902,295,475
associates and joint ventures		19,724,183	26,671,582
Total		1,832,433,033	1,928,967,057
Other current financial assets	6.6	16,197,614	16,312,051
Cash and cash equivalents	6.7	26,879,358	29,375,501
Total current assets		**1,952,742,680**	**2,051,029,928**
Non-current assets held for sale	**7**	**-**	**-**
TOTAL ASSETS		**3,504,862,444**	**3,580,250,250**

MEDIASET S.p.A.

Statement of Financial Position

(values in EUR)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31/12/15	31/12/14
Shareholders' equity	**8**		
Share capital	8.1	614,238,333	614,238,333
Share premium	8.2	275,237,092	275,237,092
Treasury shares	8.3	(416,656,052)	(416,656,052)
Other reserves	8.4	2,164,745,837	2,162,687,990
Valuation reserve	8.5	(1,689,825)	2,197,841
Retained earnings	8.6	(808,413,428)	(824,915,793)
Profit (loss) for the year	8.7	50,368,406	37,086,995
TOTAL SHAREHOLDERS' EQUITY		**1,877,830,363**	**1,849,876,406**
Non-current liabilities	**9**		
Post-employment benefit plans	9.1	1,270,951	1,312,990
Deferred tax liabilities	9.2	373,098	423,961
Financial payables and liabilities	9.3	873,171,988	872,941,954
Provisions for non-current risks and charges	9.4	42,822	17,277
Total non-current liabilities		**874,858,859**	**874,696,182**
Current liabilities	**10**		
Financial payables	10.1	93,431,020	214,088,506
Trade payables due to:	10.2		
suppliers		1,692,597	1,418,365
subsidiaries		507,549	443,103
associates		8,873	9,567
holding companies		42,819	41,269
Total		2,251,838	1,912,304
Provisions for current risks and charges	10.3	51,110	6,177,852
Current tax payables	10.4	-	820,245
Intercompany financial payables due to:	10.5		
subsidiaries		464,691,417	454,973,648
associates and joint ventures		14,545,973	18,655,294
Total		479,237,390	473,628,942
Other financial liabilities	10.6	52,319,843	51,524,954
Other current liabilities	10.7	124,882,021	107,524,859
Total current liabilities		**752,173,222**	**855,677,662**
Liabilities related to non-current assets held for sale	**11**	**-**	**-**
TOTAL LIABILITIES		**1,627,032,081**	**1,730,373,844**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,504,862,444**	**3,580,250,250**

Statement of income

(values in EUR)

INCOME STATEMENT	Notes	2015	2014
Revenues	**12**		
Sales of goods and services	12.1	5,889,028	5,975,330
Other revenues and income	12.2	1,795,766	165,057
Total revenues		**7,684,794**	**6,140,387**
Costs	**13**		
Personnel expenses	13.1	17,282,263	17,325,016
Purchases	13.2	125,243	145,305
Services	13.5	12,828,260	11,476,789
Leasing and rentals	13.6	1,730,142	1,915,500
Provisions for risks	13.7	(6,102,061)	(94,014)
Other operating expenses	13.8	1,295,712	1,226,626
Amortisation, depreciation and write-downs	13.9	37,169	36,303
Total costs		**27,196,728**	**32,031,525**
Gains/(losses) from disposals of non-current assets	**14**	**-**	**-**
EBIT		**(19,511,934)**	**(25,891,138)**
(Expenses)/income from financial investments	**15**		
Financial expenses	15.1	(219,330,612)	(212,879,932)
Financial income	15.2	242,308,827	236,062,293
Income/(expenses) from equity investments	15.3		
dividends from subsidiaries		49,017,650	40,040,000
Total		49,017,650	40,040,000
Total (expenses)/income from financial investments		**71,995,865**	**63,222,361**
EBT		**52,483,931**	**37,331,223**
Income taxes for the year	**16**		
current taxes	16.1	203,856	741,187
deferred taxes	16.2	1,911,669	(496,959)
Total income taxes for the year		**2,115,525**	**244,228**
Net profit from continuing operations		**50,368,406**	**37,086,995**
Net gains/(losses) from discontinued operations	17	**-**	**-**
Net profit (loss) for the year	**18**	**50,368,406**	**37,086,995**

Statement of Comprehensive Income

(values in EUR)

STATEMENT OF COMPREHENSIVE INCOME	Notes	2015		2014	
PROFIT (LOSS) FOR THE YEAR (A)	**8.7**		**50,368,406**		**37,086,995**
Statement of comprehensive profits/(losses)			**(278,968)**		**(2,865,653)**
Effective portion of gains and losses on hedging instruments (cash flow hedge)		(147,523)		(3,952,625)	
Gains and losses arising from assets available for sale		-		-	
Tax effect		(131,445)		1,086,972	
Comprehensive Gains/(Losses) not posted to the Income Statement			**(44,157)**		**(81,369)**
Actuarial gains and losses on defined benefit plans	**8.5**	15,060		(112,233)	
Tax effect	**8.5**	(59,217)		30,864	
TOTAL COMPREHENSIVE INCOME(LOSSES) NET OF TAX EFFECTS (B)			**(323,125)**		**(2,947,022)**
TOTAL COMPREHENSIVE INCOME (A+B)			**50,045,281**		**34,139,973**

Statement of Cash Flow

(values in EUR thousand)

CASH FLOW FROM OPERATING ACTIVITIES	2015	2014
EBIT	(19,512)	(25,891)
Depreciation, amortisation and write-downs	37	36
Allowances net of utilisation	(6,102)	(94)
Other non-cash movements	253	(119)
Changes in current assets	(2,150)	(3,945)
Interest received/paid	67,794	77,957
Income tax paid/received	(7,723)	(8,533)
Dividends received	49,018	40,040
Net cash flow from operating activities (A)	**81,615**	**79,451**
CASH FLOW FROM INVESTING ACTIVITIES		
Net change in other assets	102,142	275,315
Net cash from/used by investment activities (B)	**102,142**	**275,315**
CASH FLOW FROM FINANCING ACTIVITIES		
Net change in m/l term borrowings	-	(240,000)
Dividend payment	(22,698)	-
Changes in other financial assets/liabilities	(121,001)	(102,833)
Interest and other financial expenses	(42,554)	(34,275)
Net cash from/used by financing activities (C)	**(186,253)**	**(377,108)**
Change in cash and cash equivalents (D=A+B+C)	**(2,496)**	**(22,342)**
Cash and cash equivalents at the beginning of the year (E)	**29,375**	**51,717**
Cash and cash equivalents at end of the year (F=D+E)	**26,879**	**29,375**

Statement of Changes in Shareholders' Equity

(values in EUR thousand)

	Share capital	Share premium reserve	Treasury shares	Legal reserve	Other reserves	Valuation reserve	Retained earnings/ (accumulated losses)	Profit/(loss) for the year	Total Share-holders' equity
Balance at 1/1/2014	**614,238**	**275,237**	**(416,656)**	**122,848**	**2,038,913**	**6,294**	**(808,413)**	**(16,502)**	**1,815,959**
2013 net result allocations as per Shareholders' Meetings resolution of 29/04/2014							(16,502)	16,502	-
Stock Option changes					928	(1,151)			(223)
Overall gain (loss) for the year						(2,947)		37,087	34,140
Balance at 31/12/2014	**614,238**	**275,237**	**(416,656)**	**122,848**	**2,039,841**	**2,196**	**(824,915)**	**37,087**	**1,849,876**
Balance at 1/1/2015	**614,238**	**275,237**	**(416,656)**	**122,848**	**2,039,841**	**2,196**	**(824,915)**	**37,087**	**1,849,876**
2014 net result allocations as per Shareholders' Meeting resolution of 29/04/2015					14,359			(37,087)	(22,728)
Stock Option changes					4,201	(4,269)			(68)
Changes in M/L Incentive Plans						705			705
Overall gain (loss) for the year						(323)		50,368	50,045
Balance at 31/12/2015	**614,238**	**275,237**	**(416,656)**	**122,848**	**2,058,401**	**(1,691)**	**(824,915)**	**50,368**	**1,877,830**

Statement of Financial Position According to Consob Resolution no. 15519 of 27 July 2006

(values in EUR)

ASSETS	Notes	31/12/15	*of which vs. related parties*	*% weight*	31/12/14	*of which vs. related parties*	*% weight*
Non-current assets	**5**						
Property, plant and equipment	5.1	4,645,785			4,678,678		
Other intangible fixed assets	5.4	411			183		
Equity investments in:	5.5						
subsidiaries		1,470,381,636			1,470,026,473		
other companies		1,999			1,999		
Total		1,470,383,635			1,470,028,472		
Receivables and other non-current financial assets	5.6	3,501,882			4,394,162		
Deferred tax assets	5.9	73,588,051			50,118,827		
Total non-current assets		**1,552,119,764**			**1,529,220,322**		
Current Assets	**6**						
Trade receivables due from:	6.2						
customers		7,323			83,368		
subsidiaries		1,521,133			1,949,359		
associates and joint ventures		5,063			3,396		
Total		1,533,519			2,036,123		
Tax receivables	6.3	32,108,695			36,338,404		
Other receivables and current assets	6.4	43,590,461	*27,829,606*	*63.8%*	38,000,792	*28,876,008*	*76.0%*
Intercompany financial receivables due from	6.5						
subsidiaries		1,812,708,850			1,902,295,475		
associates and joint ventures		19,724,183			26,671,582		
Total		1,832,433,033			1,928,967,057		
Other current financial assets	6.6	16,197,614	*3,280,251*	*20.3%*	16,312,051	*83,782*	*0.5%*
Cash and cash equivalents	6.7	26,879,358	*114,640*	*0.4%*	29,375,501	*113,941*	*0.4%*
Total current assets		**1,952,742,680**			**2,051,029,928**		
non-current assets held for sale	**7**	**-**			**-**		
TOTAL ASSETS		**3,504,862,444**			**3,580,250,250**		

The related party component of *Other Receivables and Current Assets* mainly refers to receivables from subsidiaries amounting to EUR 16,406 thousand relating to IRES receivables from tax consolidation, centralised Group VAT receivables amounting to EUR 9,153 thousand, and prepayments of ancillary financing costs to Mediobanca amounting to a total of EUR 2,110 thousand, of which EUR 1,483 thousand with long-term maturity.

The related party component of *Other current financial assets* mainly refers to receivables due from the subsidiary R.T.I. S.p.A. for derivatives hedging exchange rate risks, which Mediaset S.p.A. purchases on the market and then transfers by entering into an intercompany agreement.

Statement of Financial Position According to Consob Resolution no. 15519 of 27 July 2006

(values in EUR)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31/12/15	*of which vs. related parties*	*% weight*	31/12/14	*of which vs. related parties*	*% weight*
Shareholders' equity	**8**						
Share capital	8.1	614,238,333			614,238,333		
Share premium	8.2	275,237,092			275,237,092		
Treasury shares	8.3	(416,656,052)			(416,656,052)		
Other reserves	8.4	2,164,745,837			2,162,687,990		
Valuation reserve	8.5	(1,689,825)			2,197,841		
Retained earnings	8.6	(808,413,428)			(824,915,793)		
Profit (loss) for the year	8.7	50,368,406			37,086,995		
TOTAL SHAREHOLDERS' EQUITY		**1,877,830,363**			**1,849,876,406**		
Non-current liabilities	**9**						
Post-employment benefit plans	9.1	1,270,951			1,312,990		
Deferred tax liabilities	9.2	373,098			423,961		
Financial liabilities and payables	9.3	873,171,988	*200,376,233*	*22.9%*	872,941,954	*203,745,467*	*23.3%*
Provisions for non-current risks and charges	9.4	42,822			17,277		
Total non-current liabilities		**874,858,859**			**874,696,182**		
Current liabilities	**10**						
Financial payables	10.1	93,431,020	*2,500,464*	*2.7%*	214,088,506	*2,903,789*	*1.4%*
Trade payables due to:	10.2						
suppliers		1,692,597			1,418,365		
subsidiaries		507,549			443,103		
associates		8,873			9,567		
holding companies		42,819			41,269		
Total		2,251,838			1,912,304		
Provisions for current risks and charges	10.3	51,110			6,177,852		
Current tax payables	10.4	-			820,245		
Intercompany financial payables due to:	10.5						
subsidiaries		464,691,417			454,973,648		
associates and joint ventures		14,545,973			18,655,294		
Total		479,237,390			473,628,942		
Other financial liabilities	10.6	52,319,843	*13,931,909*	*26.6%*	51,524,954	*16,794,085*	*32.6%*
Other current liabilities	10.7	124,882,021	*117,260,471*	*93.9%*	107,524,859	*83,688,199*	*77.8%*
Total current liabilities		**752,173,222**			**855,677,662**		
Liabilities related to non-current assets held for sale	**11**	**-**			**-**		
TOTAL LIABILITIES		**1,627,032,081**			**1,730,373,844**		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,504,862,444**			**3,580,250,250**		

The related party component of *Non-current financial payables and liabilities* mainly includes the value of the contract entered into on 19 May 2011 for the disbursement of an 8-year medium-long term revolving credit facility, for which Mediobanca S.p.A. is the agent bank.

The related party component of *Financial payables* refers to the short-term portion of the loan contract entered into with Mediobanca in 2011, for the interest accrued at 31 December 2015.

The related party component of *Other financial liabilities* refers to payables to the subsidiary R.T.I. S.p.A. of EUR 12,921 thousand for derivatives hedging exchange rate risk, which Mediaset S.p.A. purchases on the market and then transfers by entering into intercompany agreements, as well as the current portion of the fair value of derivatives for collars entered into to hedge interest rate risk on loans outstanding with the agent bank Mediobanca S.p.A. of EUR 1,011 thousand.

The related party component of *Other current liabilities* mainly refers to the payable relating to Group centralised VAT of EUR 14,395 thousand and payables to subsidiaries and joint ventures for participation in the tax consolidation of EUR 102,022 thousand.

Income Statement According to Consob Resolution no. 15519 of 27 July 2006

(values in EUR)

INCOME STATEMENT	Notes	2015	of which vs. related parties	% weight	2014	of which vs. related parties	% weight
Revenues	**12**						
Sales of goods and services	12.1	5,889,028	*5,889,028*	*100.0%*	5,975,330	*5,975,330*	*100.0%*
Other revenues and income	12.2	1,795,766	*98,573*	*5.5%*	165,057	*98,573*	*59.7%*
Total revenues		**7,684,794**			**6,140,387**		
Costs	**13**						
Personnel expenses	13.1	17,282,263	*2,646,729*	*15.3%*	17,325,016	*2,583,332*	*14.9%*
Purchases	13.2	125,243			145,305		
Services	13.5	12,828,260	*3,196,077*	*24.9%*	11,476,789	*1,873,905*	*16.3%*
Leasing and rentals	13.6	1,730,142	*1,247,919*	*72.1%*	1,915,500	*1,343,968*	*70.2%*
Provisions for risks	13.7	(6,102,061)			(94,014)		
Other operating expenses	13.8	1,295,712	*39,556*	*3.1%*	1,226,626	*19,282*	*1.6%*
Amortisation, depreciation and write-downs	13.9	37,169			36,303		
Total costs		**27,196,728**			**32,031,525**		
Gains/(losses) from disposals of non-current assets	**14**	**-**			**-**		
EBIT		**(19,511,934)**			**(25,891,138)**		
(Expenses)/income from financial investments	**15**						
Financial expenses	15.1	(219,330,612)	*(108,518,323)*	*49.5%*	(212,879,932)	*(109,331,066)*	*51.4%*
Financial income	15.2	242,308,827	*139,541,242*	*57.6%*	236,062,293	*138,613,366*	*58.7%*
Income/(expenses) from equity investments	15.3						
dividends from subsidiaries		49,017,650	*49,017,650*	*100.0%*	40,040,000	*40,040,000*	*100.0%*
Total		49,017,650			40,040,000		
Total (expenses)/income from financial investments		**71,995,865**			**63,222,361**		
EBT		**52,483,931**			**37,331,223**		
Income taxes for the year	**16**						
current taxes	16.1	203,856			741,187		
deferred taxes	16.2	1,911,669			(496,959)		
Total income taxes for the year		**2,115,525**			**244,228**		
Net profit form continuing operations		**50,368,406**			**37,086,995**		
Net gains/(losses) from discontinued operations	17	-			-		
Net profit (loss) for the year	**18**	**50,368,406**			**37,086,995**		

The related party component of *Revenues from sales of goods and services* mainly refers to fees on bank guarantees granted in favour of subsidiaries amounting to EUR 5,780 thousand (of which EUR 5,644 thousand to Mediaset Premium S.p.A.).

The related party component of *Services* mainly refers to services provided by the subsidiary R.T.I. S.p.A. of EUR 615 thousand, of which administrative service expense amounting to EUR 511 thousand, as well as sponsorships provided by the affiliate Il Teatro Manzoni S.p.A. of EUR 200 thousand.

The related party component of *Leasing and rentals* mainly refers to property rental paid to the subsidiary R.T.I. S.p.A. of EUR 595 thousand and the holding company Fininvest S.p.A. of EUR 180 thousand, and payment to the holding company for the use of the Fininvest trademark of EUR 465 thousand.

The related party component of *Financial expenses* mainly regards intercompany current account interest payable to subsidiaries and joint ventures of EUR 2,053 thousand, as well as forex losses, mainly due to the subsidiary R.T.I. S.p.A., of EUR 100,929 thousand (of which EUR 28,557 thousand from valuation). This item also includes financial expenses due to Mediobanca S.p.A. totalling EUR 4,910 thousand, of which EUR 2,725 thousand relating to the amortised cost loan, and EUR 1,669 thousand relating to transaction costs for medium/long-term loans.

The related party component of *Financial income* mainly refers to intercompany current account interest income of EUR 70,116 thousand from subsidiaries and joint ventures, in addition to forex gains, mainly received from the subsidiary R.T.I. S.p.A., of EUR 69,125 thousand (of which 24,579 thousand from valuation).

Financial income from dividends from subsidiaries refers to dividends received from the subsidiary Publitalia '80 S.p.A. amounting to EUR 27,040 thousand and from the subsidiary Mediaset España Comunicación S.A. amounting to EUR 21,978 thousand.

More details on transactions with Group companies are provided below.

Explanatory Notes

1. General information

Mediaset S.p.A. is a joint stock company incorporated in Italy and entered in the Milan Companies Register. Its registered office is located in Via Paleocapa, 3, Milan. Its majority shareholder is Fininvest S.p.A.. The main activities of the company and its subsidiaries are described in the Report on Operations accompanying the Consolidated Financial Statements.

These Financial Statements are presented in Euro, because this is the currency used for the majority of the Company's operations.

Amounts are stated in thousands of Euros.

2. Adoption of international accounting standards

As of the entry into force of Italian Legislative Decree No. 38 of 28 February 2005, transposing Regulation (EC) No. 1606/2002 into Italian law, since 2006 in compliance with the obligation established in Article 4 of that Decree, the company has prepared its financial statements in accordance with the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

The tables in the Financial Statements and the Explanatory Notes have been prepared together with the additional information required for financial statements formats and disclosures established by Consob Resolution no. 15519 of 27 July 2006 and by Consob Communication no. 6064293 of 28 July 2006.

Where possible, in order ensure better comparison and presentation of the financial statement items in the event of reclassifications, the items from the previous year have been restated accordingly. When it has not been possible to restate the comparative figures, suitable disclosure has been provided in the notes to the accounts.

Amounts reported in these Financial Statements are compared to corresponding figures for the previous year, prepared on a like basis.

3. Basis of presentation, accounting policies for the preparation of the financial statements and measurement criteria

These Financial Statements have been prepared on a going concern basis, as the Directors have verified that there are no financial, operational, or other indicators of problem issues that could affect the Company's ability to meet its obligations in the foreseeable future. The risks and uncertainties related to the business are described in the Report on Operations accompanying the Consolidated Financial Statements.

A description of how the Company manages its financial risks, including liquidity and capital risk, is provided in the section "Disclosures on financial instruments and risk management policies" in these Explanatory Notes.

The Financial Statements at 31 December 2015 have been prepared in application of the International Accounting Standards and related interpretations in force at the reporting date.

The basis of presentation for assets and liabilities is historical cost, except for certain financial instruments which have been designated at fair value, in accordance with IAS 39 and IFRS 13.

The preparation of the Financial Statements and the Explanatory Notes has required the use of estimates and assumptions both in the measurement of certain assets and liabilities and the valuation of contingent assets and liabilities. Specifically, the current macroeconomic environment, made unstable by the impacts of the ongoing financial crisis, has meant that the estimates regarding the future progress of these items have been made taking into account this high level of uncertainty.

The main forecast data refer to the provisions for risk and charges and the bad debt provisions.

The estimates and assumptions are periodically revised and the impacts of each individual change are posted to the income statement.

Accounting standards, amendments and interpretations applied from 1 January 2015

From 1 January 2015, the company is required to apply the following accounting standards and/or amendments and interpretations of previous standards in force. Not all the standards and amendments listed have had an impact on these financial statements.

Amendments to IAS 19 Defined benefit plans

IAS 19 requires an entity to consider contributions by employees or third parties when it recognises defined benefit plans. When contributions are linked to provision of the service, they should be attributed to the period of service as negative benefits. The amendment clarifies that, if the amount of the contributions is independent of the number of years of service, contributions may be recognised as a reduction in the service cost in the period in which the related service is rendered, rather than allocating the contributions to the periods of service. This change is effective for financial years beginning on or after 1 July 2014. The amendments to the standard described above, did not have any impact on these financial statements because there are no defined benefit plans with contributions by employees or third parties in place.

Annual improvements to IFRS: 2010-2012 Cycle:

IFRS 2 Share based payments – Definition of vesting condition. Amendments have been made to the definitions of vesting condition and market condition and further definitions have been added for performance condition and service condition (previously included within the definition of vesting condition);

IFRS 13 Fair Value Measurement – Short-term receivables and payables. The Basis for Conclusions for this standard have been amended to clarify that with the issuance of IFRS 13, and consequential amendments to IAS 39 and IFRS 9, the ability remains for the entity to measure short-term trade receivables and payables without discounting, when the effect of not discounting is immaterial;

IAS 16 Property, Plant and Equipment and IAS 38 Intangible assets. The amendments have eliminated the inconsistencies in the recognition of accumulated depreciation and amortisation when property, plant and equipment or intangible assets are revalued. The requirements established by the amendments clarify that the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and that the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses;

IAS 24 Related Party Disclosure – Key management personnel. Clarification has been provided that when key management personnel services are provided by an entity (and not by a natural person), that entity must be considered a related party.

Financial statement tables and formats

The ***Statement of Financial Position*** has been prepared according to the convention of presenting *current* and *non-current* assets and liabilities as separate classifications. An asset or liability is classified as current when it meets one of the following criteria:

- it is expected to be realized or settled, or is expected to be sold or consumed in the company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realized or settled within 12 months after the reporting date.

If all three of the above conditions are not met, the assets and liabilities are classified as non-current.

The ***Statement of income*** has been prepared according to the convention of classifying costs by their nature, with components making up earnings before interest and tax and earning before tax stated separately. In order to provide a clearer measure of the performance of ordinary operations, elements of cost and revenue arising from events or transactions that are considered non-recurring due to their nature or the significance of their amount, such as the disposal of controlling interests, are stated separately.

These transactions may fall under the definition of significant non-recurring transactions and events contained in Consob Communication no. 6064293 of 28 July 2006, as opposed to the definition of "atypical and/or unusual transactions" contained in the same Consob Communication of 28 July 2006, according to which atypical and/or unusual transactions are transactions that, due to their significance/importance, the nature of the counterparties, the object of the transaction, the method of calculation of the transfer price, and the timing of the event (e.g. proximity to the financial year end), can give rise to doubts concerning the correctness/completeness of the information in the financial statements, conflicts of interest, the safeguarding of the Company's assets, or the protection of minority shareholder interests.

If all three of the above conditions are not met, the assets and liabilities are classified as non-current.

The ***Statement of Comprehensive income*** shows the cost and revenue items, net of tax that, as required or allowed by International Accounting Standards, are posted directly under shareholders' equity reserves.

These items are split to show those that may be reclassified to the income statement in the future and those that may not be reclassified. For each type of significant shareholders' equity reserve shown in the statement there is a reference to the explanatory notes below that contain the related information and details of their breakdowns and the changes that have taken place compared to the previous financial year.

The ***Statement of Cash Flow*** has been prepared using the indirect method, according to which earnings before interest and tax are adjusted for the impacts of non-monetary transactions, for any deferral or allocation of previous or future operational cash receipts or payments and for elements of revenue or cost connected with cash flows from investing or financing activities. Income and expenses connected to medium/long-term financing transactions and the related hedging instruments, as well as dividends paid, are included under financing activities. The item *Cash and cash equivalents* only includes the balances of current accounts held with banks; the balance of the non-bank current account held subsidiaries, associates and joint ventures for centralized treasury management purposes is recognised under financing activities.

The ***Statement of Changes in Shareholders' Equity*** shows the changes that have taken place in shareholders' equity items in relation to:

- the distribution of earnings for the period;
- changes in shareholders' equity reserves (e.g. share-based payments under stock options plans and interest rate hedges);
- each item of profit or less, net of any tax effects, that, as required by IFRS, is recognised either directly in shareholders' equity (e.g. actuarial gains and losses from the measurement of defined benefit plans) or for which a balancing entry is carried in a shareholders' equity reserve;
- the impact from any changes in accounting policies;
- changes in valuation reserves for derivative instruments designated as hedges on future cash flows, net of any tax effect;
- comprehensive gains and losses.

For each type of significant shareholders' equity reserve shown in the statement, reference is given to the explanatory notes below that contain the relative information and details of their breakdowns and the changes that have taken place compared to the previous financial year.

Moreover, to comply with the requirements of Consob Resolution No. 15519 of 27 July 2006 "Provisions regarding the structure of financial statements", specific statements of income and financial position have been prepared, in addition to the mandatory statements, showing significant amounts of related-party accounts or transactions separately from the related items.

Non-current assets

Property, plant and equipment

Plant, machinery, equipment, buildings and land are recognised at purchase, production or transfer cost, including any transaction charges, dismantling costs and direct costs necessary to make the asset available for use. These fixed assets, with the exception of land, which is not subject to depreciation, are depreciated on a straight-line basis over each accounting period using depreciation rates set according to the remaining useful life of the assets.

Depreciation is calculated on a straight-line basis on the cost of the assets net of the relative residual values, if significant, according to their estimated useful lives, applying the following rates:

▪ Buildings	2.5%
▪ Plant and machinery	10% - 20%
▪ Light constructions and equipment	5% - 16%
▪ Office furniture and machines	8% - 20%
▪ Motor vehicles and other means of transport	10% - 25%

Their recoverable amount is verified according to the criteria laid down by IAS 36, described in the section below "Impairment of assets".

Ordinary maintenance costs are recognised in full in the income statement. Incremental maintenance costs are allocated to the related assets and depreciated over their remaining useful life.

Leasehold improvements are allocated to the classes of assets to which they refer and depreciated at the lower of residual life of the lease contract and residual useful life of the type of asset to which the improvement relates.

Whenever individual components of a complex tangible asset have different useful lives, they are recognised separately in order to be depreciated according to their individual useful lives (component approach).

In particular, according to this principle, the value of land and of the buildings on it are separated and only the buildings are subject to depreciation.

Capital gains and losses resulting from sales or disposals of assets are calculated as the difference between the sale revenue and the net carrying amount of the asset and are recognised in the income statement.

Leased-in assets

Assets acquired through lease contracts are recognised under property, plant and equipment with the recognition of a financial payable for the same amount under liabilities. The payable is progressively reduced according to the repayment schedule for the amounts of principal included in the contract instalment payments. The interest amount, on the other hand, is kept in the income statement under financial expenses and the value of the asset recognised under tangible fixed assets is depreciated on a straight-line basis according to the economic and technical life of the asset, or, if shorter, on the basis of the expiry date of the lease contract.

The costs for lease instalments resulting from operating leases are posted at fixed amounts based on the duration of the contract.

Intangible assets

Intangible assets are assets without identifiable physical form, controlled by the company and able to generate future economic benefits.

They are recorded at purchase or production cost, including transaction costs, according to the criteria already described for tangible fixed assets.

In the event of purchased intangible assets whose availability for use and related payments are deferred beyond ordinary periods, the purchase value and the related payable are discounted by recognising the financial expenses implicit in the original price.

Internally generated intangible assets are recognised in the income statement in the period in which they are incurred if related to research costs.

Development costs, mainly relating to software, are capitalized and amortised on a straight-line basis over their estimated useful lives (three years on average), provided they can be identified, their cost can be reliably calculated, and the asset is likely to generate future economic benefits.

Intangible assets with finite useful lives are amortised on a straight-line basis, starting from the time when the asset is available for use, over the period of their expected usefulness. Their recoverable value is assessed according to the criteria established in IAS 36, described in the section below *Impairment of assets*.

Impairment of assets

The carrying amounts of tangible and intangible assets are periodically reviewed in accordance with IAS 36, which requires testing for any loss in value, where indicators suggest that such impairment may exist. In the case of goodwill, intangible assets with indefinite useful lives and assets not available for use, impairment testing is carried out at least yearly, normally at the time of the preparation of the annual financial statements, but also at any time when there is an indication of possible impairment.

The recoverable amounts recognised are checked by comparing the carrying amount booked in the financial statements against the greater of the net sale price (where there is an active market for the asset) and the value in use of the asset.

Value in use is determined by discounting expected future cash flows from the use of the asset (or assets grouped into cash-generating units) and from its disposal at the end of its useful life. Cash-generating units have been identified, in line with the Company's organisational and business structure, as the smallest identifiable groups of assets that generate independent cash inflows from the continuous use of the assets allocated to them.

The cash generating units are identified, in line with the organisational and business structures of the Group, as homogeneous combinations that generate autonomous incoming cash flows from the continuous use of the assets attributable to them.

In the case of impairment, the cost is charged to the income statement, first by reducing goodwill and then recognizing any excess amounts to the value of the other assets of the CGU concerned. With the exception of goodwill and assets with indefinite useful lives, impairment can be reversed for other assets when the conditions that resulted in the impairment write-down have changed. In such case, the carrying amount of the asset can be increased within the limits of the new estimated recoverable amount, but no more than the value that would have been calculated if there had been no previous write-downs.

Equity investments in subsidiaries, associates and joint ventures

Equity investments in subsidiaries, associates and joint ventures are measured at cost, less any impairment, determined in accordance with IAS 36. When there are specific indicators of impairment, the value of the investments in subsidiaries and associates, determined on the basis of the cost criterion, is tested for impairment.

For the impairment testing, the carrying amount of the investment is compared against its recoverable amount, this defined as the greater of the fair value, less costs to sell, and the value in use. If the recoverable amount of an investment is less than its carrying amount, the carrying amount is reduced to the recoverable amount. This reduction constitutes an impairment loss, which is booked to the income statement.

For investments in listed companies, the fair value for the purposes of impairment testing is determined with reference to the market value of the investment regardless of the amount held. For investments in unlisted companies, the fair value is determined using estimates based on the best information available.

If the reasons for a previous write-down no longer apply, the carrying amount of the investment is restored with recognition through profit or loss up to the original cost.

Non-current financial assets

Equity investments other than investments in subsidiaries, associates and joint ventures are recognised as "*receivables and other non current financial assets*". In accordance with IAS 39 they are classified as available-for-sale financial assets and measured at fair value (or alternatively at cost if the fair value cannot be reliably determined) with changes in the carrying amount charged to a specific shareholders' equity reserve (until the asset is realized, except when it has suffered impairment).

In the event of an impairment write-down, the cost is expensed in the income statement. The original value is reinstated in subsequent financial years if the conditions for the write-down no longer apply.

The risk resulting from any losses exceeding shareholders' equity is recognised in a specific risk provision to the extent that the investor is committed to fulfilling legal or implicit obligations towards the investee or, in any case, to cover its losses.

Assets available for sale also include financial investments, not held for trading, measured according to the rules described above for "*Available for sale*" assets, as well as financial receivables for the amount due beyond 12 months.

Non-current assets available for sale

Non-current assets available for sale are measured at the lower of their net carrying amount and their market value less costs to sell. Non-current assets are classified as available for sale when their carrying amount is expected to be recovered through disposal rather than through their use in company operations. This condition is only satisfied when the sale is considered highly likely and the asset is available for immediate sale in its current condition. For this purpose, Management must be committed to the sale, which must take place within 12 months from the date of classification of the item.

Current Assets

Trade receivables

Receivables are recognised at fair value, corresponding to their estimated realisable value, and are written down in the event of impairment. Those originating in non-EMU currencies are measured at the year-end spot rates issued by the European Central Bank.

Receivables are written down, for all trade accounts, at percentage rates corresponding to different stages of the credit recovery process, which is initiated by the designated department and based on the assessments provided by the legal department.

Other current financial assets

Current financial assets are recognised and reversed in the financial statements based on their transaction date and they are initially measured at cost, including the expenses directly connected with their acquisition.

At subsequent reporting dates, the financial assets to be held until maturity are recognised at amortised cost, according to the actual interest rate method, net of write-downs made to reflect their impairment.

Financial assets other than those held until maturity are classified as held for trading or available for sale and are measured at fair value in each accounting period with the allocation of their impacts to the income statement under the item *Financial (Expenses)/Income* or to a specific shareholders' equity reserve, in this latter case until they are realised or have suffered impairment.

The fair value of securities listed on an active market is based on market prices at the reporting date. Market prices used are bid/ask prices depending on the relevant asset or liability item.

The fair value of securities that are not listed on an active market and of derivatives is calculated by using the measurement models and techniques most widely adopted by the market, or by using the price supplied by several independent counterparties.

Cash and cash equivalents

This item includes petty cash, bank current accounts and deposits that are repayable on demand and other short-term and highly liquid financial investments that are readily convertible into cash, with an insignificant risk of a change in value.

Treasury shares

Treasury shares are recognised at cost and recorded as a reduction of shareholders' equity and all the gains and losses resulting from their trading are allocated to a specific shareholders' equity reserve.

Non-current liabilities

Employee Benefits

Post-Employment Benefit Plans

Employee leaving entitlements qualify as a post-employment benefit and are classified as a defined benefit plan. Using the projected unit credit method, amounts accrued are projected in order to estimate the final liability at the future time when employment will be terminated and are then discounted. The actuarial method is based on demographic and financial assumptions used to give a reasonable estimate of the benefits accrued by each employee for service.

The actuarial valuation results in the recognition of an interest cost under the item *Financial (Expenses)/Income* that represents the theoretical charge that the Company would incur if it requested a market loan for the amount of the employee leaving entitlements.

Actuarial gains and losses reflecting the impacts from changes in the actuarial assumptions used are recognised directly in shareholders' equity without ever going through the income statement.

Due to reforms to Italian employee leaving entitlements ("TFR") introduced by Law No. 296 of 27 December 2006 ("Finance Act 2007") and implemented by subsequent decrees and regulations, the accounting policies applied to TFR benefits accrued at 31 December 2006 and those accruing from 1 January 2007 were changed in accordance with IAS 19 and interpretations issued by Italian accounting standard setters in July 2007.

As a result of the Supplementary Pension Reform introduced, benefits accrued up to 31 December 2006 will continue to remain within the Company as a defined benefit plan (with the obligation for accrued benefits subject to actuarial valuation). Amounts accruing as of 1 January 2007 are either paid into supplementary pension funds or transferred by the Company to the treasury fund managed by the Italian National Social Security Institute (INPS) and are considered a defined contribution plan from the time employees have exercised their choice; accordingly, these amounts are not subject to actuarial valuation.

In the light of the reforms, it was necessary to remeasure the liability accrued at 31 December 2006 in order to update the actuarial assumptions underlying the actuarial method (the projected unit credit method) formerly used to determine the Company's future obligation and exclude the present value of future benefits accrued for service, given that the obligation had substantially matured. Remeasurement of the liability resulted in the recognition, in accordance with paragraph 109 of IAS 19, of non-recurring income from the curtailment of the obligation, debited to Personnel Expenses, and the reclassification of the valuation reserve for actuarial gains and losses at 31 December 2006 to Retained earnings.

Share-based payments

In accordance with IFRS 2, the Company classifies stock options as "share-based payments". Stock options that are "equity-settled" i.e. involving the physical delivery of the shares, are measured at the fair value at the grant date of the option rights assigned and recognised as a personnel expense to be spread evenly over the vesting period of the rights, with a corresponding reserve booked to shareholders' equity. This allocation is carried out based on the estimate of the rights that will actually accrue to the person entitled, in consideration of their vesting conditions not based on the market value of the rights. In accordance with IFRIC 11 *IFRS 2-Group and Treasury Shares Transactions*, issued on 30 November 2006 and endorsed by the European Commission on 1 June 2007, stock options assigned by Mediaset S.p.A. to employees of its direct and indirect subsidiaries are accounted for as equity-settled and are recognised as equity contributions to the direct or indirect investees, with a corresponding reserve booked to shareholders' equity.

The fair value is calculated using the "binomial" model.

Provisions for risk and charges

Provisions for risks and charges include costs and charges whose existence is either certain or probable, but whose amount or date of occurrence cannot be determined at the reporting date. These provisions have been made only when there is a current obligation, resulting from past events, that can be of a legal or contractual nature, or arising from declarations or behaviour by the Company that create valid expectations in the persons concerned (implicit obligations).

The provisions are recorded at the value that represents the best possible estimate of the amount that the Company would have to pay in order to settle its obligation. When they are significant and the payment dates can be reliably estimated, the provisions are recognised at present values with the charges resulting from the passage of time expensed in the income statement under the item "Financial (Expenses)/Income".

Non-current financial liabilities

Non-current financial liabilities are recognised at amortised cost, using the effective interest rate method.

Current liabilities

Trade payables

Trade payables are recorded at their nominal amount. Those originating in non-EMU currencies are converted at the year-end spot rates reported by the European Central Bank.

Financial derivatives and hedge accounting

The Company conducts transactions to hedge the main financial risks associated with fluctuations in foreign exchange rates in connection with the acquisition, mainly by the direct subsidiary R.T.I. S.p.A., of television broadcasting rights denominated in currencies other than the Euro, in particular the U.S. Dollar.

Specifically, it makes use of derivative instruments (primarily currency futures) in its business to hedge the foreign currency risk associated with highly probable forecast transactions and payables for purchases that have been concluded.

These contracts are purchased on the market to hedge the foreign currency risk associated with the purchase of television broadcasting rights, but do not qualify for hedge accounting under IAS 39 in the Mediaset S.p.A. financial statements. Accordingly, they are recognised as Financial (Expenses)/Income in the income statement, with changes in their fair value recognised as realised foreign exchange gains/losses.

The fair value of currency futures is measured by discounting the difference between the notional amount priced at the forward rate of the contract, and the notional amount priced at the fair forward rate (the forward exchange rate measured at the reporting date).

The Company is exposed to interest rate risk on long-term loans subject to floating interest rates.

If an interest rate hedge is considered effective pursuant to IAS 39, the effective portion of the fair value adjustment of the derivative that is designated a hedging instrument and is eligible for hedge accounting is recognised directly in shareholders' equity, while the ineffective part is recognised in the income statement. The shareholders' equity reserve will have an impact on the income statement when the cash flows of the hedged item attributed to the hedged risk are realised, that is, when interest is paid.

As stated earlier, hedging instruments and the models used to measure them in accordance with IAS 39 are reported in Note 20 "*Disclosures on financial instruments and risk management policies*".

Revenue recognition

Revenues from sales and services are recognised respectively when actual transfer takes place of the risks and benefits arising from the transfer of ownership or upon provision of the service.

Revenues are shown net of returns, discounts, allowances and premiums, as well as any directly linked tax charges.

Cost recoveries are shown as a direct reduction of the related costs.

Cost recognition

All costs that have a direct causal link to the revenues for the year, which can be identified specifically or based on hypotheses and assumptions, are recognised during the year. When there is no direct relationship, all costs that have been spread over time on a rational systematic basis are accrued.

Financial Income and Expenses

Financial income and expenses are recognised in the income statement on an accrual basis.

Income taxes

Current income taxes are recognised on the basis of estimated taxable income in accordance with current tax rates and provisions currently in force, or essentially approved, at the end of the accounting period, taking into account any applicable exemptions and tax credits due.

Prepaid and deferred taxes are calculated based on the temporary differences between the statutory carrying amounts of balance sheet assets and liabilities and the corresponding amounts recognized for tax purposes, on the basis of the tax rates in force at the time when the temporary differences reverse. When earnings are posted directly to shareholders' equity, current taxes, deferred tax assets and deferred tax liabilities are also recognised in shareholders' equity.

The accounting treatment of deferred tax assets is based on the forecasts of expected taxable income for future years. The assessment of expected income for the recognition of deferred taxes depends on factors that can change over time and have significant effects on the measurement of the deferred tax assets. The measurement of those items took into consideration budget and plan results that were in line with those used for the impairment tests.

Deferred tax assets and liabilities are offset when it is lawful to offset current tax assets and liabilities, when they refer to taxes due to the same Tax Authority, and when the Group intends to settle the current tax assets and liabilities on a net basis.

In the case of any changes in the carrying amount of deferred tax assets and liabilities arising from a change in tax rates or the related legislation, rules or regulations, the resulting deferred taxes are recognised in the income statement, unless they relate to items that have previously been debited or credited to shareholders’ equity.

Dividends paid

Dividends payable are shown as a change in shareholders' equity for the year in which their distribution is approved by shareholders at the annual general meeting.

Dividend income

Dividend income earned on equity investments is recognised in the income statement at the time the entitlement to a pay-out arises.

Foreign exchange gains and losses

At the annual general meeting for the approval of the financial statements and the allocation of earnings, any net gains from the translation of foreign currency items at year-end exchange rates that are not absorbed to cover losses are allocated to a non-distributable reserve until their subsequent realisation.

Unrealised foreign exchange gains and losses are remeasured at the end of every year. If an overall net foreign exchange gain is found that is higher than the relative shareholders' equity reserve, the difference is added to the reserve. If a foreign exchange loss is found or a net gain that is lower than the reserve amount, the entire reserve or the surplus is released and reclassified as distributable when preparing the financial statements.

Use of estimates

The preparation of the Financial Statements and the Explanatory Notes has required the use of estimates and assumptions both in the measurement of certain assets and liabilities and the valuation of contingent assets and liabilities. Specifically, the current macroeconomic environment, made unstable by the impacts of the ongoing financial crisis, has meant that the estimates regarding the future progress of these items have been made taking into account this high level of uncertainty.

The main estimates relate to the measurement of the recoverable amount of tax assets recognised, and of the investments in subsidiaries, associates and joint ventures.

For the latter, the value in use is determined using the Discounted Cash Flow - asset side, accepted by the applicable accounting standards, which consists of calculating the present value of future cash flows that it is estimated will be generated by the investee, including the cash flows from operating activities and the consideration from the final disposal of the investment.

The main forecast data refer to the provisions for risk and charges.

The estimates and assumptions are periodically revised and the impacts of each individual change are posted to the income statement.

Changes in accounting estimates

In accordance with IAS 8 these items are posted to the income statement on a prospective basis starting from the accounting period in which they are adopted.

- ***Standards issued but not yet effective***

Standards and interpretations issued but not yet effective at the reporting date are listed below. The Company intends to adopt these standards when they become effective.

IFRS 9 Financial Instruments:

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that reflects all phases of the project relating to financial instruments and replaces IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification, measurement, impairment and hedge accounting. It is based on the cash flow approach and on the business model for which the asset is held, replacing the previous classification rules, which were at times overly complex and difficult to apply. IFRS 9 is effective for financial years beginning on or after 1 January 2018; early application is permitted. Retrospective application of the standard is required but it is not compulsory to provide comparative information. Early application of the previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the initial application is prior to 1 February 2015. Adoption of IFRS 9 will have an effect on the classification and measurement of the financial assets of the Company, but will not have an impact on the classification and measurement of financial liabilities.

IFRS 15 – Revenue

On 28 May 2014, the IASB published the standard that will replace the standards IAS 18 – Revenue and IAS 11 – Construction Contracts, as well as the interpretations IFRIC 13 –

Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenues-Barter Transactions Involving Advertising Services. The standard establishes a new model for revenue recognition, which will apply to all contracts with customers, except those within the scope of other IAS/IFRS such as leases, financial instruments and insurance contracts. The fundamental steps for the recognition of revenue according to the new model are:

- identifying a contract with the customer;
- identifying the performance obligations in the contract;
- determining the transaction price;
- allocating that price to the performance obligations of the contract;
- recognising revenue when the entity satisfies each performance obligation.

The standard will be applicable from 1 January 2018, with full or amended retrospective application. Earlier application is permitted.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible assets

On 12 May 2014, the IASB issued several amendments to IAS 16 in the "Clarification of acceptable methods of depreciation and amortisation". The amendments establish that depreciation and amortisation criteria determined on the basis of revenue are not appropriate, because, according to the amendment, revenue generated from an activity that includes the use of a depreciated or amortised asset generally reflect factors other than just the consumption of the economic benefits embodied in the asset. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation for the same reasons established by the amendments introduced to IAS 16. For intangible assets, however, this presumption can be rebutted, but only in limited and specific circumstances.

The amendments apply from 1 January 2016, but early adoption is permitted.

4. Other information

Dealings with subsidiaries, associates, holding companies, affiliates and related parties

On 9 November 2010, the Board of Directors voted to adopt the "Procedure for Related-Party Transactions", for transactions carried out by Mediaset S.p.A. directly or through subsidiaries. This procedure was prepared in accordance with the principles set forth in the "Regulations containing Provisions on Related-Party Transactions" adopted by Consob in Resolution no. 17221 of 12 March 2010. The procedure, which is published on the Company's website (www.mediaset.it/investor/governance/particorrelate_it.shtml), sets the rules for identifying, approving, executing and disclosing related-party transactions carried out by Mediaset S.p.A. directly or through subsidiaries, in order to ensure their transparency and substantive and procedural correctness, as well as establishing the cases where these rules do not apply.

The following tables show the breakdown of financial and business dealings with subsidiaries, associates, holding companies, affiliates and other related parties, conducted at arm's length conditions.

(values in EUR thousand)

RECEIVABLES AND FINANCIAL ASSETS	Receivables and other non-current financial assets	Trade receivables	Other receivables and current assets	Intercompany financial receivables	Other current financial assets
Fininvest Group Parent Company					
Fininvest S.p.A.			30		
Mediaset Group subsidiary companies					
Videotime S.p.A.		3			
Mediaset España Comunicación S.A.		13			
Mediaset Investment S.a.r.l.		1			
R.T.I. - Reti Televisive Italiane S.p.A.	2,440	103	3,194	1,808,745	3,170
Medusa Film S.p.A.		36	2,244		109
Publitalia '80 S.p.A.		52	11,061		
Digitalia '08 S.r.l.			401		
Elettronica Industriale S.p.A.		1			
Monradio S.r.l.				1,409	
Media4commerce S.p.A.		6			1
Taodue S.r.l.		7	8,508	2,555	
Promoservice Italia S.r.l.		1	151		
EI Towers S.p.A.		19			
Mediaset Premium S.p.A.		1,280			
Mediaset Group associates					
Boing S.p.A.				2,130	
Tivù S.r.l.		5			
Mediamond S.p.A.				17,594	
Mediaset Group related companies					
Fininvest Group related companies					
Mediobanca S.p.A.			2,124		9
Banca Mediolanum S.p.A.					105
Il Teatro Manzoni S.p.A.			117		

(values in EUR thousand)

PAYABLES AND FINANCIAL LIABILITIES	Payables and non-current financial liabilities	Trade payables	Other payables and current liabilities	Intercompany financial payables	Other current financial liabilities
Fininvest Group Parent Company					
Fininvest S.p.A.		43			
Mediaset Group subsidiary companies					
Videotime S.p.A.			3,309	60,680	27
R.T.I. - Reti Televisive Italiane S.p.A.	904	466	52,822		12,883
Medusa Film S.p.A.		24	3,139	116,347	
Publieurope Ltd.				36,316	
Publitalia '80 S.p.A.			3,717	164,560	
Digitalia '08 S.r.l.			252	18,400	
Elettronica Industriale S.p.A.			12,559	25,255	
Media4commerce S.p.A.			3,352	1,308	11
Taodue S.r.l.			526		
Promoservice Italia S.r.l.		6	81	9,401	
Mediaset Premium S.p.A.		11	36,558	32,425	
Mediaset Group associates					
Fascino Produzione e Gestione Teatro S.r.l.				14,546	
Boing S.p.A.			103		
Mediaset Group related companies					
Fininvest Group related companies					
Mondadori Direct S.p.A.		8			
Mediobanca S.p.A.	199,473		143		3,512
Il Teatro Manzoni S.p.A.		1			
Other related parties					
Mediafond			25		
Key management personnel			674		

(values in EUR thousand)

REVENUES AND COSTS	Operating revenues	Operating costs	Financial expenses	Financial income	Income/(Charges) from equity investments
Fininvest Group Parent Company					
Fininvest S.p.A.	46	750			
Mediaset Group subsidiary companies					
Videotime S.p.A.	8	-	298	22	
Mediaset España Comunicación S.A.	50	-			21,978
Mediaset Investment S.a.r.l.	1	-			
R.T.I. - Reti Televisive Italiane S.p.A.	124	1,227	100,929	136,239	
Medusa Film S.p.A.	25	-	857	126	
Publieurope Ltd.		-	149		
Publitalia '80 S.p.A.	108	-	670		27,040
Digitalia '08 S.r.l.	1	-	110		
Elettronica Industriale S.p.A.	1	-	24	597	
Monradio S.r.l.		-		8	
Media4commerce S.p.A.	8	-	196	160	
Taodue S.r.l.	7	-		1,828	
Promoservice Italia S.r.l.	1	5	48		
EI Towers S.p.A.	68	-			
Mediaset Premium S.p.A.	5,646	12	261	64	
Mediaset Group associates					
Fascino Produzione e Gestione Teatro S.r.l.		-	33	14	
Boing S.p.A.		()	33	70	
Tivù S.r.l.	5	-			
Mediamond S.p.A.		-		412	
Mediaset Group related companies					
Fininvest Group related companies					
Fininvest Gestione Servizi S.p.A.		6			
Mondadori Direct S.p.A.		9			
Mediobanca S.p.A.		14	4,910		
Banca Mediolanum S.p.A.					
Alba Servizi Aerotrasporti S.p.A.		10			
Il Teatro Manzoni S.p.A.		201			
A.C. Milan S.p.A.		7			
Other related parties					
Consortia		19		1	
Key management personnel		4,984			

The most significant dealings between Mediaset S.p.A. and Group companies, summarised in the above tables, concerned:

- the licensing of the Fininvest trademark by the holding company Fininvest S.p.A. for a total of EUR 465 thousand, paid in full over the year;
- the leasing of buildings from the subsidiary R.T.I. S.p.A. for a total of EUR 595 thousand, of which EUR 382 thousand was paid over the year;
- the management of administrative services by the subsidiary R.T.I. S.p.A. for a total of EUR 511 thousand, of which EUR 499 thousand was paid over the year;
- sponsorship agreements with the affiliate Il Teatro Manzoni S.p.A. for the music festival "Aperitivo in concerto" for a total of EUR 200 thousand, paid in full in the year;
- two loans carried at amortized cost, granted by Mediobanca S.p.A. on 24 July 2012 and 24 October 2012 for a total contractual amount of EUR 200,000 thousand.

In 2015, intercompany dealings also concerned the management of equity investments, which resulted in the receipt of dividends of EUR 27,040 thousand from the subsidiary Publitalia '80 S.p.A. and EUR 21,978 thousand from the subsidiary Mediaset España Comunicación S.A..

The operating revenues include fees on bank guarantees provided in favour of the indirect subsidiary Mediaset Premium S.p.A., primarily issued on behalf of UEFA, amounting to EUR 5,646 thousand.

Mediaset S.p.A. provides centralised treasury services for the management of financial assets involving the use of intercompany current accounts, which generated:

- interest payable to the following companies:
  - Publitalia '80 S.p.A. EUR 670 thousand;
  - Medusa Film S.p.A. EUR 493 thousand;
  - Mediaset Premium S.p.A. EUR 259 thousand;
  - Videotime S.p.A. EUR 252 thousand;
  - Publieurope Ltd. EUR 149 thousand;
  - Digitalia '08 S.r.l. EUR 110 thousand;
  - Promoservice Italia S.r.l. EUR 48 thousand;
  - Fascino Produzioni Gestioni Teatro S.r.l. EUR 33 thousand;
  - Elettronica Industriale S.p.A. EUR 24 thousand;
  - Media4commerce S.p.A. EUR 8 thousand;
  - Boing S.p.A. EUR 7 thousand;
- and interest income from the following companies:
  - R.T.I. S.p.A. EUR 67,114 thousand;
  - Tao Due S.r.l. EUR 1,828 thousand;
  - Elettronica Industriale S.p.A. EUR 597 thousand;
  - Mediamond S.p.A. EUR 412 thousand;
  - Mediaset Premium S.p.A. EUR 52 thousand;
  - Boing S.p.A. EUR 49 thousand;
  - Media4commerce S.p.A. EUR 41 thousand;
  - Fascino Produzioni Gestioni Teatro S.r.l. EUR 14 thousand;
  - Monradio S.r.l. EUR 8 thousand.

In accordance with IAS 24, compensation payable to directors is reported in the section "Other related parties".

During the year, dividends were paid to the holding company Fininvest S.p.A. totalling EUR 7,886 thousand.

Finally, pursuant to Consob Communication No. 1574 of 20 February 1997 and Consob Communication No. 2064231 of 30 September 2003, we report that in 2015 Mediaset S.p.A. did not incur costs for advisory services from related parties.

Treasury shares

Treasury shares at 31 December 2015, acquired as per shareholder resolutions adopted at the ordinary Shareholders' Meetings of 16 April 2003, 27 April 2004, 29 April 2005, 20 April 2006 and 19 April 2007, totalled 44,825,500 shares with a carrying amount of EUR 416,656 thousand, showing no change compared to 31 December 2014. Treasury shares are earmarked to service approved stock option plans and the buyback programme.

No treasury shares were purchased or sold during the year.

Stock option plans – share-based payments

At 31 December 2015, the stock option plans assigned and exercisable during the years 2009 and 2010 relating to the allocation of options on Mediaset ordinary shares, as well as the medium/long-term incentive plans assigned during 2015, have been recognised for the purposes of IFRS 2. However, the plan assigned in 2011 has not been recognised because it could not be exercised due to the failure to meet the objectives set.

In July 2015, a medium/long-term incentive plan was assigned for the period 2015-2017. This Plan provides for the allocation of free rights for the granting of shares with regular dividend entitlement, subject to the achievement of performance targets, as well as the existence of an Employment Relationship with the Company at the end of the vesting period. The rights were allocated to each recipient, in exchange for the allocation by the latter of an amount corresponding alternatively to 25% or 50% of the profit bonus. The plan also provides for the granting of matching rights, free of charge, in a number equal to the basic rights.

The plans that had an impact on the income statement are those that can be exercised and which, at the Balance Sheet date, have not yet been concluded, or those that have vested during the year.

All the plans are equity-settled, i.e., they involve the allocation of treasury shares bought back from the market.

Options and the free allocation rights granted to the employee beneficiaries are linked to the company's achievement of financial performance targets and the employee remaining with the Group for a certain length of time.

The characteristics of these stock option and incentive plans can be summarised as follows:

	2009 Plan	**2010 Plan**	**2011 Plan (not exercisable)**	**2015 Incentive Plan (*)**
Grant date	29/09/2009	22/06/2010	21/06/2011	01/07/2015
Vesting Period	from 01/01/2009 to 29/09/2012	from 01/01/2010 to 22/06/2013	from 01/01/2011 to 21/06/2014	from 01/07/2015 to 31/12/2017
Exercise period	from 30/09/2012 to 29/09/2015	from 23/06/2013 to 22/06/2016	from 22/06/2014 to 21/06/2017	from 01/08/2018
Fair Value	EUR 1.35	EUR 0.68	EUR 0.20	4.312
Strike price	EUR 4.72	EUR 4.92	EUR 3.56	

(*) Medium-long term incentive plan with free allocation of shares to beneficiaries

It should be noted that, for the Medium/long-term incentive plan, a total of 816,756 rights were granted on Mediaset S.p.A. ordinary shares, whose grant period will commence from 1 August 2018.

In 2015, 3,110,000 options assigned under the 2009 plan were not exercised as the exercise period had lapsed. In addition, due to the absence of conditions required for vesting the options (e.g. the employee leaving the group companies), 100,000 stock options under the 2010 plan were forfeited.

Below is a summary of the changes to stock option plans and the medium/long-term incentive plans:

	2009 Plan	2010 Plan	2011 Plan (not exercisable)	2015 Incentive Plan (*)	Total
Options outstanding at 1/1/14	**3.220.000**	**3.220.000**	**-**	**-**	**6.440.000**
Options issued during the year	-	-		-	-
Options exercised during the year	-	-		-	-
Options expired/cancelled during the year	(110,000)	(110,000)		-	(220,000)
Options not exercised during the year	-	-		-	-
Options outstanding at 31/12/14	**3,110,000**	**3,110,000**	**-**	**-**	**6,220,000**
Options outstanding at 1/1/15	**3,110,000**	**3,110,000**	**-**	**-**	**6,220,000**
Options issued during the year	-	-		816,756	816,756
Options exercised during the year	-	-		-	-
Options expired/cancelled during the year		(100,000)		-	(100,000)
Options not exercised during the year	(3,110,000)	-		-	(3,110,000)
Options outstanding at 31/12/15	**-**	**3,010,000**	**-**	**816,756**	**3,826,756**

(*) Medium-long term incentive plan with free allocation of shares to beneficiaries

The stock options are posted to the Financial Statements at their fair value:

- Stock Option Plan 2010: EUR 0.68 per option;
- Stock Option Plan 2015: EUR 4.312 per option.

The fair value of the stock option plans was determined using the binomial method: the exercise of the stock options is incorporated into the model, on the assumption that it will take place as soon as the option price is higher than a pre-set multiple of the strike price. Any dilution of the share listings due to the issue of new shares is already discounted by the current market prices. The data used in the model are as follows:

- spot price on the valuation date (benchmark price)
- 6-year ex-dividend historic volatility (calculated on the benchmark prices)
- the expected dividend yield calculated by assuming the dividend distributed during the year will remain constant until expiry
- the Euro interest rate curve
- the exit rate of the stock option holders as zero.

The fair value of the incentive plans was calculated based on the stock market price on the grant date.

The assumptions underlying the main amounts used in the calculation model for the stock option plans are given below:

	Plan 2009	Plan 2010
Average stock price	EUR 4.85	EUR 5.085
Historical volatility	45.39%	31.46%
Risk-free rate	3.00%	2.46%
Expected dividend yield	5.72%	10.32%

Tax consolidation

The following companies are consolidated for tax purposes under the tax consolidation regime adopted by Mediaset S.p.A. in accordance with Articles 117 et seq. of the Consolidated Income Tax Act: Elettronica Industriale S.p.A., Videotime S.p.A., Publitalia '80 S.p.A., Digitalia '08 S.r.l., Boing S.p.A., Medusa Film S.p.A., Media4commerce S.p.A., R.T.I. S.p.A., Taodue S.r.l., Promoservice Italia S.r.l. and Mediaset Premium S.p.A..

NOTES ON MAIN ASSET ITEMS

(values in EUR thousand)

5. Non-current assets

5.1. Property, plant and equipment

The tables below show the changes over the last two years in original cost, accumulated amortisation and depreciation, write-downs and the net carrying amount.

Historical cost	Land and buildings	Plant and machinery	Technical and commercial equipment	Other tangible assets	Tangible assets in progress	Total
01/01/14	**6,129**	**731**	**182**	**3,677**	**-**	**10,719**
Additions	-	6	1	29	-	**36**
Disposals	-	(2)	-	(6)	-	**(9)**
31/12/14	**6,129**	**735**	**183**	**3,700**	**-**	**10,747**
Additions	-	-	-	4	-	**4**
Disposals	-	(2)	-	(29)	-	**(31)**
31/12/15	**6,129**	**733**	**183**	**3,675**	**-**	**10,719**

Depreciation	Land and buildings	Plant and machinery	Technical and commercial equipment	Other tangible assets	Tangible assets in progress	Total
01/01/14	**1,486**	**728**	**168**	**3,658**		**6,040**
Disposals		(2)		(6)		**(9)**
Depreciation	25	1	3	7		**36**
31/12/14	**1,511**	**728**	**171**	**3,659**		**6,068**
Disposals		(2)		(30)		**(31)**
Depreciation	25	2	2	8		**37**
31/12/15	**1,535**	**728**	**173**	**3,637**		**6,073**

Net book value	Land and buildings	Plant and machinery	Technical and commercial equipment	Other tangible assets	Tangible assets in progress	Total
01/01/14	**4,643**	**2**	**14**	**20**	**-**	**4,679**
Additions	-	6	1	29	-	**36**
Depreciation	(25)	(1)	(3)	(7)	-	**(36)**
31/12/14	**4,618**	**7**	**12**	**42**	**-**	**4,679**
Additions	-	-	-	4	-	**4**
Depreciation	(25)	(2)	(2)	(8)	-	**(37)**
31/12/15	**4,594**	**5**	**10**	**37**	**-**	**4,646**

The item amounts to a total of EUR 4,646 thousand, decreasing by EUR 33 thousand compared to the previous year, as a result of:

- increases for purchases of other assets of EUR 4 thousand;
- depreciation for the period of EUR 37 thousand.

The most significant item, ***land and buildings***, consists entirely of the property located in Rome used as offices also by the other companies of the Group.

5.4 Other Intangible Assets

Historical cost	Patents and intellectual property rights	Trademarks	Licenses	Intangible assets in progress and advances	Other intangible fixed assets	Total
01/01/14	7,719	-	282	366	-	8,367
31/12/14	7,719	-	282	366	-	8,367
31/12/15	7,719	-	282	366	-	8,368

Amortisation	Patents and intellectual property rights	Trademarks	Licenses	Intangible assets in progress and advances	Other intangible fixed assets	Total
01/01/14	7,719	-	282	366	-	8,367
31/12/14	7,719	-	282	366	-	8,367
31/12/15	7,719	-	282	366	-	8,367

Net book value	Patents and intellectual property rights	Trademarks	Licenses	Intangible assets in progress and advances	Other intangible fixed assets	Total
01/01/14	-	-	-	-	-	-
31/12/14		-	-	-	-	
31/12/15		-	-	-	-	

The item ***patents and intellectual property rights*** mainly consists of software and is fully amortised.

5.5 Equity investments

Equity investments in direct and indirect subsidiaries

	31/12/15				31/12/14			
	%	book value			%	book value		
	Stake	share	stock opt.	total	Stake	share	stock opt.	total
Videotime S.p.A.	0%	-	348	348	0%	-	348	348
Mediaset España Comunicación S.A.	46.17%	837,377	-	837,377	41.552%	837,377	-	837,377
Mediaset Investment S.a.r.l.	100%	37,176	-	37,176	100%	37,176	-	37,176
R.T.I. - Reti Televisive Italiane S.p.A.	100%	534,219	5,542	539,761	100%	534,219	5,255	539,473
Medusa Film S.p.A.	0%	-	359	359	0%	-	310	310
Publitalia '80 S.p.A.	100%	51,134	3,677	54,811	100%	51,134	3,753	54,888
Digitalia '08 S.r.l.	0%	-	37	37	0%	-	37	37
Elettronica Industriale S.p.A.	0%	-	111	111	0%	-	111	111
El Towers S.p.A.	0%	-	305	305	0%	-	305	305
Mediaset Premium S.p.A.	0%	-	95	95	0%	-	-	-
Total		**1,459,907**	**10,475**	**1,470,382**		**1,459,907**	**10,119**	**1,470,026**

The item amounts to a total of EUR 1,470,382 thousand, increasing by EUR 355 thousand compared to the previous year, as a result of:

- an increase of EUR 423 thousand representing the amount accrued during the year corresponding to the value of the 2015-2017 Medium/Long-Term Incentive Plan assigned to the employees of the direct and indirect subsidiaries;
- a decrease of EUR 68 thousand relating to the value of the stock options granted to resigning employees of subsidiaries for the 2010 Stock Option Plan.

The only equity investment that had a carrying amount at 31 December 2015 exceeding the pro-rata share of shareholders' equity, was the equity investment of 46.17% in the share capital of Mediaset España Comunicación S.A., whose ordinary shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and on the Spanish electronic market (SIB).
The carrying amount of the equity investment was confirmed at the reporting date, with the fair value assumed to be Mediaset España's market capitalization, measured on the basis of the share price at 31 December 2015.

The difference between the carrying amount and the share of shareholders' equity is reported in the attachment *"List of equity investments in subsidiaries as at 31 December 2015 (Article 2427 par. 5 of the Italian Civil Code)"*.

The book shareholders' equity as at 31 December 2015 of the investees R.T.I. S.p.A., Publitalia '80 S.p.A. and Mediaset Investment S.a.r.l. was higher than their carrying amount.

Equity investments in other companies

	31/12/15		31/12/14	
	% Stake	book value	% Stake	book value
Auditel S.r.l.	6.45%	2	6.45%	2
Equity investments in other companies		**2**		**2**

This item was unchanged compared to the previous year.

5.6 Receivables and other non current financial assets

	31/12/15				31/12/14
		Due			
	Total	within 1 year	from 1 to 5 years	over 5 years	
Other non-current receivables	158	-	158	-	183
Third party forward derivatives, amount over 12 months	904	-	904	-	4,211
Subsidiary forward derivatives, amount over 12 months	2,440	-	2,440	-	-
Total	**3,502**	**-**	**3,502**	**-**	**4,394**

The item amounts to a total of EUR 3,502 thousand, decreasing by EUR 892 thousand compared to the previous year.

The change was made up as follows:

- EUR 3,344 thousand from the items *Third party and subsidiary forward derivatives* that represent the non-current amount of the fair value of forward currency derivatives purchased by Mediaset S.p.A. on the market to cover the risks arising from foreign currency fluctuations both for very likely future commitments and for payables for purchases already made by its direct and indirect subsidiaries;
- EUR 158 thousand from receivables for security deposits.

5.9 Deferred tax assets

The amount shown in the table corresponds to the balance sheet amount for the credit from deferred tax assets calculated on the basis of temporary differences between the balance sheet figures and the corresponding amounts recognised for tax purposes.

Deferred tax assets are measured on the basis of the current tax rates applicable at the time the differences are offset and are considered to be recoverable on the basis of the business plans of the subsidiaries.

In particular, the calculation took account of provisions introduced by the stability law for the year 2016 (Law 208 of 28 December 2015, Article 1 paragraph 61) which reduced the IRES tax rate from 27.5% to 24% with effect from 1 January 2017. On a prudential basis, the company has fully adjusted the deferred tax assets using the rate of 24%.

	31/12/15	31/12/14
Opening balance	**50,119**	**24,027**
Tax recognised to Income Statement	(1,963)	501
Tax charged to equity	(191)	1,118
Other changes	25,623	24,473
Final balance	**73,588**	**50,119**

The table below details the changes in deferred tax assets for the period under review.

	31/12/15		31/12/14	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Assets for advance taxes on:				
Intangible fixed assets	13	5	53	16
Provision for litigation/labour disputes	94	23	6,195	1,704
Directors' compensation	701	168	489	134
Provision for write-down of advance payment to distributors	366	102	366	115
Taxable provision for bad debts	156	37	156	43
Hedge derivatives	4,915	1,313	4,767	1,445
Post-employment benefit plans	1,559	374	1,574	433
ACE (economic growth subsidy)	2,268	544	2,268	624
Tax losses from tax consolidation	295,923	71,022	165,838	45,605
Total for deferred tax assets	**305,995**	**73,588**	**181,706**	**50,119**

The item amounts to a total of EUR 73,588 thousand, increasing by EUR 23,469 thousand compared to the previous year.

At 31 December 2015, the deferred tax assets relative to tax losses carried forward for an unlimited period for IRES tax purposes amounted to EUR 71,022 thousand and were recoverable within the time horizon of the Group's most recent business plans.

It is also noted that, as a result of the reduction of the IRES tax rate to 24%, this item decreased by a total of EUR 5,803 thousand.

6. Current Assets

6.2 Trade receivables

At the end of the year, this item was broken down as follows:

	31/12/15				31/12/14
		Due			
	Total	within 1 year	from 1 to 5 years	over 5 years	
Receivables from customers	163	163	-	-	240
Provision for bad debts	(156)	(156)	-	-	(156)
Total net receivables from customers	**7**	**7**	**-**	**-**	**83**
Receivables from subsidiaries	1,522	1,522	-	-	1,949
Receivables from affiliates companies and joint ventures	5	5	-	-	3
Total	**1,534**	**1,534**	**-**	**-**	**2,036**

Receivables from customers

The item, net of the provision for bad debts, amounts to a total of EUR 7 thousand, decreasing by EUR 76 thousand compared to the previous year.

The provision for bad debts amounting to EUR 156 thousand, did not change compared to the previous year and represents the write-down of receivables carried out for all customers with different percentages in relation to the receivable recovery process conducted by the area in charge, and later by the legal department.

Trade receivables from subsidiaries

Trade receivables from subsidiaries amounted to EUR 1,522 thousand and mainly consisted of:

- EUR 1,280 thousand due from the indirect subsidiary Mediaset Premium S.p.A. for charges for fees on guarantees given to third parties on behalf of the subsidiaries and for internal audit services;
- EUR 242 thousand of other receivables.

Trade receivables from associates and joint ventures

Trade receivables from associates and joint ventures, amounting to EUR 5 thousand, relate to the charge-backs for fees paid to directors who waived the remuneration in favour of Mediaset S.p.A..

6.3 Tax credits

This item was broken down as follows:

	31/12/15	31/12/14
Receivables from tax authorities for IRES from tax consolidation	31,608	36,338
Receivables from tax authorities for IRAP	501	-
Total	**32,109**	**36,338**

The item amounts to a total of EUR 32,109 thousand, decreasing by EUR 4,229 thousand compared to the previous year.

Details of the items are provided below:

Receivables from tax authorities for IRES from tax consolidation

The item amounts to a total of EUR 31,608 thousand and is made up as follows:

- EUR 17,181 thousand from the receivable due as a result of the IRES reimbursement request submitted by the Company as the consolidating entity for the deductibility of IRAP tax due on expenses for employed and other staff for the five-year period 2007-2011 (Article 2, para. 1-quater of Italian Decree Law 201 of 6 December 2011);
- EUR 14,381 thousand from carried forward tax credits recognised as part of the Group's tax consolidation scheme net of tax payable;
- the remaining EUR 46 thousand from the partial deductibility of IRAP tax for the years 2005-2007 (Article 6 of Italian Decree Law 185/2008) submitted by the Company as the consolidating entity; in December 2015, the Italian Revenue Authority repaid an amount of EUR 4,882 thousand representing principal plus statutory interest.

Receivables from tax authorities for IRAP tax

This item amounts to EUR 501 thousand and consists of the receivable for IRAP tax prepayments made during the year of EUR 788 thousand, net of the provision for IRAP tax for the year of EUR 287 thousand.

6.4 Other receivables and current assets

Below is a breakdown of the item:

	31/12/15	31/12/14
Receivables due from employees	18	34
Advances	29	10
Receivables due to social security institutions	1	1
Receivables from tax authorities	5,341	42
Other receivables	8,304	6,183
Other receivables due from subsidiaries	25,559	25,706
Other receivables due from affiliated companies	-	289
Prepaid expenses	4,338	5,736
Total	**43,590**	**38,001**

The item amounts to a total of EUR 43,590 thousand, increasing by EUR 5,589 thousand compared to the previous year.

This item includes receivables relating to future periods of over 12 months amounting to EUR 1,907 thousand.

The fair value of the receivables is believed to approximate their carrying amount.

Details of the items are provided below.

Other receivables due from subsidiaries

The item amounts to a total of EUR 25,559 thousand and is made up as follows:

- EUR 16,406 thousand as the IRES tax receivable resulting from tax consolidation in relation to subsidiaries that participate in the Group's tax burden pursuant to the agreement to exercise the option to use the national tax consolidation scheme, of which mainly from the subsidiary Publitalia 80 S.p.A. in the amount of EUR 11,061 thousand;
- EUR 9,153 thousand for the receivable relating to the Group VAT procedure, mainly due from the indirect subsidiary Taodue S.r.l. in the amount of EUR 8,484 thousand.

Other receivables

The item amounts to a total of EUR 8,304 thousand, of which:

- EUR 6,553 thousand, for the receivable inclusive of statutory interest accrued for the period, due to the request for the return of state aid related to contribution fees for the purchase of DDT set-top boxes paid to the government in 2010. More details are provided in the comment to the item *“Provisions for risks and charges”*;
- EUR 1,500 thousand for the settlement agreement as an insurance reimbursement of the costs incurred for the “Mediaset Rights Trial”.
- EUR 251 thousand of other receivables.

Receivables from tax authorities

The item amounts to a total of EUR 5,341 thousand and is made up as follows:

- EUR 5,246 thousand of receivables from tax authorities for Group VAT;
- EUR 95 thousand of other receivables.

Prepaid expenses

The item amounts to a total of EUR 4,338 thousand and is made up as follows:

- EUR 3,286 thousand of costs incurred to take out medium- and long-term loans, mainly with Mediobanca;
- EUR 567 thousand from fees on bank guarantees paid in advance;
- EUR 485 thousand mainly consisting of costs for rental expenses and insurance premiums.

6.5 Intercompany financial receivables

Intercompany financial receivables from subsidiaries

These concerned current account relationships in place with the Group's subsidiaries as detailed below:

	31/12/15	31/12/14
Tao Due S.r.l.	2,555	46,503
R.T.I. S.p.A.	1,808,745	1,837,811
Elettronica Industriale S.p.A.	-	17,981
Monradio S.r.l.	1,409	-
Total	**1,812,709**	**1,902,295**

The current account relationships with subsidiaries and joint ventures are governed by a master agreement entered into on 18 December 1995 that provides for the application of interest rates for the year 2015 calculated on the basis of the average 1-month Euribor plus 4% for interest expense (plus 3% solely for the indirect subsidiary EI Towers S.p.A.) and the average 1-month Euribor plus 0.50% for interest income.

It should be noted that on 1 October 2015, an intercompany current account was opened at Mediaset S.p.A. called IHC_A23 in the name of the indirect subsidiary Monradio S.r.l..

Intercompany financial receivables from associates and joint ventures

These concerned current account relationships in place with the Group's joint ventures as detailed below:

	31/12/15	31/12/14
Boing S.p.A.	2,130	729
Mediamond S.p.A.	17,594	25,943
Total	**19,724**	**26,672**

6.6 Other current financial assets

The item is broken down as follows:

	31/12/15	31/12/14
Financial activities for non hedging derivatives		
Third party forward derivatives	12,917	16,228
Subsidiary forward derivatives	3,280	84
Total	**16,198**	**16,312**

The item amounts to a total of EUR 16,198 thousand, decreasing by EUR 114 thousand compared to the previous year.

This item was broken down as follows:

Derivatives for exchange rate risk

This is the fair value of derivatives, mainly forward currency contracts, purchased by Mediaset S.p.A. on the market to hedge risks resulting from fluctuations of foreign currencies in relation highly likely future obligations, as well as payables for purchases already completed.

The fair value of forward currency contracts is determined by discounting the differential between the notional amount stated at the forward rate of the contract and the notional amount stated at the forward fair value (the forward exchange rate calculated on the reporting date).

In particular, Mediaset S.p.A. gathers information concerning positions subject to exchange risk from the subsidiaries R.T.I. S.p.A., Media4commerce S.p.A., Videotime S.p.A., Medusa Film S.p.A., Mediaset Premium S.p.A., and the joint venture Boing S.p.A. and, once the derivative contract has been entered into on the market, it transfers it to these subsidiaries by entering into an intercompany agreement under the same terms and conditions.

In the financial statements, these contracts are classified as hedges pursuant to IAS 39, and are recorded by posting fair value changes to the income statement under "realised gains and losses, and gains and losses from the valuation of foreign exchange".

6.7 Cash and Cash Equivalents

The item was broken down as follows:

	31/12/15	31/12/14
Bank and postal deposits	26,869	29,366
Cash in hand and cash equivalents	10	10
Total	**26,879**	**29,376**

The item amounts to a total of EUR 26,879 thousand, decreasing by EUR 2,497 thousand compared to the previous year.

The item includes current account relationships maintained with leading domestic and foreign banks in the amount of EUR 26,869 thousand and cash and revenue stamps totalling EUR 10 thousand.

For details of the decrease that occurred during the year, see the statement of cash flows and comments on the net financial position.

Net Financial Position

At 31 December 2015, the net financial position of Mediaset S.p.A. compared to the previous year was as follows:

	31/12/15	31/12/14
Cash	10	9
Bank and postal deposits	26,870	29,366
Liquidity	**26,879**	**29,376**
Financial receivables from subsidiary companies	1,812,709	1,902,295
Financial receivables from affiliated companies	19,724	26,672
Total current financial receivables	**1,832,433**	**1,928,967**
Payables to banks	(93,431)	(214,089)
Current payables and financial liabilities	(36,117)	(35,213)
Financial payables to subsidiary companies	(464,691)	(454,974)
Financial payables to affiliated companies	(14,546)	(18,655)
Current financial debt	**(608,785)**	**(722,930)**
Current net financial position	**1,250,527**	**1,235,412**
Non-current financial payables and liabilities	(869,828)	(868,731)
Non-current portion of net financial debt	**(869,828)**	**(868,731)**
Net financial position	**380,699**	**366,681**

The positive balance of the net financial position, amounting to EUR 380,699, increased by EUR 14,018 thousand compared to the previous year.

Among the items that make up the net financial position, there was a decrease in current and non-current financial payables to third parties of EUR 118,657 thousand. The item non-current financial payables and liabilities includes the non-current portion of the two bonds for a total amount of EUR 668,746 thousand, whereas the current portion of EUR 34,100 thousand is included under the item current financial payables and liabilities.

In addition, the net balance between financial receivables and payables from/to subsidiaries and associates decreased by EUR 102,142 thousand compared to 2014.

During 2015, the Company received dividends from the subsidiary Publitalia '80 S.p.A. amounting to EUR 27,040 thousand and from the subsidiary Mediaset España Comunicación S.A. amounting to EUR 21,978 thousand. In addition, dividends were paid for a total EUR 22,728 thousand, of which EUR 7,886 thousand to the holding company Fininvest S.p.A..

Further details of these changes are reported in the cash flow statement.

NOTES ON MAIN SHAREHOLDERS' EQUITY AND LIABILITY ITEMS

(values in EUR thousand)

8. Shareholders' equity

Below are comments on the main categories that make up Shareholders' equity and the related changes.

8.1 Share Capital

At 31 December 2015, share capital totalling EUR 614,238 thousand, which was fully subscribed and paid in, consisted of 1,181,227,564 ordinary shares with a nominal value of EUR 0.52 each. No change occurred in the year under review.

8.2 Share Premium Reserve

At 31 December 2015, the share premium reserve amounted to EUR 275,237 thousand. No change occurred in the year under review.

8.3 Treasury Shares

This item includes shares of Mediaset S.p.A. that were purchased pursuant to resolutions of ordinary shareholders' meetings of 16 April 2003, 27 April 2004, 29 April 2005, 20 April 2006 and 19 April 2007, which provide authorisation to the Board of Directors for purchases up to 118,122,756 shares (10% of share capital). The mandate is valid until the approval of the financial statements at 31 December 2015, or for no longer than 18 months from the date of the last shareholder resolution.

	31/12/15		31/12/14	
	Number	Book value	Number	Book value
Treasury shares - beginning balance	44,825,500	416,656	44,825,500	416,656
Treasury shares - final balance	44,825,500	416,656	44,825,500	416,656

At 31 December 2015, the carrying amount of the treasury shares was EUR 416,656 thousand, consisting of 1,895,500 shares earmarked to service approved stock option plans and 42,930,000 shares acquired under the share buyback resolutions of 13 September 2005 and 8 November 2005.

No change occurred in the year under review.

At 31 December 2015, there were no treasury shares used to stabilise market value.

8.4 Other reserves

The item is broken down as follows:

	31/12/15	31/12/14
Legal reserve	122,848	122,848
Extraordinary reserve	1,409,069	1,411,213
Merger reserve	621,079	621,079
Reserve for profit/loss from treasury share trading	(2,605)	(2,605)
Other available reserves	14,355	10,154
Total	**2,164,746**	**2,162,688**

Legal reserve

As at 31 December 2015, this reserve totalled EUR 122,848 thousand. No change occurred during the year since the reserve had already reached the level of 20% of share capital.

Extraordinary reserve

As at 31 December 2015, this reserve amounted to EUR 1,409,069 thousand and decreased by EUR 2,143 thousand, compared to the previous year, as per the shareholders' resolution of 29 April 2015.

The change was made up as follows:

- decrease of EUR 16,502 thousand for the coverage of prior year losses;
- increase of EUR 14,359 thousand for the remaining amount of the 2014 profit not distributed.

Merger reserve

As at 31 December 2015, this item amounted to EUR 621,079 thousand and there was no change during the year. Share premium consisted of EUR 621,071 thousand for the merger of the subsidiary Mediaset Investimenti S.p.A. on 31 December 2012, as the difference between the shareholders' equity of the merged company (EUR 1,606,837 thousand) as at 31 December 2012 (less reserves for intercompany transactions) and the carrying amount of the equity investment (EUR 954,000 thousand), after tax of EUR 31,766 thousand.

Reserve for profit/loss from treasury share trading

This item had a negative balance of EUR 2,605 thousand representing the negative impact of transactions occurring in previous periods, net of related taxes. No change occurred in the year under review.

Other available reserves

This item, which totalled EUR 14,355 thousand, increased by EUR 4,201 thousand compared to the previous year. This increase mainly related to the amount released from the Employee stock option reserve and from the stock option reserve for employees of subsidiaries for the 2009 plan, which became available due to the expiry of the options exercisable up to 29 September 2015.

8.5 Valuation reserves

The item is broken down as follows:

	31/12/15	31/12/14
Hedging reserve collar on rates	(3,601)	(3,322)
Employee stock options reserve	771	2,311
Subsidiary employee stock options reserve	1,265	3,994
Reserve for M/L term incentive plans	281	-
Reserve for M/L term incentive plans of subsidiaries	423	-
Reserve for actuarial gains/(losses)	(829)	(785)
Total	**(1,690)**	**2,198**

The *Hedging reserve collar on rates*, which had a negative balance of EUR 3,601 thousand, included the after-tax amount at 31 December 2015 corresponding to the "Intrinsic Value

Clean" of the fair value measurement of several derivatives for rate collars taken out to hedge rate risk on various loans, net of interest accrued on "In the Money" derivatives on the same date.

These contracts are discussed under the item *10.6* "Other financial liabilities".

At 31 December 2015, the values of the loans relating to the outstanding derivatives totalled EUR 200,000 thousand.

The *Employee stock options reserve* amounts to a total of EUR 2,036 thousand (EUR 6,305 thousand as at 31 December 2014) and consists of offsetting entries for the portion accrued at 31 December 2015, measured in accordance with IFRS 2, for the three-year stock option plan allocated by Mediaset S.p.A. to its employees and the employees of direct and indirect subsidiaries for the year 2010.

The *Reserve for actuarial gains/(losses),* which had a negative balance of EUR 829 thousand (negative balance of EUR 785 thousand at 31 December 2014), included actuarial components (after deferred taxes) related to the valuation of defined benefit plans. These components are allocated directly to shareholders' equity.

The new item *Reserve for Medium/long-term incentive plans* amounts to a total of EUR 704 thousand and consists of offsetting entries for the portion accrued at 31 December 2015, calculated based on the stock market price on the grant date, for the 2015-2017 plan allocated by Mediaset S.p.A. to its employees and the employees of direct and indirect subsidiaries.

The table below shows the changes in these reserves over the year.

	Balance at 01/01/15	Increase/ (decrease)	Charged to income statement	Hedged item initial value adjustment	Fair Value variations	Deferred taxes	Balance at 31/12/15
Hedging reserve collar on rates	**(3,322)**		(230)		83	(131)	**(3,601)**
Employee stock options reserve	**2,311**	(1,540)					**771**
Subsidiary employee stock options reserve	**3,994**	(2,729)					**1,265**
Reserve for M/L term incentive plans for employees	**-**	282					**282**
Reserve for M/L term incentive plans for employees of subsidiaries	**-**	423					**423**
Reserve for actuarial income(loss)	**(785)**	15				(59)	**(829)**
Total	**2,198**	**(3,550)**	**(230)**	**-**	**83**	**(190)**	**(1,690)**

8.6 Retained earnings

This item had a negative balance of EUR 808,413 thousand (EUR 824,916 thousand at 31 December 2014) and reflected the combined impact of all adjustments made for first time applications and of the profit for the financial year 2005. The decrease of EUR 16,502 thousand refers to the coverage of the loss for the year 2013 as approved by shareholders' resolution of 29 April 2015.

As required by the provisions of corporate law, the following table provides a detailed breakdown of shareholders' equity items indicating whether it is possible to use and distribute reserves:

Nature/description	Amount	Possibility of utilization	Summary of utilisation in the three past fiscal years	
			Loss coverage	Other reasons
Share capital	614,238	=	-	-
Treasury shares	(416,656)	=	-	-
Share premium reserve	275,237	A B C	-	-
Merger reserve	621,079	A B C	-	-
Legal reserve	122,848	B	-	-
Extraordinary reserve	1,409,069	A B C	-	-
Tres. share profit/loss reserve	(2,605)	=	-	-
Other available reserves	14,355	ABC	-	-
Revaluation reserves	(1,690)	=	-	-
Retained earning prev. yrs IAS/IFRS	(808,413)	=	-	-
Total	**1,827,462**		-	-
Profit/(loss) for the year	**50,368**			
Amount available for distribution	**1,140,744**			

Key:

A - for an increase in share capital
B - to cover losses
C - for distributions to shareholders

Article 1, paragraph 33, sub-paragraph q) of the 2008 Finance Law abolished paragraph 4, subparagraph b) of Article 109 of the TUIR which provided the ability to deduct certain income components not posted to the income statement on an off-record basis.

As a result of the abolished regulation, there continues to be a restriction on the ability to distribute reserves in the amount of EUR 1,107 thousand originating from off-record deductions made up until 31 December 2007 and not affected by the optional exemption mechanism governed by Article 1, paragraph 48 of the 2008 Finance Law.

8.7 Profit/(loss) for the year

This item reflects the profit for the year of EUR 50,368,405.61 (profit of EUR 37,086,995.24 as at 31 December 2014).

9. Non-current liabilities

9.1 Post-employment Benefits

Employee benefits, which, by Italian law are classified as leaving entitlements (TFR), are considered by IAS 19 to be "post-employment benefits" of the "defined benefit" type, and are therefore valued using the actuarial "Projected Unit Credit Method".

The valuation of Mediaset S.p.A. obligations to its employees was carried out by an independent actuary, according to the following steps:

- Projected estimate of the cost of employee leaving entitlements already accrued at the valuation date and amounts that will accrue up to the future point in time when employment contracts terminate or the when the accrued amounts are paid in part as advances on entitlements;

- Discounting, at the valuation date, of the expected cash flows Mediaset S.p.A. will pay to its employees in the future;
- Re-proportioning of the accrued benefits discounted based on length of service at the valuation date compared to the length of service expected at the hypothetical date of payment by Mediaset S.p.A..

The actuarial valuation of employee leaving entitlements in accordance with IAS 19 was conducted specifically for the closed population of current employees, i.e. detailed calculations were made for each Mediaset S.p.A. employee, without taking into account any future hires.

The actuarial valuation model is based on "technical bases" consisting of demographic, economic and financial assumptions relating to the valuation parameters.

The assumptions adopted, and confirmed for the year 2015, are summarised below:

Demographic assumptions	
Probability of death	Taken from the ISTAT life expectancy table broken down by age and sex, updated as at 2014.
Probability of employees leaving the company	Retirement, resignation, termination and contract expiration percentages were taken from the observation of the company's historical data. The employee leaving probabilities used were broken down by age, sex and contractual job title (office workers, managers and executives/journalists). For staff on temporary contracts, the time horizon was taken up to the expiration date set in the contract, and it was assumed that there were no departures before the expiration date. The actuarial valuations took account of start dates for pension benefits specified by Decree Law 201 of 6 December 2011 "*Urgent Provisions for the Growth, Fairness and Consolidation of the State Budget*", converted with amendments by Law no. 214 of 22 December 2011, and the regulations governing adjustment of requirements to access the pension system for increases in life expectancy pursuant to Article 12 of Decree Law 78 of 31 May 2010 converted, with amendments, by Law 122 of 30 July 2010.
TFR advances	The frequency of advances and average percentages of accrued TFR requested as an advance were taken from the observation of the company's historical data.
Supplementary pensions	Those who have always fully transferred their TFR to supplementary pensions release the company from TFR obligations and are therefore not included in the valuation. On the other hand, for other employees, valuations were made taking into account the decisions actually made by employees, updated to 31/12/2015, communicated by the Company.

Economic and financial assumptions	
Inflation rate	The inflationary scenario was taken from the "*Nota di aggiornamento di Economia e Finanza del 2015*" (2015 economic and finance update note). It has been decided to use a rate of 1% for the year 2016 and a rate of 1.50% for subsequent years.
Discount rates	Pursuant to IAS 19, the discount rate used was determined in relation to market returns on prime corporate bonds on the valuation date. In this regard, the "Composite" interest rate curve was used for securities issued by corporate issuers with an AA rating in the "Investment Grade" category in the Eurozone (source: Bloomberg) as at 31/12/2015.

During the year, the reserve changed as follows:

Balance at 01/01/2015	**1,313**
Amount accrued and charged to income statement	2
Reserve transferred from other subsidiaries, affiliates and associates	27
Employee severance pre-payments for the year	(3)
Employee severance indemnities paid during the year	(52)
Actuarial gains/losses	(15)
Reserve transferred to subsidiaries, affiliated companies and associates	(1)
Balance at 31/12/2015	**1,271**

The table below shows the effects on the TFR reserve of the sensitivity analysis of the main demographic and economic and financial assumptions relating to the parameters involved in the calculation.

Economic and financial assumptions		***DBO***
Discount rate curve	+50 b.p.	1,229
	-50 b.p.	1,316
Inflation rate	+50 b.p.	1,298
	-50 b.p.	1,244

Demographic assumptions - actuarial		***DBO***
Wage increases	+50 b.p.	1,271
	-50 b.p.	1,271
Probability of termination of the employment relationship	+50%	1,274
	-50%	1,263
Change in amount of advanced TFR provision	+50%	1,273
	-50%	1,269

9.2 Deferred tax liabilities

The amount shown in the table corresponds to the balance sheet amount for the payable for deferred taxes calculated on the basis of temporary differences between the balance sheet figures and the corresponding amounts recognised for tax purposes.

In particular, the calculation took account of provisions introduced by the stability law for the year 2016 (Law 208 of 28 December 2015, Article 1 paragraph 61) which reduced the IRES tax rate from 27.5% to 24% with effect from 1 January 2017.

Deferred taxes are determined on the basis of tax rates that correspond to those that will be applied at the time these differences are reversed.

	31/12/15	**31/12/14**
Beginning balance	**424**	**420**
Tax recognized to Income Statement	(51)	4
Final balance	**373**	**424**

The following table details the changes in deferred taxes during the period under review.

	31/12/15		31/12/14	
	Amount of temporary differences	Tax effect	Amount of temporary differences	Tax effect
Liabilities for deferred taxes on:				
Provision for bad debts	26	6	26	7
Tangible fixed assets	2	1	2	1
Post-employment benefit plans	1,527	366	1,514	416
Total deferred tax liabilities	**1,555**	**373**	**1,542**	**424**

See *Income taxes for the period* for a description of major changes.

It is also noted that, as a result of the reduction of the IRES tax rate to 24%, this item decreased by EUR 54 thousand.

9.3 Financial payables and liabilities

The item is broken down as follows:

	Balance at 31/12/15			Balance 31/12/14
		Due		
	Total	from 1 to 5 years	over 5 years	
Bond issue 01/02/2010	297,993	297,993	-	297,363
Bond issue 24/10/2013	370,753	370,753	-	369,859
Unsecured loans				
Mediobanca draw down of 24/07/12	98,915	98,915	-	98,756
Mediobanca draw down of 24/10/12	98,936	98,936	-	98,788
Other Derivatives				-
Third party forward derivatives	2,440	2,440		-
Subsidiary forward derivatives	904	904		4,211
Collar on interest rates	3,231	3,231	-	3,965
Total	**873,172**	**873,172**	**-**	**872,942**

The item amounts to a total of EUR 873,172 thousand, increasing by EUR 230 thousand compared to the previous year.

Comments on its composition are provided below.

The first item in the table refers to the issuance by Mediaset S.p.A. on 1 February 2010 of a 7-year bond with a total nominal amount of EUR 300,000 thousand. The bond was recognised at amortised cost based on an internal rate of return of 5.24%.

On 24 October 2013, Mediaset S.p.A. issued a bond maturing 24 January 2019 for a total nominal amount of EUR 375,000 thousand, recognised at amortised cost based on an internal rate of return of 5.42%.

You are reminded that in June 2014 the term loan portion of a credit facility in place with Intesa Sanpaolo S.p.A. was renegotiated for an amount of EUR 200,000 thousand. This renegotiation involved converting the revolving credit facility and establishing a new expiry date of 30 June 2017.

At the reporting date this credit line had not been used.

For this agreement, monitoring of the following financial covenants is required:

- net financial position/EBITDA less than 2, to be monitored every six months on the basis of Mediaset consolidated data.

To date, this requirement has been met in full.

The agreement entered into in 2011 with Mediobanca S.p.A. for a notional amount of EUR 400,000 thousand amortising, with a term of eight years, which requires the verification of the following financial covenants, is still outstanding:

- net financial position/EBITDA not to exceed 2, to be monitored every six months on the basis of Mediaset consolidated data;
- EBITDA/Net financial expenses of no less than 10, to be monitored every six months on the basis of Mediaset consolidated data.

To date, these requirements have been met.

In July and October 2012, interest rate hedges were taken out on EUR 200,000 thousand and subsequently it has been decided to maintain this amount used on a continuous basis, with recognition in the financial statements at amortised cost.

At 31 December 2015, this credit facility was classified under non-current financial payables under the item loans for a notional amount of EUR 200,000 thousand.

On 12 June 2014, the credit facility for EUR 200,000 thousand in place with Unicredit S.p.A, taken out in 2012, was renegotiated to optimise its financial terms and extend the expiry to September 2018.

At 31 December 2015 this credit facility had not been used.

For this agreement, monitoring of the following financial covenants is required:

- net financial position/EBITDA less than to 2, to be monitored every six months on the basis of Mediaset consolidated data;
- net financial position/Equity less than to 2, to be monitored every six months on the basis of Mediaset consolidated data.

For the loans, as well as the credit facilities, any breach of financial covenants will require Mediaset S.p.A. to repay all amounts drawn down.

For all the loans, the first dates for revision of the rate during 2016 are the following:

- 27 January 2016 for the Mediobanca loan, draw down of 24 July 2012 (corresponding to 1.195%);
- 27 January 2016 for the Mediobanca loan, draw down of 24 October 2012 (corresponding to 1.195%).

The table below shows the effective interest rates (IRR) and financial expenses recognised in the income statement for the loans, and the fair value of the loans calculated using the market rates at the year end.

	IRR	Financial charges	Fair value
Mediobanca loan draw down of 24/07/2012	1.25%	1,368	101,316
Mediobanca loan draw down of 24/10/2012	1.24%	1,357	102,347

9.4 Provisions for risks and charges

The amounts and changes in these provisions are as follows:

	Opening balance 01/01/15	Allocations	Uses	Financial expenses	Final balance 31/12/15
Provisions for risks	17	25	-	1	43
TOTAL	**17**	**25**	**-**	**1**	**43**

Provisions for non-current risks, amounting to EUR 43 thousand, includes the following types of risk, whose movements are detailed below:

Type	Opening balance at 31/12/2014	Allocation	Use	Final balance at 31/12/2015
Legal	17	26	-	43
Total	**17**	**26**	**-**	**43**

The *provisions for risks and charges* consist of the non-current portion of lawsuits seeking compensation for damages and disputes pending at year-end.

10. Current liabilities

10.1 Financial payables

Financial payables are broken down as follows:

	Balance at 31/12/15				Balance 31/12/14
		Due			
	Total	within 1 year	from 1 to 5 years	over 5 years	
Financial liabilities due to banks	4,931	4,931	-	-	4,184
Credit facilities	86,000	86,000	-	-	207,001
Unsecured loans					
Mediobanca draw down of 24/07/12	1,250	1,250	-	-	1,452
Mediobanca draw down of 24/10/12	1,250	1,250	-	-	1,452
Total	**93,431**	**93,431**	**-**	**-**	**214,089**

The item amounts to a total of EUR 93,431 thousand, decreasing by EUR 120,658 thousand compared to the previous year and mainly relates to the item *Short-term credit facilities* outstanding as at 31 December 2015. During the year, in addition to the contractual expiries, the draw down of credit facilities with the leading banks decreased. These facilities are at floating interest rates and relate to very short-term advances that mature within a year by contract and are renewable. The Company believes that their fair value corresponds to their carrying amount. As at 31 December 2015, 64.1% of the credit facilities available were committed.

The amount shown under unsecured loans relates to the current portion of loan agreements entered into in 2012 with Mediobanca. The amounts shown in the table represent the interest accrued as at 31 December 2015.

10.2 Trade payables

		31/12/15			31/12/14
		Due			
	Total	within 1 year	from 1 to 5 years	over 5 years	
Due to suppliers	1,692	1,692	-	-	1,418
Due to subsidiaries	508	508	-	-	443
Due to affiliates	9	9	-	-	10
Due to holding companies	43	43	-	-	41
Total	**2,252**	**2,252**	**-**	**-**	**1,912**

The item amounts to a total of EUR 2,252 thousand, increasing by EUR 340 thousand compared to the previous year.

Details of the items are provided below.

Due to suppliers

The item amounts to a total of EUR 1,692 thousand, increasing by EUR 274 thousand compared to the previous year.

The item refers to supplies relating to:

- consultants and external staff totalling EUR 1,016 thousand;
- other costs totalling EUR 676 thousand.

There were no payables due beyond 12 months.

The fair value of the payables is believed to approximate their carrying amount.

10.3 Provisions for risks and charges

The amounts and changes in these provisions are as follows:

	Opening balance 01/01/15	Allocations	Uses	Financial expenses	Final balance 31/12/15
Provisions for risks and charges	6,178	21	(6,148)	-	51
Total	**6,178**	**21**	**(6,148)**	**-**	**51**

The *Provisions for current risks*, amounting to EUR 51 thousand, include the following types of risk, whose movements are detailed below:

Type	Opening balance at 31/12/2014	Allocation	Use	Final balance at 31/12/2015
Legal	164		134	30
Personnel	-	21		21
Other	6,014		6,014	-
Total	**6,178**	**21**	**6,148**	**51**

This item includes the potential losses and contingent liabilities that would presumably be incurred within 12 months, and it decreased by EUR 6,127 thousand, compared to the previous year.

The provision for future risks included an allocation of EUR 6,014 thousand made in 2009 for the risk of restitution to the Italian government of government aid, in relation to government grants for the purchase of DTT set-top boxes, which was authorised by the European Commission in decision no. C2006-6634 of 24 January 2007. By ruling of 11 February 2016, the Court of Rome, upholding the appeal lodged by us, cancelled the injunction order from the Italian

Ministry of Economic Development for the return of state aid on set-top boxes, also ordering the Ministry to reimburse the amount paid (EUR 5,969,442.12), plus statutory interest.

- ***10.4 Tax Payables***

The item is broken down as follows:

	31/12/15	31/12/14
Tax payables for IRAP	-	820
Total	**-**	**820**

This has been reduced to nil because an IRAP tax prepayment was made during the year that was greater than the payable accrued as at 31 December 2015. See item *6.3 Tax receivables* for more details.

10.5 Intercompany financial payables

This item reflects current account relationships maintained with subsidiaries and joint ventures.

For the conditions that apply to intercompany loans issued, see the comments in the asset section under item 6.5 *Intercompany financial receivables*.

Intercompany financial payables to subsidiaries

	31/12/15	31/12/14
Videotime S.p.A	60,680	59,213
Media4commerce S.p.A.	1,308	4,085
Medusa Film S.p.A.	116,347	105,021
Publieurope Ltd.	36,316	32,173
Publitalia '80 S.p.A.	164,560	158,989
Digitalia '08 S.r.l.	18,400	28,858
EI Towers S.p.A.	-	37
Promoservice Italia S.r.l.	9,401	9,343
Elettronica Industriale S.p.A.	25,255	-
Mediaset Premium S.p.A.	32,424	57,255
Total	**464,691**	**454,974**

Intercompany payables to associates and joint ventures

	31/12/15	31/12/14
Fascino Prod. Gest. Teatro S.r.l.	14,546	18,655
Total	**14,546**	**18,655**

10.6 Other Financial Liabilities

	31/12/15	31/12/14
Bond issue	34,100	34,095
Financial liabilities for non-hedging derivatives		
Third party forward derivatives	3,282	84
Subsidiary forward derivatives	12,921	16,228
Associate forward derivatives	-	
Total	**16,203**	**16,312**
Financial liabilities for hedging derivatives		
Derivatives for collars on interest rate forwards with third parties	2,017	1,118
Total	**2,017**	**1,118**
Total	**52,320**	**51,525**

The item *Bond issue* refers to the current portions of interest accrued as at 31 December 2015 on the two bonds issued in 2010 and 2013 for a total nominal amount of EUR 675,000 thousand, as already reported under item *9.3 "Non-current financial payables and liabilities"*.

The item *Financial liabilities for non-hedging derivatives*, amounting to EUR 16,203 thousand, relates to the negative fair value on foreign exchange derivatives, detailed in the table.

The item *Derivatives for collars on interest rate forwards with third parties* amounting to EUR 2,017 thousand (EUR 1,118 thousand as at 31 December 2014) represents the current portion of fair value as at the reporting date of four collar derivatives entered into in 2012, two with Unicredit S.p.A. and two with Mediobanca S.p.A., as interest rate hedges for the two loans taken out during the same year with Mediobanca for a total amount of EUR 200,000 thousand, already reported under non-current financial liabilities.

10.7 Other Current Liabilities

The item is broken down as follows:

	31/12/15	31/12/14
Due to employees for wages and salaries, accrued holiday pay and expenses	616	2,184
Due to insurance companies	41	63
Due to Shareholders for dividends	14	20
Payables to pensions and social security institutions	608	640
Payables to tax authorities	5,966	20,639
Due to Directors	674	463
Due to Statutory Auditors	266	243
Other payables to third parties	131	146
Other payables to subsidiaries	116,314	82,805
Due to affiliated companies and joint ventures	103	225
Deferred income	149	97
Total	**124,882**	**107,525**

The item amounts to a total of EUR 124,882 thousand, increasing by EUR 17,357 thousand compared to the previous year.

Details of the items are provided below.

Other payables to subsidiaries

This item, which totalled EUR 116,314 thousand, increased by EUR 33,509 thousand and was broken down as follows:

- IRES tax payable of EUR 101,957 thousand from the tax consolidation scheme. This amount is owed to subsidiaries that participate in the Group's tax burden pursuant to the agreement to exercise the option to use the national tax consolidation scheme;
- VAT payable of EUR 14,358 thousand transferred by subsidiaries to Mediaset S.p.A. as part of the Group's VAT procedure.

It is noted that, in December 2015, the payable of EUR 4,727 thousand was repaid to subsidiaries following the receipt of proceeds, on the same date, from the Italian Revenue Authority in relation to the request for the reimbursement due for the partial deductibility of IRAP tax paid by companies participating in Mediaset's tax consolidation scheme for the years 2005-2007 (Article 6 of Italian Decree Law 185/2008).

Payables to tax authorities

The item is broken down as follows:

	31/12/15	31/12/14
Group VAT	-	7,896
Withholding tax on income from employment	577	609
Withholding tax on income from self-employment	5	26
Withholding tax on income from sources similar to employment	145	175
Other payables to tax authorities	5,239	11,933
Roundings	-	(1)
Total	**5,966**	**20,638**

The item amounts to a total of EUR 5,966 thousand, decreasing by EUR 14,672 thousand compared to the previous year.

The most significant item is *Other tax payables*, amounting to EUR 5,239 thousand, which represents the payable for settlement of the tax disputes for the years 2001 to 2003 relating to the "Mediaset Rights Trial", which the Company had opted to pay by instalments.

It is noted that the item *Group VAT* has been reduced to nil because a receivable was recognised for the year.

Payables due to employees

The item, which amounts to a total of EUR 616 thousand, decreased by EUR 1,568 thousand compared to the previous year and consisted of payables for:

- fourteenth month bonus salary payments totalling EUR 361 thousand;
- ordinary and extraordinary remuneration and contributions, MBO schemes, allocations to provisions for holidays and production bonuses totalling EUR 247 thousand;
- other amounts due to employees totalling EUR 8 thousand.

Payables to pensions and social security institutions

This item, which amounts to EUR 608 thousand, relates to payables to pension institutions for amounts owed by both the company and employees in relation to December salaries.

This item is broken down as follows:

	31/12/15	31/12/14
Inps	377	285
Enpals	-	121
Inpdai/Inpgi	30	28
Fpdac	197	203
Casagit	4	4
Roundings	-	(1)
Total	**608**	**640**

NOTES ON THE MAIN ITEMS OF THE INCOME STATEMENT

(values in EUR thousand)

12. Revenues

12.1 Revenues from sales of goods and services

The item amounts to a total of EUR 5,889 thousand, decreasing by EUR 86 thousand compared to the previous year.

Revenue categories are as follows:

	2015	2014
Other services	109	116
Commissions and fees	5,780	5,859
Total	**5,889**	**5,975**

Commissions and fees

This item recognises the fees on bank guarantees provided in favour of subsidiaries amounting to EUR 5,780 thousand, of which EUR 5,644 thousand to the indirect subsidiary Mediaset Premium S.p.A., mainly for bank guarantees issued on behalf of UEFA.

Other services

This item amounts to EUR 109 thousand and mainly consists of:

- EUR 69 thousand of revenues from the provision of security management services, mainly to the indirect subsidiary EI Towers S.p.A.;
- EUR 40 thousand of revenues from the provision of internal audit services to group companies.

Revenues break down as follows:

	2015	2014
Sales of goods and services		
Services to Group companies	5,889	5,976
Total	**5,889**	**5,976**

All revenues were earned within Italy.

12.2 Other revenues and income

The item breaks down as follows:

	2015	2014
Other revenues	2	2
Unsubstantiated assets	46	61
Other proceeds	240	112
Out of period other income and expenses	1,508	(10)
Total	**1,796**	**165**

The item amounts to a total of EUR 1,796 thousand, increasing by EUR 1,631 thousand compared to the previous year.

Details of the main items are provided below.

Out of period other revenues and income

This item amounts to EUR 1,508 thousand and mainly consists of the insurance reimbursement already discussed under the item *6.4 Other receivables and current assets*.

Other income

This item amounts to EUR 240 thousand and consists of:

- EUR 46 thousand of income from the lease of the property located in Rome to the holding company Fininvest S.p.A.;
- EUR 50 thousand of income from the use of the trademark by the subsidiary Mediaset España Comunicación S.A.;
- EUR 144 thousand from other income from third parties.

Eliminated items

This item amounts to EUR 46 thousand and mainly consists of the elimination of contractual payables due to suppliers that have expired.

13. Costs

13.1 Personnel expenses

The table below provides a comparison of the number of employees at 31 December 2015 and 31 December 2014.

	Employees at 31/12/15	Year average 2015	Employees at 31/12/14
Executives	20	20	22
Middle managers	23	22	21
Office-workers	24	25	27
Journalists	2	2	2
	69	**70**	**72**

Personnel expenses are broken down in the table below:

	2015	2014
Wages and salaries	10,071	11,311
Social security charges	2,494	2,846
Other personnel expenses	4,276	3,499
Ancillary personnel expenses	649	651
Out of period (income)/costs on personnel expenses	(77)	(834)
Recovery on personnel expenses	(131)	(148)
Total	**17,282**	**17,325**

The item amounts to a total of EUR 17,282 thousand.

Details of the main items are provided below.

Wages and salaries

The item amounts to a total of EUR 10,071 thousand, of which:

- EUR 8,800 thousand of ordinary and extraordinary remuneration;
- EUR 1,238 thousand of other costs for allocations of 13th month and 14th month bonuses and provisions for holidays;
- EUR 33 thousand for attendance allowances.

Other personnel expenses

The item amounts to a total of EUR 4,276 thousand, of which:

- EUR 2,741 thousand of remuneration for employee directors;
- EUR 715 thousand of employee leaving entitlement expenses due to realignment of uses;
- EUR 538 thousand of other costs for leaving incentives awarded to resigning employees and EUR 282 thousand for incentive plans for employees.

Social security charges

The item amounts to a total of EUR 2,494 thousand, of which:

- EUR 2,213 thousand of contributions accrued on salaries and wages;
- EUR 281 thousand of other costs for contributions accrued on 13th month and 14th month bonuses, provisions for holidays, and INAIL (National Insurance Institute for Employment Injuries).

13.2 Purchases

The item is broken down as follows:

	2015	2014
Sundry consumables	124	145
Out of period expenses for purchases	1	-
Total	**125**	**145**

13.5 Services

The item breaks down as follows:

	2015	2014
Maintenance and repairs	22	33
Transport and storage	15	29
Consultants and external staff	2,144	3,630
Utilities and logistics	239	225
Advertising, public relations and entertainment	526	384
Costs for insurance services	657	606
Travel and expense accounts	301	309
EDP and administrative service costs	1,045	1,091
Fees to Directors and Statutory Auditors	2,526	1,194
Bank charges and commissions	4,882	4,232
Other services	477	476
Out of period (income)/expenses on services	34	1
Recovery on service expenses	(40)	(733)
Total	**12,828**	**11,477**

The item amounts to a total of EUR 12,828 thousand, increasing by EUR 1,351 thousand compared to the previous year, attributable to the item *Fees to Directors and Statutory Auditors*.

Details of the items are provided below.

Bank charges and commissions

The item amounts to a total of EUR 4,882 thousand, increasing by EUR 650 thousand compared to the previous year, and is made up as follows:

- EUR 4,540 thousand of expenses and fees on bank guarantees on behalf of subsidiaries, of which EUR 4,488 thousand relating to the bank guarantees taken out with various agent banks in favour of UEFA;
- EUR 342 thousand of bank charges and fees.

Fees to Directors and Statutory Auditors

The item amounts to a total of EUR 2,526 thousand, increasing by EUR 1,332 thousand compared to the previous year. The item includes fees to Directors of EUR 2,260 thousand (EUR 925 thousand in 2014) and to Statutory Auditors of EUR 266 thousand (EUR 269 thousand in 2014).

Fees to Consultants and external staff

The item amounts to a total of EUR 2,144 thousand, decreasing by EUR 1,486 thousand compared to the previous year, and mainly consists of:

- EUR 701 thousand for legal services;
- EUR 643 thousand for appraisals and certifications;
- EUR 407 thousand for other professional services.

The costs for auditing services amount to EUR 511 thousand. The cost for certification services for Income Tax Return, IRAP tax and 770 declaration amounts to EUR 5 thousand.

It should be noted that other services were provided by Companies belonging to its network.

EDP and administrative service costs

This item amounts to EUR 1,045 thousand and consists of the following costs:

- EUR 806 thousand for administration services;
- EUR 201 thousand for EDP services;
- EUR 38 thousand for other costs.

13.6 Leasing and rentals

The item breaks down as follows:

	2015	2014
Leases and rentals	1,214	1,348
Royalties	567	567
Out of period (income)/expenses on utilization	(51)	1
Total	**1,730**	**1,916**

The item amounts to a total of EUR 1,730 thousand, decreasing by EUR 186 thousand compared to the previous year.

The item mainly includes:

- EUR 1,214 thousand of costs for leases and rentals, of which EUR 595 thousand relating to the subsidiary R.T.I. S.p.A. and EUR 180 thousand relating to the holding company Fininvest S.p.A.;
- EUR 567 thousand of costs for royalties for the use of the Fininvest brand name.

13.7 Provisions

The item breaks down as follows:

	2015	2014
Allocation to provisions for risks	(6,102)	(94)
Total	**(6,102)**	**(94)**

The item amounts to a negative value of EUR 6,102 thousand, increasing by EUR 6,008 thousand compared to the previous year. More details are provided in the comment to the item *"Provisions for risks and charges"*.

13.8 Sundry operating costs

The item breaks down as follows:

	2015	2014
Sundry tax charges	140	104
Out of period (income)/expenses on sundry operating costs	1	1
Other operating expenses	1,155	1,126
Out of period other operating expenses	23	-
Recovery on other operating expenses	(23)	(4)
Total	**1,296**	**1,227**

The item amounts to a total of EUR 1,296 thousand.

The main item *Other operating expenses* amounting to EUR 1,155 thousand is made up of costs of:

- EUR 589 thousand for membership fees;
- EUR 229 thousand for donations;
- EUR 170 thousand for subscriptions and magazines;
- EUR 101 thousand for sundry transactions and settlements;
- EUR 66 thousand of other operating costs.

13.9 Depreciation, amortisation and write-downs

This item refers to depreciation of tangible assets and amortisation of intangible assets.

	2015	2014
Depreciation of tangible assets	37	36
Total	**37**	**36**

15. (Expenses)/income from financial investments

15.1 Financial expenses

This item is broken down as follows:

	2015	2014
Interest due on Mediaset c/a tw subsidiaries	2,013	6,841
Interest due on Mediaset c/a tw affiliated companies and joint ventures	40	158
Interest due on current accounts	1	2
Interest due on short term loans	83	1,894
Interest due on IRR	2,725	6,950
Interest due on Bond issue	35,748	35,738
Ancillary costs on loans	5,895	8,659
Realised exchange losses	118,331	84,452
Valuation exchange losses	53,277	66,543
Other charges	1,218	1,642
Out of period (income)/expenses on financial expenses		1
Total	**219,331**	**212,880**

The item amounts to a total of EUR 219,331 thousand, increasing by EUR 6,451 thousand compared to the previous year.

Details of the items are provided below.

Interest due on Bond issue

This item amounts to EUR 35,748 thousand and represents the interest accrued as at 31 December 2015 on two bonds issued in 2010 and 2013 for an overall nominal amount of EUR 675,000 thousand.

Transaction costs on loans

The item amounts to a total of EUR 5,895 thousand, decreasing by EUR 2,764 thousand compared to the previous year. This item represents the costs attributable to fees both for the utilisation and non-utilisation of the medium/long-term loans.

The most significant amounts are as follows:

- EUR 2,729 thousand with Intesa Sanpaolo;
- EUR 1,759 thousand with Mediobanca;
- EUR 1,210 thousand with Banca Unicredit.

Interest due on IRR

The item amounts to EUR 2,725 thousand, decreasing by EUR 4,225 thousand compared to the previous year. The item comprises the interest on loans calculated using the amortised cost method and for 2015 it related exclusively to the counterparty Mediobanca.

Interest due on short term loans

The item amounts to EUR 83 thousand, decreasing by EUR 1,811 thousand compared to the previous year due to both the reduction in the reference interest rates and the lower demand for use.

The item mainly consists of interest accrued on short-term loans with:

- Banca Nazionale del Lavoro amounting to EUR 60 thousand;
- Banca Unicredit amounting to EUR 18 thousand;
- Banca Popolare di Bergamo amounting to EUR 3 thousand.

Foreign exchange gains and losses

The overall result for the year from foreign exchange gains and losses and those from valuation was a loss of EUR 5 thousand (losses of EUR 1 thousand at 31 December 2014). This reflects the outcome from hedging foreign exchange risk, by entering into trading contracts with third parties, the subsidiaries R.T.I. S.p.A., Media4commerce S.p.A., Videotime S.p.A., Mediaset Premium S.p.A. and the joint venture Boing S.p.A., which give rise to this risk. Pursuant to IAS 39, these contracts cannot be classified as hedging contracts; therefore, their changes in fair value are recognised in the income statement.

15.2 Financial income

This item is broken down as follows:

	2015	2014
Interest due on Mediaset c/a tw subsidiaries	69,641	84,441
Interest due on Mediaset c/a tw associates and joint ventures	476	527
Interest due on current accounts	41	98
Interest due on deposits	-	1
Gains on currency exchange	118,332	84,451
Gains on currency revaluation	53,271	66,543
Other financial income	531	1
Out of period (income)/expenses on financial income	17	-
Total	**242,309**	**236,062**

The item amounts to a total of EUR 242,309 thousand, increasing by EUR 6,247 thousand compared to the previous year, mainly attributable to the item “foreign exchange gains”.

The item *Other financial income*, amounting to EUR 531 thousand, mainly includes the value of the ineffective portion of valuations of derivatives for interest rate collars.

The table below shows financial income and expenses broken down into the categories required by IAS 39 and other categories not required, both for the current and previous year.

IAS 39 categories	**31/12/15**	**31/12/14**
Liabilities at amortised cost	(46,507)	(60,244)
Receivables and loans	70,157	85,067
Financial instruments held for trading	(1,022)	(1,263)
	22,628	**23,560**
Other financial income and charges	350	(377)
Total	**22,978**	**23,183**

15.3 Income/(losses) from equity investments

Dividends from subsidiaries

During the year under review, a dividend of EUR 27,040 thousand (EUR 40,040 thousand in 2014) was received from the subsidiary Publitalia '80 S.p.A. and EUR 21,978 thousand from the subsidiary Mediaset España Comunicación S.A., as detailed in the table below:

	2015	**2014**
Mediaset España Comunicación S.A.	21,978	-
Publitalia '80 S.p.A.	27,040	40,040
Total	**49,018**	**40,040**

16. Income taxes for the year

	2015	**2014**
Charges/(proceeds) for IRES from tax consolidation	(51)	(79)
Provision for deferred IRAP tax liabilities	255	820
Total current taxes	**204**	**741**
Provision for deferred tax liabilities	3	4
Utilization of deferred tax liabilities	(54)	()
Total deferred tax liabilities	**(51)**	**4**
Utilization of credit from deferred tax assets	2,142	259
Deferred tax assets	(179)	(760)
Total deferred tax assets	**1,963**	**(501)**
Total	**2,116**	**244**

The item income taxes for the period is broken down as follows:

- income for IRES tax from tax consolidation amounting to EUR 51 thousand, made up of EUR 47 thousand of income for IRES tax for the year plus EUR 4 thousand of income for IRES tax for previous years;
- provision for IRAP tax of EUR 255 thousand, made up of EUR 287 thousand of provision for the year, net of EUR 32 thousand from the adjustment of IRAP tax for previous years;
- provision for deferred taxes of EUR 3 thousand;
- use of advances of EUR 1,655 thousand, made up uses of EUR 1,835 thousand, net of provisions of EUR 180 thousand.

It is noted that, as a result of the reduction of the IRES tax rate to 24% with effect from 1 January 2017, introduced in article 1, paragraph 61 of Law 208 of 28 December 2015, the following have been recognised:

- income for adjustment of deferred taxes amounting to EUR 54 thousand;
- an expense for adjustment of the credit from deferred tax assets relating to the prepaid temporary deferrals amounting to EUR 101 thousand;
- an expense for adjustment of the credit from deferred tax assets relating to the prior year losses transferred within the tax consolidation amounting to EUR 207 thousand.

The table below shows the reconciliation between the ordinary and effective IRAP tax rates:

IRAP	**31/12/15**	**31/12/14**
Theoretical tax charge	**3.90%**	**3.90%**
Other permanent differences:		
other personnel expenses	1.29%	0.37%
non-deductible financial charges	1.07%	0.85%
other non-deductible costs for IRES purposes	-3.36%	-0.11%
Actual tax rate	**2.89%**	**5.01%**

The rate increases decided by the individual regional authorities were not taken into account for the purposes of this table.

19. Investment commitments and guarantees

Bank guarantees given

The Company took out bank guarantees on behalf of subsidiaries, associates and third parties. Mediaset S.p.A. is obliged to guarantee a total amount of EUR 576,232 thousand (EUR 693,581 thousand at 31 December 2014). The bank guarantees issued in favour of subsidiaries include those issued on behalf of the subsidiary Mediaset Premium S.p.A. for a total of EUR 567,500 thousand with the Union des Associations Européennes de Football (UEFA) as the beneficiary.

It is also noted that Mediaset S.p.A. has made a commitment with the Serie A League and on behalf of the indirect subsidiary Mediaset Premium S.p.A. to guarantee the payment of fees arising from contracts relating to the matches of the TIM Serie A Championship for the 2015-2016, 2016-2017 and 2017-2018 seasons up to the amount of EUR 1,455,605 thousand plus VAT.

Forward financial transactions

Mediaset S.p.A. works directly with institutional counterparts to hedge its exchange rate risk and that of its subsidiaries and associates.

The Mediaset Group's business structure clearly highlights the central role of commercial television operations. This results in the need to deal with the leading international producers of films and sport events to purchase television broadcasting rights (quantified mainly in foreign currency such as USD), exposing the Group to market risks in relation to fluctuations in exchange rates.

Financial derivative contracts are used to reduce these risks, as illustrated below.

The Mediaset Group has substantially centralised its treasury operations in Mediaset S.p.A., which operates on both the domestic and international markets.

The Board of Directors of Mediaset S.p.A. has approved a financial risks policy which establishes that the Finance Division shall quantify the maximum limits of exchange rate and interest rate risk that may be taken on, and defines the characteristics of suitable counterparts.

The commitments, amounting to EUR 2,013,472 thousand (EUR 567,212 thousand at 31 December 2014), relate to currency transactions to hedge exchange rate risk.

Lastly, we note that the derivatives entered into with third parties to hedge exchange rate risk are to be considered equivalent to those entered into with the individual subsidiaries R.T.I. S.p.A., Media4commerce S.p.A., Videotime S.p.A., Medusa Film S.p.A., and Mediaset Premium S.p.A., and the joint venture Boing S.p.A..

Other information

Interest rate hedging derivatives (derivatives for interest rate collars) include four contracts entered into during 2012 to hedge two medium/long-term loans taken out with Mediobanca S.p.A..

20. Disclosures on financial instruments and risk management policies

Classes of financial instruments

The breakdown of financial assets and liabilities required by IFRS 7 in the categories established by IAS 39 are illustrated below, both for the current and previous years.

2015

	IAS 39 categories			
BALANCE SHEET ITEMS	**Financial instruments at fair value held for trading**	**Receivables and loans**	**Book value**	**Notes**
NON-CURRENT ASSETS				
Other financial assets				
Non hedge derivatives - subsidiaries	2,440	-	2,440	5.6
Non hedge derivatives - third parties	904	-	904	5.6
Financial receivables	-	158	158	5.6
CURRENT ASSETS				
Trade receivables				
Customers	-	7	7	6.2
Mediaset Group companies	-	1,526	1,526	6.2
Current financial assets				
Non hedge derivatives - third parties	12,917	-	12,917	6.6
Non hedge derivatives - subsidiaries	3,280	-	3,280	6.6
Cash and cash equivalents				
Bank and postal deposits	-	26,870	26,870	6.7
Cash in hand	-	10	10	6.7
Intercompany financial receivables - subsidiaries	-	1,812,709	1,812,709	6.5
Intercompany financial receivables - joint ventures	-	19,724	19,724	6.5
TOTAL FINANCIAL ASSETS	**19,541**	**1,861,004**	**1,880,545**	

	IAS 39 categories			
BALANCE SHEET ITEMS	**Financial instruments held for trading**	**Liabilities at amortised cost**	**Book value**	**Notes**
NON-CURRENT LIABILITIES				
Financial payables and liabilities				
Banks	-	197,851	197,851	9.3
Bond issues	-	668,746	668,746	9.3
Hedge derivatives	3,231	-	3,231	9.3
Non hedge derivatives - third parties	2,440	-	2,440	9.3
Non hedge derivatives - subsidiaries	904	-	904	9.3
CURRENT LIABILITIES				
Payables to banks				
Financial payables	-	7,431	7,431	10.1
Credit facilities	-	86,000	86,000	10.1
Trade payables				
Suppliers	-	1,693	1,693	10.2
Mediaset Group companies	-	508	508	10.2
Fininvest and Mediolanum Group companies	-	52	52	10.2
Other financial liabilities				
Bond issues	-	34,100	34,100	
Hedge derivatives - third parties	2,017	-	2,017	10.6
Non hedge derivatives - third parties	3,282	-	3,282	10.6
Non hedge derivatives - subsidiaries	12,921	-	12,921	10.6
Intercompany financial payables - subsidiaries/associates	-	479,237	479,237	10.5
TOTAL LIABILITIES	**24,795**	**1,475,617**	**1,500,412**	

2014

BALANCE SHEET ITEMS	IAS 39 categories		Book value	Notes
	Financial instruments at fair value held for trading	Receivables and loans		
NON CURRENT ASSETS				
Other financial assets				
Non hedge derivatives - third parties	4,211		4,211	5.6
Financial receivables	-	158	158	5.6
CURRENT ASSETS				
Trade receivables				
Customers	-	83	83	6.2
Mediaset Group companies	-	1,953	1,953	6.2
Fininvest and Mediolanum Group companies	-	-	-	6.2
Current financial assets				
Non hedge derivatives - third parties	16,228	-	16,228	6.6
Non hedge derivatives - subsidiaries	84	-	84	6.6
Non hedge derivatives - joint ventures	-		-	6.6
Cash and cash equivalents				
Bank and postal deposits	-	29,366	29,366	6.7
Cash in hand	-	10	10	6.7
Intercompany financial receivables - subsidiaries	-	1,902,295	1,902,295	6.5
Intercompany financial receivables - joint ventures	-	26,672	26,672	6.5
TOTAL FINANCIAL ASSETS	**20,523**	**1,960,537**	**1,981,060**	

BALANCE SHEET ITEMS	IAS 39 categories		Book value	Notes
	Financial instruments held for trading	Liabilities at amortised cost		
NON CURRENT LIABILITIES				
Financial payables and liabilities				
Banks	-	197,544	197,544	9.3
Bond issue	-	667,222	667,222	9.3
Hedge derivatives	3,965	-	3,965	9.3
Non hedge derivatives	4,211	-	4,211	9.3
CURRENT LIABILITIES				
Payables to banks				
Financial payables	-	7,088	7,088	10.1
Credit facilities	-	207,001	207,001	10.1
Trade payables				
Suppliers	-	1,418	1,418	10.2
Mediaset Group companies	-	443	443	10.2
Fininvest and Mediolanum Group companies	-	51	51	10.2
Other financial liabilities				
Bond issue	-	34,095	34,095	
Hedging derivatives - third partties	1,118	-	1,118	10.6
Non hedge derivatives - third parties	84	-	84	10.6
Non hedge derivatives - subsidiaries	16,228	-	16,228	10.6
Intercompany financial payables - subsidiaries/associates	-	473,629	473,629	10.5
TOTAL LIABILITIES	**25,606**	**1,588,491**	**1,614,097**	

Fair value of financial assets and liabilities, calculation models used and input data used

Below is an analysis of the amounts corresponding to the fair value of the classes of financial instruments broken down based on the methodologies and the models used to calculate them, both for the current and previous years.

Note that the tables do not show those financial assets and liabilities whose fair value cannot be calculated objectively, since their book value is very close to the fair value, and that the fair value of derivatives constitutes the net position between asset and liability values.

The input data used for measurement of fair value at the reporting date, obtained from the infoprovider Bloomberg, were as follows:

- Euro curves for estimating forward rates and discount factors;
- the ECB spot exchange rates;
- forward rates calculated by Bloomberg;
- implicit volatility matrix of the cap/floor index-linked to the Euribor;
- Euribor fixings;
- quoted CDS (credit default swap) mid spreads of the various counterparties (if available);
- Mediaset S.p.A. credit spread.

2015

	Book value	Mark to Market	Mark to Model			Total fair value	Notes
			Black&Scholes's model	Binomial model	DCF Model		
Financial payables	**(200,352)**	-	-	-	(203,663)	**(203,663)**	9.3/10.1
Bond issue	**(702,846)**	(744,059)			-	**(744,059)**	9.3/10.6
Non hedge derivatives							
Forward contracts - third parties	**8,098**	-	-	-	8,098	**8,098**	6.6/10.6
Forward contracts - subsidiaries/joint ventures	**(8,104)**	-	-	-	(8,104)	**(8,104)**	6.6/10.6
Hedge derivatives							
Third party plain vanilla options	**(5,248)**	-	-	-	(5,248)	**(5,248)**	9.3/10.6

2014

	Book value	Mark to Market	Mark to Model			Total fair value	Notes
			Black&Scholes's model	Binomial model	DCF Model		
Financial payables	**(200,448)**	-	-	-	(206,651)	**(206,651)**	9.3/10.1
Bond issue	**(701,317)**	(754,555)			-	**(754,555)**	9.3/10.6
Non hedge derivatives							
Forward contracts - third parties	**20,356**	-	-	-	20,356	**20,356**	6.6/10.6
Forward contracts with subsidiaries/joint ventures	**(20,356)**	-	-	-	(20,356)	**(20,356)**	6.6/10.6
Hedge derivatives							
Third party plain vanilla options	**(5,083)**	-	-	-	(5,083)	**(5,083)**	9.3/10.6

The fair value of financial payables was calculated considering the credit spread of Mediaset S.p.A., also including the short-term portion of medium/long-term loans.

The fair value of the two Luxembourg-listed bonds has been determined using the market price at 31 December 2015, including the interest accrued, as shown below:

- Bond maturing in 2017 – Market Price EUR 103.46;
- Bond maturing in 2019 – Market Price EUR 107.18.

The fair value of securities that are not listed on an active market and of trading derivatives is calculated by using the measurement models and techniques most widely adopted in the market, or by using the price supplied by several independent counterparts.

The fair value of trade receivables and payables due within the financial year has not been calculated, since their carrying amount is very close to the fair value. As a result, the carrying amount stated for the receivables and payables for which the fair value was calculated, also includes the portion due within 12 months from the reporting date. The calculation of the fair value of trade receivables only takes account of creditworthiness of the counterparty when there is market information that can be used for its determination. With regard to trade payables, fair value has been adjusted taking into account the creditworthiness of Mediaset S.p.A..

The fair value of financial payables due within the financial year has not been calculated, since their carrying amount is very close to the fair value. As a result, the carrying amount of those payables for which the fair value was calculated also includes the portion due within 12 months from the reporting date.

In addition, the table does not include financial assets and liabilities for which the fair value cannot be objectively calculated.

The financial assets and liabilities posted in the financial statements at fair value have also been classified based on the fair value hierarchy established by the accounting standard:

Level I: listed prices on active markets for identical instruments;

Level II: variables other than listed prices in active markets that may be observed either directly (as in the case of prices) or indirectly (derived from the prices);

Level III: variables that are not based on observable market values.

BALANCE SHEET ITEM	Book value	level I	level II	level III	Fair Value	Notes
Derivatives not designated as cash flow hedges:						
- Forward contracts - third parties	8,098		8,098		**8,098**	6.6/10.6
- Forward contracts - subsidiaries	(8,104)		(8,104)		**(8,104)**	6.6/10.6
Derivatives for cash flow hedge:						
- Third party plain vanilla options	(5,248)		(5,248)		**(5,248)**	9.3/10.6

The company has identified only two levels of hierarchy for instruments measured at fair value, as it uses valuation models that are based on observable market values.

Financial expenses and income recognised in compliance with IAS 39

Financial expenses and income broken down according to the categories envisaged by IAS 39 are shown below.

2015

IAS 39 categories	From interest	At Fair Value	From Fair Value reserve	Profit/(loss) on exchange rates	Net profit/(loss)
Financial instruments held for trading	-	(1,019)	-	(2)	**(1,021)**
Liabilities at amortised cost	(46,504)	-	-	(3)	**(46,507)**
Receivables and loans	70,157	-	-	-	**70,157**
Total IAS 39 categories					**22,629**

2014

IAS 39 categories	From interest	At Fair Value	From Fair Value reserve	Profit/(loss) on exchange rates	Net profit/(loss)
Financial instruments held for trading	-	(1,264)	-	1	**(1,263)**
Liabilities at amortised cost	(60,243)	-	-	(1)	**(60,244)**
Receivables and loans	85,067	-	-	-	**85,067**
Total IAS 39 categories					**23,560**

Capital management

The objectives of Mediaset S.p.A. regarding the management its capital are aimed at protecting the Group's ability continue to both guarantee profitability for shareholders, stakeholders' interests and compliance with covenants, and maintain an optimal capital structure.

Types of financial risks and relating hedging

The Executive Committee of Mediaset S.p.A. has developed specific policies for the management of the Group's financial risks, aimed at reducing its exposure to exchange rate risks, interest rate risks and liquidity risks the Group is exposed to: in order to optimise the structure of operating costs and the related resources, this activity is centralised within the Parent Mediaset S.p.A., which has been tasked with collecting the information regarding the positions exposed to risk and hedging them, where necessary.

To this end, Mediaset S.p.A. interacts directly with the market and performs control and coordination of financial risks for Group companies. The selection of the financial counterparts focuses on those with a high credit standing while also ensuring a limited concentration of exposures towards them.

Exchange rate risk

Mediaset S.p.A. acts as an intermediary in managing exchange rate risk, for the purpose of eliminating the effects of exchange rate fluctuations, which mainly impact the direct subsidiary R.T.I. S.p.A. as a result of purchases of television broadcasting rights that are mainly carried out in US dollars.

Mediaset S.p.A. collects the information pertaining to the positions of the subsidiary R.T.I. S.p.A. that are subject to exchange rate risk and, once the derivatives are entered into on the market, transfers them to R.T.I. S.p.A. by entering into an intercompany contract at the same terms and conditions.

The type of derivatives mainly used are forward purchases.

Mediaset S.p.A. establishes the accounting treatment for these contracts (with the market and for example with the subsidiary R.T.I. S.p.A.) classifying them as intermediation contracts. Accordingly, these contracts are accounted for by recording the changes in fair value in the income statement as "forex gains and losses realised and forex gains and losses from valuation", under financial (expenses)/income.

The fair value of forward contracts on currencies is determined as the discounted difference between the notional amount calculated using the contractual forward rate and the notional amount calculated using the forward exchange rate at the reporting date.

No sensitivity analysis has been conducted on exchange rates, as the related activities do not have significant impacts, given that they derive exclusively from intermediation, as previously illustrated.

A table of financial derivatives is attached which shows the notional amount of the related contracts.

Interest rate risk

The structure of the Mediaset Group involves the centralisation of all financial resources with the Parent Mediaset S.p.A. through the management of automated daily cash-pooling which all Group companies participate in. The Parent is fully entrusted with obtaining funding from the market by entering into medium/long term loans and formalising committed and uncommitted credit facilities.

The interest rate risk Mediaset S.p.A. is exposed to mainly originates from variable rate financial payables, which expose the company to cash flow risk. The company's objective is to limit the fluctuation of financial expenses that impact the financial result, limiting the risk of a potential rise in interest rates.

Mediaset S.p.A. manages that risk using financial derivatives contracts entered into with third parties aimed at setting in advance or reducing the variation in cash flows due to the market change in interest rates on medium/long-term debt. The time-frame considered significant for managing interest rate risk has been set at a minimum term of 18 months.

Mediaset S.p.A. adopts hedge accounting from the date the derivative contract is entered into until the date of its extinction or expiry, documenting, by way of the "hedging relationship", the risk hedged and the purposes of the hedging, periodically checking the hedge effectiveness.

Specifically, the cash flow hedge methodology set out by IAS 39 is used. According to this methodology the intrinsic clean value, i.e. the intrinsic value of the valuation at fair value of the financial derivatives, net of accruals of interest on "in the money" financial derivatives at the same date, is accounted for in a reserve in Shareholders' Equity. The difference between this intrinsic value and the total fair value, known as "time value", is transferred into the Income Statement at each valuation date. Both the intrinsic clean value and the time value are proportionately adjusted to take account of creditworthiness.

The effectiveness test is intended to show the high correlation between the technical and financial characteristics of the hedged liabilities (maturity, amount, etc.) and those of the hedging instrument through the application of specific retrospective and prospective tests, using the dollar off-set and volatility reduction measure methods, respectively.

The fair value of the interest rate collar options is calculated using the Black & Scholes formula adjusted to take account of creditworthiness.

The existing portfolio of derivatives consists of four collars. The table below illustrates their cap and floor levels and their expiry dates.

	Cap	Floor	Expiry
Collars on interest rates - UNICREDIT - notional amount EUR 50 million	2.50%	0.456%	27/07/2015
from 27/07/2015	2.70%	0.90%	30/04/2019
Collars on interest rates - MEDIOBANCA - notional amount EUR 50 million	2.50%	0.4875%	27/07/2015
from 27/07/2015	2.70%	0.90%	30/04/2019
Collars on interest rates - UNICREDIT - notional amount EUR 50 million	2.50%	0.350%	27/07/2015
from 27/07/2015	2.70%	0.79%	30/04/2019
Collars on interest rates - MEDIOBANCA - notional amount EUR 50 million	2.50%	0.35%	27/07/2015
from 27/07/2015	2.70%	0.80%	30/04/2019

Sensitivity analysis

Sensitivity analysis was conducted on the financial instruments exposed to interest rate risk at the time of the drafting of these Financial Statements. The assumptions upon which the model is based are illustrated below:

- Medium-to-long term payables were subject to an asymmetric change of 50 bps upwards and 20 bps downwards at the date of re-fixing of the internal rate of return posted during the year.
- Short and medium/long term revolving payables and other current financial items were subject to a recalculation of the amount of financial expenses by applying an asymmetric change of 50 bps upwards and 20 bps downwards to the values posted to the financial statements.
- Interest rate collars were subject to recalculation of the fair value by applying an asymmetric shift of 50 bps upwards and 20 bps downwards to the interest rate curve at the reporting date. The ineffective portion was calculated based on the fair value recalculated using the adjusted interest rate curve. In addition, any use of derivatives at each date of recording of the underlying interest rate was considered.
- The change applied was not symmetrical, as a long section of the interest rate curve had negative values.

The table below summarises the changes in the Income Statement Result for the year and in the Shareholders' Equity, deriving from the sensitivity analysis carried out net of the relevant taxes calculated on the basis of the standard tax rate in force at 31 December 2015:

Years	Variation b.p.	Economic Performance	Shareholders' equity reserve	Total Shareholders' equity
2015	50	4,372.5	1,877.0	6,249.5
	-20	-1,932.4	-43.1	-1,975.5
2014	50	3,651.6	2,691.9	6,343.5
	-10	-762.6	-452.3	-1,214.9

Credit risk

In relation to financial counterparties other than Group companies, Mediaset S.p.A. does not have significant concentrations of credit risk or solvency risk.

The tables below show that, due to the type of counterparty, the trade and financial receivables due from parties other than Group companies, as well as the related write-downs recorded during the year, are of an immaterial amount.

2015

RECEIVABLES							
CLASSES	Total net receivables	Net overdue amount					Bad debt
		0-30 days	30-60 days	60-90 days	Over	Total	
Trade receivables							
Other receivables	7	-	-	-	154	154	156
Receivables due from Mediaset Group companies	1,526	-	-	3	56	59	-
Total	**1,534**	**-**	**-**	**3**	**210**	**213**	**156**
Financial receivables							
Bank deposits	26,870						
Non hedge derivatives - third parties	13,821						
Non hedge derivatives - subsidiaries and joint	5,721						
Intercompany financial receivables from joint ventures	19,724						
Intercompany subsidiary financial receivables	1,812,709						
Total	**1,878,844**						

2014

RECEIVABLES							
CLASSES	Total net receivables	Net overdue amount					Bad debt
		0-30 days	30-60 days	60-90 days	Over	Total	
Trade receivables							
Other receivables	83	-	-	-	198	198	156
Receivables due from Mediaset Group companies	1,953	-	-	6	44	50	-
Total	**2,036**	**-**	**-**	**6**	**242**	**248**	**156**
Financial receivables							
Bank deposits	29,366						
Non hedge derivatives - third parties	20,440						
Non hedge derivatives - subsidiaries	84						
Intercompany financial receivables from subsidiaries/joint ventures	26,672						
Intercompany subsidiary financial receivables	1,902,295						
Total	**1,978,857**						

The Company has also issued guarantees - primarily unsecured - in the amount of EUR 576,232 thousand (EUR 693,581 thousand at 31 December 2014), of which EUR 575,038 thousand in favour of subsidiaries and associates. These include the guarantees for EUR 567,500 thousand issued on behalf of the indirect subsidiary Mediaset Premium S.p.A. in favour of UEFA.

The table below shows changes in the provision for bad debts for both the current and previous years.

	31/12/15	31/12/14
Opening balance	**156**	**157**
Allowances for the year	-	-
Roundings	-	(1)
Final balance	**156**	**156**

Liquidity risk

Liquidity risk is related to the difficulty of finding funds to meet commitments.

This may be due to the unavailability of sufficient funds to satisfy financial commitments in accordance with the established terms and due dates in case upon sudden revocation of uncommitted credit lines or in the event that the Company has to settle its financial liabilities before their natural maturity.

As previously mentioned, Group treasury operations are centralised in Mediaset S.p.A., which operates on both the domestic and international markets, using automated daily cash-pooling operations.

The management of the liquidity risk involves:

- The maintenance of a substantial balance between committed and uncommitted credit lines in order to avoid liquidity crises in the event of requests for reimbursement by the lenders.
- Average financial exposure during the year within an amount substantially equal to 80% of the total credit issued by the banks.
- The availability of financial assets that can be readily liquidated to meet any cash requirements.

Based on specific orders from Mediaset S.p.A., in order to optimise the management of liquidity, Group companies concentrate the payment dates to almost all its suppliers at the same dates as those of the most significant cash inflows.

The tables below show the Company's financial obligations, by contract maturity date considering the worst case scenario and at undiscounted values, considering the nearest date when the Company will be asked to make payment and showing the related explanatory notes for each class, for both the current and previous years.

2015

Balance sheet items		Book value	Time Band 0-3 months	4-6 months	7-12 months	1-5 years	Total financial flows	Notes
Financial liabilities								
Loans and payables due to banks		200,352	716	674	1,354	206,185	208,929	9.3/10.1
Bond issue		702,846	34,221	-	2	747,662	781,885	9.3/10.1
Credit facilities and payables due to banks		90,931	86,000	-	-	-	86,000	10.1
Payables to suppliers		1,693	1,693	-	-	-	1,693	10.2
Payables to Mediaset Group companies		508	508	-	-	-	508	10.2
Payables to Fininvest Group and Mediolanum Group companies		51	51	-	-	-	51	10.2
Intercompany financial payables - subsidiaries/associates		479,237	479,237	-	-	-	479,237	10.5
Total		**1,475,616**	**602,426**	**674**	**1,356**	**953,847**	**1,558,304**	
Derivative instruments								
Third party non hedge derivatives (currency-denominated purchases)	valued at contract exchange rate	(8,098)	318,679	50,703		616,600	985,982	6.6-10.6
Third party non hedge derivatives (currency availability)	valued at end-of-period exchange rate	-	(318,135)	(61,547)		(640,222)	(1,019,903)	
Subsidiary/joint venture non hedge derivatives (currency-denominated sale)	valued at contract exchange rate	8,104	(318,694)	(50,703)		(616,600)	(985,998)	6.6-10.6
Subsidiary non hedge derivatives (currency transfer)	valued at end-of-period exchange rate	-	318,156	61,547		640,222	1,019,924	
(rates risk)		5,248	464	495	995	4,186	6,140	9.3/10.6
Total		**5,254**	**470**	**495**	**995**	**4,186**	**6,145**	

2014

Balance sheet items		Book value	Time Band 0-3 months	4-6 months	7-12 months	1-5 years	Over 5 years	Total financial flows	Notes
Financial liabilities									
Loans and payables due to banks		200,448	864	837	1,682	210,911		214,294	9.3/10.1
Bond issue		701,317	34,219	-	4	781,883		816,106	9.3/10.1
Credit facilities and payables due to banks		211,185	207,013	-	-	-	-	207,013	10.1
Payables to suppliers		1,418	1,418	-	-	-	-	1,418	10.2
Payables to Mediaset Group companies		443	443	-	-	-	-	443	10.2
Payables to Fininvest Group and Mediolanum Group Companies		51	51	-	-	-	-	51	10.2
Intercompany financial payables - subsidiaries/associates		473,629	473,629	-	-	-	-	473,629	10.5
Total		**1,588,491**	**717,637**	**837**	**1,686**	**992,794**	**-**	**1,712,954**	
Derivative instruments									
Third party non hedge derivatives (currency-denominated purchases)	valued at contract exchange rate	(20,336)	87,998	113,577	27,629	52,757	-	281,961	6.6-10.6
Third party non hedge derivatives (currency availability)	valued at end-of-period exchange rate	-	(91,679)	(124,016)	(29,877)	(57,482)	-	(303,054)	
Subsidiary non hedge derivatives (currency-denominated sale)	valued at contract exchange rate	20,356	(88,026)	(113,577)	(27,629)	(52,757)	-	(281,989)	6.6-10.6
Subsidiary non hedge derivatives (currency transfer)	valued at end-of-period exchange rate	-	91,707	124,016	29,877	57,482	-	303,082	
Third party hedge derivatives (rates risk)		5,083	171	168	562	4,847		5,748	9.3/10.6
Total		**5,103**	**171**	**168**	**562**	**4,847**	**-**	**5,748**	

The difference between the book values and the total of the financial flows is mainly due to the interest calculated on the contractual duration of the amounts due to banks. In addition, with reference to loans valued using the amortised cost method, the interest calculation method involves the use of the nominal rate instead of the actual yield rate.

With reference to the section relating to derivatives, the contractual exchange rate means the forward exchange rate set at the date of entry into the contract. The year end rate means the spot rate at the reporting date.

Lastly, the time bands do not include the value of the options whose negative fair value derives exclusively from their time value.

For the purpose of better representation in the table, considering the intermediation of exchange rate risk management performed by Mediaset S.p.A., the positive cash flows deriving from currency sales to subsidiaries and joint ventures have also been included.

For the Board of Directors

The Chairman

ATTACHMENTS

The following attachments provide additional information with respect to that shown in the Explanatory Notes, of which they constitute an integral part.

- Table of derivative instruments at 31 December 2015.
- List of equity investments in subsidiaries and associates at 31 December 2015 (Art. 2427 (5) of the Italian Civil Code).
- Disclosures pursuant to Article 149-duodecies of the Consob Issuer Regulation.

Table of derivative instruments
at 31 December 2015

(values in EUR thousand)

Underlying / Type of transactions	Interest rate and debt securities			Exchange rates		
	Notional amount	Fair Value		Notional amount	Fair Value	
		Pos.	Neg.		Pos.	Neg.
Not listed OTC derivatives	-	-	-	-	-	-
Financial derivatives:						
- forward contracts vs. third parties						
USD purchases	-	-	-	1,121,224	13,775	5,672
USD sales	-	-	-	(11,137)	46	35
- forward contracts vs. third parties						
GBP purchases	-	-	-	282	-	15
GBP sales				(93)	1	-
- forward contracts vs. Group						
USD purchases	-	-	-	11,170	35	46
USD sales	-	-	-	(1,121,280)	5,670	13,778
- forward contracts vs. Group						
GBP purchases				93	-	1
GBP sales	-	-	-	(282)	15	-
- interest rate collar	200,000	-	5,248			
Total	200,000	-	5,248	(23)	19,542	19,547

List of equity investments in subsidiaries and associates
at 31 December 2015 (Art. 2427 (5) of the Italian Civil Code)

(values in EUR thousand)

Name	Head office		Share capital	Nominal amount for share/shareholding	Total amount (*)	Pro-rata amount (A)	Total amount (*)	Pro-rata amount	% Stake	Number of shares/shareholdings held	Carrying amount (B)	Value as per art. 2426 (4) of the Italian Civil Code (C)	B-A	B-C
Subsidiaries														
Publitalia '80 S.p.A.	Milan	Euro	52,000	0.52	109,182	109,182	31,179	31,179	100%	100,000,000	51,134	-	(58,048)	-
R.T.I. S.p.A.	Rome	Euro	500,000	0.52	793,394	793,394	18,434	18,434	100%	961,538,475	534,219	-	(259,175)	-
Mediaset Investment S.a.r.l.	Luxembourg	Euro	50,539	52.00	38,653	38,653	(1,950)	(1,950)	100%	1,530,900	37,176	-	(1,477)	-
Mediaset España Comunicación S.A.	Madrid	Euro	183,088	0.50	1,075,450	496,535	167,404	77,290	46.17%	169,058,846	837,377	-	340,842	-

(*) Financial Statements at 31 December 2015

Disclosures pursuant to art. 149-duodecies of the Consob Issuer Regulation

(values in EUR thousand)

Type of engagement	Entity providing the service	Recipient	Fees for the year 2015
Accounts audit	Reconta Ernst & Young S.p.A.	Holding Company-Mediaset S.p.A.	511
Accounts audit	Reconta Ernst & Young S.p.A.	Subsidiaries	839
Accounts audit	Ernst & Young Network	Subsidiaries	293
Certification services	Reconta Ernst & Young S.p.A.	Parent-Mediaset S.p.A. (1)	5
Certification services	Reconta Ernst & Young S.p.A.	Subsidiaries (1)	24
Other services	Reconta Ernst & Young S.p.A.	Subsidiaries	18
Other services	Ernst & Young Network	Subsidiaries	499
Total			**2,189**

(1) *Certification of Modello Unico and Modello 770 tax returns*

Mediaset S.p.A.

2015 Annual Report

Report of the Statutory Auditors

MEDIASET S.p.A.

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS AT 31 DECEMBER 2015 (pursuant to article 153 of Italian Legislative Decree no. 58/98 and article 2429, paragraph 2, of the Italian Civil Code)

Shareholders,

The Board of Statutory Auditors is required to report to the Shareholders' Meeting on the supervisory activities performed during the year and on any omissions or facts worthy of censure pursuant to article 153 of Italian Legislative Decree 58/1998 (TUF) and article 2429, paragraph 2, of the Italian Civil Code. The Board of Statutory Auditors may also make observations and proposals on the financial statements, their approval and matters within its competence.

During 2015, the Board of Statutory Auditors performed its institutional duties in accordance with the Italian Civil Code, Italian Legislative Decree 58/1998 (TUF) and Italian Legislative Decree 39/2010 (Consolidation Act on Statutory Auditing), the bylaws and the rules issued by the supervisory and control authorities, also considering the principles of good conduct recommended by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

In consideration of the foregoing, we hereby provide the information referred to in Consob Communication DEM 1025564/2001 (as amended).

During the year the Board of Statutory Auditors performed its duties by holding 24 meetings, with an average duration of around 2 hours.

The Board of Statutory Auditors also attended all 12 meetings of the Board of Directors, the 10 meetings of the Executive Committee, the 10 meetings of the Risk and Control Committee, the 8 meetings of the Committee of Independent Directors for Related-Party Transactions, the 6 meetings of the Governance and Appointments Committee and the 4 meetings of the Compensation Committee.

During the meetings of the Board of Directors and Executive Committee – which examined the most significant economic, financial and equity transactions of Mediaset S.p.A. and its subsidiaries – the Board of Statutory Auditors received the information referred to in article 150, paragraph 1, of the TUF.

Based on information obtained through its supervisory activities, the Board of Statutory Auditors did not find any transactions during the year to which this report refers that: are not consistent with good management practices; were not resolved upon and implemented in accordance with the law and the Company Bylaws; are not in the interests of Mediaset S.p.A; are in conflict with the resolutions of the Shareholders' Meeting; are manifestly imprudent or risky; lack the necessary disclosures if they coincide with Directors' interests; compromise the integrity of the company's assets.

In particular, our activities were carried out by means of the following:

- constant oversight of the observance of the law, the bylaws and good management principles;
- participation, as described above, at meetings of the Board of Directors, the Executive Committee and the Committees established in accordance with the Corporate Governance Code;
- periodic meetings with high-level executives of the Company and its subsidiaries in order to obtain information regarding the progress and trend of general operations and the most significant transactions in equity, financial and income terms;
- meetings with Company management to examine specific issues (induction sessions) for the benefit both of the non-executive directors and the Board of Statutory Auditors;

- analysis of the main aspects of the organisational structure of the Company for the purpose of ascertaining its adequacy;
- reviewing the internal control, risk management and administration/accounting systems, for the purpose of ascertaining their adequacy and reliability in being able to correctly reflect management events, including through meetings or exchanges of information with the independent auditor;
- reviewing the work plan and the outcomes of checks carried out by the Internal Auditing function;
- overseeing the statutory audit of the separate and consolidated financial statements and the independence of the independent auditors;
- checking the procedures put in place by the Board of Directors for evaluating the independence of the Independent Directors;
- verifying compliance with the independence criteria to which the Board of Statutory Auditors is subject, in line with those indicated in the Corporate Governance Code for directors;
- supervising procedures regarding related-party transactions;
- examining the directives issued to subsidiaries, including for the purposes of complying with disclosure obligations;
- periodic exchanges of information with the corresponding control bodies of the main subsidiaries;
- overseeing the financial reporting process.

In accordance with Consob rules, we hereby state that our activities did not reveal any omissions, facts worthy of censure, irregularities or instances of inadequacy of the organisational structure, of the internal control system or of the administration/accounting system.

The Board of Statutory Auditors' attendance at the meetings of the Risk and Control Committee allowed it to coordinate with this Committee for the performance of its

Internal Control Committee functions and those regarding accounting control. In particular, the Board of Statutory Auditors – which is identified by art. 19, paragraph 2, of the Consolidation Act on Statutory Auditing as the "Committee for Internal Control and Statutory Auditing" – has supervised:

1. Oversight of the financial reporting process.

The Board of Statutory Auditors has verified the existence of adequate rules and procedures to oversee the process of the "preparation" and "dissemination" of financial disclosures and deems this process to be adequate.

The Board of Statutory Auditors has examined the process that enables the Financial Reporting Officer (appointed pursuant to Italian Law 262/2005) and the Chairman of the Board of Directors to issue the declarations required under article 154-bis of the TUF.

The administrative and accounting procedures for the formation of the separate and consolidated financial statements and all other financial communications have been established under the responsibility of the Financial Reporting Officer, who, together with the Chairman of the Board of Directors, attests to their adequacy and effective implementation.

The Board of Statutory Auditors has also examined the reports prepared by the independent auditors Reconta Ernst & Young, whose work is an integral part of the general framework of control functions established by law with reference to the financial disclosure process.

These reports, issued on 4 April 2016, pursuant to article 14 of Italian Legislative Decree 39/2010, state that the separate and consolidated financial statements of the Group have been prepared in accordance with IAS/IFRS, as issued by the international Accounting Standards Board and adopted by the European Union as at 31 December 2015. As such, these reports have been prepared in a straightforward manner that truthfully and accurately represent income, financial position, earnings and cash flow for the year ended on 31 December 2015. In addition, the independent auditors consider the Report on Operations and the information referred to in section 1, letters c), d), f), l), m) and section

2, letter b), of article 123 bis of Legislative Decree 58/1998 (TUF) presented in the Corporate Governance Report to be consistent with the accounting documents.

2. Oversight of the effectiveness of the internal control, internal audit and risk management systems

The Board of Statutory Auditors, in acknowledgement of the contents of the Corporate Governance Report on the adequacy and effectiveness of the internal control system, has examined the 2015 report of the internal auditing function. On the basis of the activities performed by the internal auditing function during 2015, the internal control and risk management system of the Mediaset Group was deemed to be functioning and adequate. With reference to the various Group-level findings of the internal auditing function, improvement and corrective plans have been implemented that demand exact compliance with deadlines by all parties involved.

3.*Oversight of the statutory auditing of the separate and consolidated accounts*

The periodic meetings with the independent auditors revealed no critical issues as regards auditing work or significant deficiencies in the internal control system applied to the financial reporting process. In accordance with the Corporate Governance Code, the Board of Statutory Auditors has examined the independent auditor's report on fundamental issues, published on 4 April 2016 pursuant to article 19, paragraph 3 of Italian Legislative Decree 39/2010, which did include any major problems.

4. Oversight of the independence of the independent auditors, particularly with regard to non-audit services.

The Board of Statutory Auditors has overseen the independence of the independent auditors, receiving evidence from it of assignments other than the audit services for which it was appointed in 2015. The Board of Statutory Auditors has suggested the introduction of a procedure on this subject to improve the timeliness and completeness of the information provided.

The Board has examined the report on the independence of the independent auditors, as per article 17 of Italian Legislative Decree 39/2010, issued by the independent auditors on 4 April 2016, in which it declares that on the basis of the information available to date and checks conducted for the purposes of paragraph 17 letter (a) of the International Standard on Auditing (ISA Italia) 260, bearing in mind the regulatory and professional principles that govern auditing activities, in the period from 28 April 2015 to today's date no situations have been found that have compromised its independence or any causes of incompatibility pursuant to articles 10 and 17 of Italian Legislative Decree 39/2010 and associated implementing provisions.

The Board of Statutory Auditors reports that, on the basis of this independence report, during 2015 the independent auditors and entities belonging to its network were paid fees for the following additional services over and above those regarding the auditing of the separate and consolidated financial statements and the provision of certification services to Mediaset S.p.A. and companies in the Mediaset Group:

- Services provided by Reconta Ernst & Young to the subsidiaries for EUR 18 thousand, of which:
    - Agreed activities relating to the sale of the "set-top box fleet": EUR 5 thousand
    - Agreed activities relating to IT services provided to EI Towers SpA: EUR 13 thousand
- Services provided by the EY network to the subsidiaries for EUR 499 thousand, of which:
    - Accounting and tax due diligence for RTI SpA: Euro 154 thousand;
    - Analysis for the development of RTI SpA's OTT platforms: EUR 91 thousand;
    - Benchmark analysis for RTI SpA on the European content market and OTT platforms: EUR 65 thousand;
    - Agreed activities regarding the allocation of new channels in Spain: EUR 50 thousand;

- Review of information systems supporting the games business in Spain: EUR 57 thousand;
- Audit of IT system in Italy for RTI SpA: EUR 18 thousand;
- Other services for the Group in Italy: EUR 43 thousand;
- Other services for the Group in Spain: EUR 21 thousand.

The Board also notes that:

- the procedures adopted by the company with regard to transactions with related parties comply with the principles contained in Consob Regulation no. 17221 of 12 March 2010.

- the inter-company and related-party transactions did not present any critical issues, without prejudice to the need for constant management focus especially with regard to the implementation of internal support, oversight and audit procedures applicable to these transactions;

- the aforesaid transactions have been sufficiently illustrated in the notes to both the separate and consolidated financial statements and they are consistent with, and in, the Company's interests;

- based on our examinations, no transactions have been found that could be considered as either atypical or unusual;

- the obligation to provide the Board of Statutory Auditors with disclosures, information and documentation pursuant to article 150, section 1, of Italian Legislative Decree 58/1998, has been correctly and properly discharged by the Directors with the required frequency, also by means of the information and data given to it during the meetings of the Board of Directors and the Executive Committee;

- reports were presented to the Board on activities performed and on the most significant operations in economic, financial and equity terms undertaken by the Company and its subsidiaries;

- based on information acquired through its supervisory activities, the Board of Statutory Auditors believes that the company’s transactions are consistent with good management practices, have been resolved upon and implemented in compliance with the law and the

Company Bylaws, and are in the interests of the Company. Further, said transactions are not manifestly imprudent, risky or lacking the necessary disclosure in cases in which the Directors have an interest. They are not in conflict with the resolutions made by the Shareholders' Meeting, nor do they appear such as to compromise the integrity of the company's assets;

- it has examined and obtained information regarding the organisational and procedural activities introduced pursuant to Italian Legislative Decree 231/2001, as amended, on the management responsibility of Entities with regard to the crimes set out in this legislation. The meetings and reports of the Supervisory Body on the activities performed in 2015 have not revealed any major problems;
- in the financial statements, the section on main disputes provides information on a number of legal proceedings that featured in 2015 and the early months of 2016, which also affected the procurement area for which (as reported by the directors) the Group swiftly responded. In this regard, the Board notes that management is currently reviewing the organisational guidelines in this area and a number of aspects of the purchasing process;
- in reference to provisions for risks, in the relevant paragraph the directors report on the case relating to order no. 25462 of 13 May 2015 of the Italian Antitrust Authority, which is expected to conclude by 30 April 2016 (which may be before the shareholders' meeting on 27 April 2016), in which regard "*partly due to the complexity of the case, it is not currently possible to provide a credible prediction of the outcome of the preliminary proceedings, or a general estimate of the amount of the fine that the Authority could apply to RTI and Mediaset Premium*". The position of the directors, supported by experienced legal counsel, is that even in the event of a negative outcome and a resulting final ruling confirming the alleged offence, which carries the consequent fines, there are reasonable grounds to appeal before the Administrative Courts;
- it has supervised the procedures for implementing the corporate governance regulations set out in the Corporate Governance Code adopted by the Company – which is in line with the Code prepared, on request of Borsa Italiana SpA, by the Committee for the

Governance of Listed Companies – and has not discovered any particular problems, as also explained in the Corporate Governance Report prepared by the Directors;

- it has overseen the instructions given to subsidiaries, which were regarded as appropriate in consideration of the parent company's coordination and guidance role, also at international level;
- it has exchanged information and attended meetings with the supervisory boards of the main subsidiaries in the Group;
- it has verified correct application of the investigation criteria and procedures adopted by the Board of Directors with regard to the satisfaction of independence criteria by its members;
- it has verified, in accordance with the recommendations of Borsa Italiana's Corporate Governance Code, that its members meet the same independence requirements that apply to directors.

No complaints pursuant to article 2408 of the Italian Civil Code were received in 2015.

During 2015, the Board of Statutory Auditors expressed its opinion on the Report on Fundamental Issues found during the audit of the 2014 accounts, and did not identify any major problems.

During the year the Board of Statutory Auditors also issued opinions on:

- The appointment of the Financial Reporting Officer (April 2015) pursuant to article 154 bis, paragraph 1, Italian Legislative Decree 158/1998;
- Accounting due diligence (February 2015) relative to a company outside the Group by Ernst & Young Financial-Business Advisors as part of the AD4Ventures project. Fees of EUR 10,000;
- Accounting due diligence (April 2015) relative to two companies outside the Group as part of the AD4Ventures initiative. Fees of EUR 20,000;

- 12-month framework agreement (April 2015) relative to due diligence on target companies as part of the AD4Ventures initiative. Fees of EUR 8,000/10,000 each;
- Accounting and tax due diligence relative to two target companies. Fees of EUR 122,000;
- Compensation of directors with special duties pursuant to article 2389, paragraph 3, of the Italian Civil Code and article 6 of the Corporate Governance Code (May 2015).

As regards the separate financial statements for the year ended 31 December 2015, showing a profit of EUR 50,368,406, we have verified compliance with the laws governing their form and content.

Considering the foregoing, the Board of Statutory Auditors – in light of the content of the reports of the independent auditors, as well as the joint statements of the Chairman of the Board of Directors and the Financial Reporting Officer – does not find, insofar as its competence extends, any reason not to approve the separate financial statements at 31 December 2015 and the dividend distribution proposal formulated by the Board of Directors.

Rome, 4 April 2016

For the Board of Statutory Auditors

Mauro Lonardo – Chairman of the Board of Statutory Auditors

MEDIASET SPA

Mediaset S.p.A.

2014 Annual Report

Indipendent Auditors' Report

EY
Building a better working world

Reconta Ernst & Young S.p.A.
Via della Chiusa, 2
20123 Milano

Tel: +39 02 722121
Fax: +39 02 72212037
ey.com

Independent auditor's report
in accordance with art. 14 and 16 of Legislative Decree n. 39, dated 27 January 2010
(Translation from the original Italian text)

To the Shareholders of Mediaset S.p.A.

Report on the financial statements

We have audited the accompanying financial statements of Mediaset S.p.A., which comprise the statement of financial position as at 31 December 2015, and the statement of income, the statement of comprehensive income, the statement of cash flows, the statement of changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The Directors of Mediaset S.p.A. are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union as well as with the regulations issued to implement art. 9 of Legislative Decree 38/05.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) implemented in accordance with art. 11, paragraph 3 of Legislative Decree n. 39 dated 27 January 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Mediaset S.p.A. as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree N. 38/05.

Reconta Ernst & Young S.p.A.
Sede Legale: Via Po, 32 - 00198 Roma
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la C.C.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584 - numero R.E.A. 250904
P.IVA 00891231003
Iscritta all'Albo Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

Report on other legal and regulatory requirements

Opinion on the consistency with the financial statements of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure

We have performed the procedures required under audit standard SA Italia n. 720B in order to express an opinion on the consistency of the Report on Operations and of specific information of the Report on Corporate Governance and the Company's Ownership Structure as provided for by art. 123-bis, paragraph 4 of Legislative Decree 58/98, with the financial statements, as required by the law. The Directors of Mediaset S.p.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and the Company's Ownership Structure in accordance with the applicable laws and regulations. In our opinion the Report on Operations and the specific information of the Report on Corporate Governance and the Company's Ownership Structure are consistent with the financial statements of Mediaset S.p.A. as at 31 December 2015.

Milan, 4 April 2016

Reconta Ernst & Young S.p.A.

Signed by: Luca Pellizzoni, Partner

This report has been translated into the English language solely for the convenience of international readers.

Mediaset S.p.A.

2014 Annual Report

Certification on the Annual financial statements pursuant art. 154-bis of Legislative Decree 58/98

Attestation of the Yearly Financial Statements pursuant to article 154, part two, of the Legislative Decree 58/98

1. The undersigned persons Fedele Confalonieri, Chairman of the Board of Directors and Luca Marconcini, the Assigned Executive for the drafting of the company accounting documents of Mediaset S.p.A. attest, also taking into account what is laid down by article 154, part two, paragraphs 3 and 4, of the Legislative Decree of 24th February 1998, n° 58,

   • to the adequacy relative to the characteristics of the Company and

   • the effective application

   of the administrative and accounting procedures for building up the Yearly Financial Statements, during the financial year 2015.

2. The evaluation of the adequacy of the administrative and accounting procedures for building up the Yearly Financial Statements at 31st December 2015 was carried out based on the rules and methodologies defined by Mediaset S.p.A. in line with the model *Internal Control - Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, which represents a body of general reference principles for the system of internal controls that is generally accepted at international level.

3. Furthermore, it is also attested that:

3.1 The Yearly Financial Statements:

a) Are drawn up in conformity with the applicable International Accounting Standards recognised within the European Community, pursuant to the regulation (EC) n° 1606/2002 of the European Parliament and Council, of 19th July 2002, as well as with the measures issued to actuate article 9 of the Legislative Decree n° 38/2005;

b) reflect the balances in the books and the accounting postings;

c) are suitable and appropriate in order to give a true and fair view of the Balance Sheet, Income Statement and Financial situations of the Issuer;

3.2 The Board of Directors Report on Operations contains a trustworthy analysis of the progress and result of operations, as well as of the situation of the Issuer, together with the description of the main risks and uncertainties to which it is exposed.

22nd March 2016

For the Board of Directors
The Chairman

(Fedele Confalonieri)

The Assigned Executive for the drafting
of the company accounting documents

(Luca Marconcini)

MEDIASET SPA

Mediaset S.p.A.

2015 Annual Report

Summary tables of main economic and financial data of companies included in the consolidation area

Mediaset S.p.A.

Summary tables of main economic and financial data of companies included in the consolidation area

(values in EUR thousands)

ASSETS	**Publitalia '80 S.p.A.**	**Digitalia '08 S.r.l.**	**Promoservice Italia S.r.l.**	**R.T.I. S.p.A.**	**Mediaset Premium S.p.A.**	**Monradio S.r.l.**	**Elettronica Industriale S.p.A.**	**EI Towers S.p.A.**	**Towertel S.p.A.**	**NewTelTowers S.p.A.**	**NETTROTTER S.r.l.**	**Videotime S.p.A.**	**Media4commerce S.p.A.**	**Medusa Film S.p.A.**	**Taodue S.r.l.**
Non-current assets															
Property, plant, equipment and other tangible assets	3,096	22	1	70,980	21,783	4,050	70,040	171,312	23,450	3,441	2,257	29,156	171	27	470
Television and movie rights	-	-		1,119,337	1,020,185	-	-		-				-	33,469	8,936
Goodwill and other intangible assets	12,403	-		115,455	3,515	48,087	187,666	412,526	121,386	976	881	3,373	237	16,588	9,412
Equity investments and other financial non-current assets	26,755	-		1,022,001	60	96	222,004	190,716	21,420			1,557		576	42
Other non-current assets	-	-		4,578	-	38	-	-				5,655			
Deferred tax assets	5,261	771	1,671	55,644	5,851	3,719	35,340	4,388	663			2,850	889	6,464	583
Total non-current assets	**47,515**	**793**	**1,672**	**2,387,994**	**1,051,394**	**55,990**	**515,050**	**778,943**	**166,918**	**4,417**	**3,138**	**42,591**	**1,298**	**57,125**	**19,442**
Current assets															
Inventories	-	-	2,025	20,681	1,878	-	-	2,902				1,901	3,823		2,438
Trade receivables	462,706	29,496	20,221	574,974	606,373	3,927	49,388	24,392	4,699	1,066	78	51,250	2,421	26,008	6,560
Tax receivables	2,104	316	55	5,924	91	1,396	1,479	983	712	15		1,756		1,011	180
Other receivables and current assets	69,472	3,789	727	153,862	106,624	244	16,483	5,268	2,833	952		8,324	9,715	6,341	3,172
Intercompany financial receivables	164,560	18,400	9,401	-	32,425		25,255	-	-			60,680	1,308	116,347	
Current financial assets	-	-		12,932	-		-	-	-			30	10	15,314	6,368
Cash and cash equivalents	13	1	1	407	915	1	1	72,846	28,705	1,401	508	-	112	3	3
Total current assets	**698,855**	**52,002**	**32,430**	**768,781**	**748,306**	**5,567**	**92,605**	**106,391**	**36,948**	**3,435**	**586**	**123,939**	**17,391**	**165,025**	**18,721**
Non-current assets held for sale	-	-	-	-	-			-	-	-	-	-	-	-	-
TOTAL ASSETS	**746,369**	**52,795**	**34,102**	**3,156,775**	**1,799,700**	**61,558**	**607,655**	**885,333**	**203,867**	**7,852**	**3,724**	**166,530**	**18,688**	**222,149**	**38,163**

Mediaset S.p.A.

Summary tables of main economic and financial data of companies included in the consolidation area

(values in EUR thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	Publitalia '80 S.p.A.	Digitalia '08 S.r.l.	Promoservice Italia S.r.l.	R.T.I. S.p.A.	Mediaset Premium S.p.A.	Monradio S.r.l.	Elettronica Industriale S.p.A.	EI Towers S.p.A.	Towertel S.p.A.	NewTelTowers S.p.A.	NETTROTTER S.r.l.	Videotime S.p.A.	Media4commerce S.p.A.	Medusa Film S.p.A.	Taodue S.r.l.
Shareholders' equity															
Share capital	52,000	10,339	6,741	500,000	30,000	3,030	363,167	2,826	22,000	2,000	525	52,010	10,000	120,000	51
Share premium reserve	-	-	-		1,692	24,127	-	194,227			475				2,056
Treasury shares	-	-	-		-		-	(1,845)							
Other reserves	43,279	3,420	2,312	404,445	103,825		202,904	342,792	32,347	133		15,766	6,057	34,361	4,789
Valuation reserve	(5,009)	(446)	(29)	(5,974)	224		(51)	(2,291)	(8)			(5,511)	20	()	(1)
Retained earnings	(12,268)	5,488	12	(123,511)	8,234	28,646	22,752	-	7,666	(395)		34,400	-		(1)
Net profit (loss) for the period	31,179	36	(909)	18,434	(83,885)	(10,836)	942	36,832	10,325	1,108	(225)	494	(5,371)	11,696	412
TOTAL SHAREHOLDERS' EQUITY	**109,182**	**18,837**	**8,127**	**793,394**	**60,090**	**44,967**	**589,713**	**572,540**	**72,329**	**2,847**	**775**	**97,159**	**10,705**	**166,056**	**7,305**
Non-current liabilities															
Post-employment benefit plans	15,466	802	117	35,666	3,634	568	476	11,656	88			18,544	491	343	16
Deferred tax liabilities	431	7	1	4,905	50	9,876	148	20,967	8,740			2,206	1	154	2
Financial payables and liabilities	-	-	-	2,440	-	-		226,977	91,259					1,044	150
Provisions for non-current risks and charges	12,053	1,069	35	28,822	18	536	1,009	2,321	1,810	30			1,377		12
Total non-current liabilities	**27,951**	**1,878**	**154**	**71,834**	**3,702**	**10,980**	**1,634**	**261,920**	**101,896**	**30**	**-**	**20,750**	**1,869**	**1,542**	**179**
Current liabilities															
Payables to banks	2	1	1	31	202	-	7					1	88	2	3
Tarde payables	582,686	30,845	25,531	427,535	1,677,110	2,966	512	36,417	6,454	586	1,923	37,145	5,708	46,643	9,268
Provisions for current risks and charges	-	-	-	15,627	1,631		7		-			3,056		1,756	
Current tax payables	-	-	-	-	-		-	825	39	528					
Intercompany financial payables	-	-	-	1,808,745	-		-	-							2,555
Other financial liabilities	3,705	205	-	3,443	-	1,400	-	6,731						3,567	1,300
Other current liabilities	22,844	1,029	290	36,166	56,965	1,244	15,781	6,901	23,148	3,861	1,026	8,420	318	2,584	17,552
Total current liabilities	**609,237**	**32,080**	**25,821**	**2,291,547**	**1,735,907**	**5,610**	**16,308**	**50,874**	**29,641**	**4,976**	**2,949**	**48,621**	**6,114**	**54,552**	**30,679**
Liabilities related to non-current assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**637,187**	**33,958**	**25,975**	**2,363,381**	**1,739,610**	**16,590**	**17,941**	**312,794**	**131,537**	**5,006**	**2,949**	**69,372**	**7,983**	**56,093**	**30,858**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**746,369**	**52,795**	**34,102**	**3,156,775**	**1,799,700**	**61,558**	**607,655**	**885,333**	**203,867**	**7,852**	**3,724**	**166,530**	**18,688**	**222,149**	**38,163**

Mediaset S.p.A.

Summary tables of main economic and financial data of companies included in the consolidation area

(values in EUR thousands)

STATEMENT OF INCOME	Publitalia '80 S.p.A.	Digitalia '08 S.r.l.	Promoservice Italia S.r.l.	R.T.I. S.p.A.	Mediaset Premium S.p.A.	Monradio S.r.l.	Elettronica Industriale S.p.A.	EI Towers S.p.A.	Towertel S.p.A.	NewTelTowers S.p.A.	NETTROTTER S.r.l.	Videotime S.p.A.	Media4commerce S.p.A.	Medusa Film S.p.A.	Taodue S.r.l.
Revenues															
Revenues from sales of goods and services	1,620,405	89,399	18,780	1,502,510	629,888	10,300	213,386	213,712	26,436	4,208		148,482	21,576	57,646	34,260
Other revenues and income	1,523	59	42	64,431	11,058		565	298	2,639	42		3,219	1,133	7,573	135
Total net revenues	**1,621,928**	**89,459**	**18,822**	**1,566,942**	**640,947**	**10,300**	**213,951**	**214,010**	**29,075**	**4,250**	**-**	**151,701**	**22,710**	**65,219**	**34,395**
Costs															
Personnel expenses	65,942	2,979	241	172,053	28,817	1,827	1,242	40,908	394			61,542	2,359	2,686	13,663
Purchases, services, other costs	1,500,173	86,292	17,387	864,216	394,769	11,676	190,459	78,172	12,337	2,241	262	81,423	26,880	17,478	15,831
Amortisation, depreciation and write-downs	8,502	66	2,011	532,469	332,204	1,214	28,427	34,614	2,716	219	30	8,757	337	28,226	1,250
Impairment losses and reversal of impairment on fixed assets	-	-	-	-	-										
Total costs	**1,574,617**	**89,337**	**19,639**	**1,568,739**	**755,790**	**14,718**	**220,129**	**153,694**	**15,447**	**2,460**	**292**	**151,722**	**29,577**	**48,390**	**30,744**
Gains/(losses) from disposals of non-current assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBIT	**47,311**	**122**	**(816)**	**(1,797)**	**(114,844)**	**(4,418)**	**(6,177)**	**60,317**	**13,627**	**1,790**	**(292)**	**(21)**	**(6,867)**	**16,829**	**3,651**
(Expenses)/income from financial investments															
Financial losses	(3,382)	(113)	()	(105,393)	(128)	(1,090)	(598)	(9,866)	(1,242)			(57)	(268)	(46)	(1,850)
Financial income	1,064	133	48	44,103	432		156	2,526	59	(90)	(7)	316	319	716	20
(Expenses)/Income from equity investments	4,206	-	-	82,104	-		12,436	12				263		(120)	
Total (expenses)/income from financial investments	**1,887**	**19**	**48**	**20,815**	**304**	**(1,090)**	**11,993**	**(7,327)**	**(1,184)**	**(90)**	**(7)**	**521**	**51**	**550**	**(1,831)**
EBT	**49,198**	**142**	**(769)**	**19,018**	**(114,539)**	**(5,508)**	**5,816**	**52,989**	**12,444**	**1,700**	**(299)**	**501**	**(6,816)**	**17,379**	**1,821**
Income taxes	18,019	106	141	584	(30,655)	5,328	4,874	16,158	2,119	592	(74)	7	(1,445)	5,683	1,409
Net profit form continuing operations	**31,179**	**36**	**(909)**	**18,434**	**(83,885)**	**(10,836)**	**942**	**36,832**	**10,325**	**1,108**	**(225)**	**494**	**(5,371)**	**11,696**	**412**
Net gains/(losses) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit (loss) for the period	**31,179**	**36**	**(909)**	**18,434**	**(83,885)**	**(10,836)**	**942**	**36,832**	**10,325**	**1,108**	**(225)**	**494**	**(5,371)**	**11,696**	**412**

Mediaset S.p.A.

Summary tables of main economic and financial data of companies included in the consolidation area

(values in EUR thousands)

ASSETS	Advertisement 4 Adventures SLU	Conecta 5 Telecinco S.A.U.	Grupo Editorial Tele 5 SAU	Integracion Transmedia SAU	Mediacinco Cartera SL	Mediaset Espana Comunicacion S.A.	Mediaset Investment SARL	Netsonic SL	Premiere Megaplex SA	Publiespana SAU	Publieurope Ltd	Publimedia Gestion SAU	Sogecable Editorial S.L.U.	Telecinco Cinema SAU
Non current assets														
Land, plants, equipment and other tangible fixed assets	-	21	-	-	-	54,207	0	41	-	149	71	30	-	-
Television and cinema rights	-	-	-	-	-	187,415		-	-	-		-	-	14,304
Goodwill and other intangible fixed assets	-	938	-	-	-	495,566		0	124	190		3	-	0
Equity investments and other financial non current assets	9,393	21	-	-	-	169,708	11,220	21	92	1,789		-	-	340
Tax assets	-	31	-	-	64,997	68,611	-	113	585	76		3	-	1,186
Total non current assets	**9,393**	**1,011**	**-**	**-**	**64,997**	**975,508**	**11,220**	**175**	**801**	**2,204**	**71**	**35**	**-**	**15,830**
Current assets														
Inventories	-	2	-	-	-	6,543		2	4	-		-	-	22
Trade receivables	-	369	2,318	-	-	4,705	8	1,267	2,101	187,362	712	8,289	38	18,285
Other receivables and current assets	0	59	1	7,585	-	16,546	579	149	33	95	2,172	2	-	3
Intercompany current receivables	-	8,978	3,572	-	1,397	220,160		14	-	107,448	6,064	235	426	38
Current Financial Assets	257	1	-	4	10,781	57,700	19,959	38	510	3,984	36,284	-	-	2,468
Cash and cash equivalent	14	99	17	8	13	162,451	7,709	145	1,957	42,153	963	3,731	77	732
Total current assets	**271**	**9,509**	**5,908**	**7,597**	**12,191**	**468,104**	**28,255**	**1,615**	**4,605**	**341,042**	**46,196**	**12,258**	**540**	**21,547**
Non current assets available for sale	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**		**-**	**-**	**-**
TOTAL ASSETS	**9,665**	**10,520**	**5,908**	**7,597**	**77,189**	**1,443,612**	**39,475**	**1,790**	**5,406**	**343,246**	**46,266**	**12,293**	**540**	**37,378**

Mediaset S.p.A.

Summary tables of main economic and financial data of companies included in the consolidation area

(values in EUR thousands)

LIABILITIES AND SHAREHOLDERS' EQU	Advertisement 4 Adventures SLU	Conecta 5 Telecinco S.A.U.	Grupo Editorial Tele 5 SAU	Integracion Transmedia SAU	Mediacinco Cartera SL	Mediaset Espana Comunicacion S.A.	Mediaset Investment SARL	Netsonic SL	Premiere Megaplex SA	Publiespana SAU	Publieurope Ltd	Publimedia Gestion SAU	Sogecable Editorial S.L.U.	Telecinco Cinema SAU
Shareholders' Equity														
Share Capital	55	62	120	60	50	183,088	50,539	10	231	601	7,697	61	3	160
Share premium reserve	10,941	1,301	-	(1)	189,953	697,597		1,689	4,600	-		-	-	4,877
Treasury shares	-	-	-	-	-	(214,837)		-	-	-		-	-	-
Profit/(loss) brought forward and other reserves	(1,224)	(717)	(177)	2,047	(152,687)	242,198	(9,936)	(836)	(1,754)	(12,626)	29,737	1,120	287	(20,316)
Evaluation reserves	-	-	-	-	-	-		-	-	-		-	-	-
Profit/(loss) for the year	(661)	1,313	3,550	(11)	(427)	167,404	(1,950)	(354)	(1,284)	65,571	5,292	2,119	163	2,402
TOTAL SHAREHOLDERS' EQUITY	**9,112**	**1,958**	**3,493**	**2,095**	**36,889**	**1,075,450**	**38,653**	**509**	**1,793**	**53,545**	**42,726**	**3,299**	**453**	**(12,877)**
Non Current Liabilities														
Post-employment benefit plans														
Non Current Tax Liabilities	-	-	-	-	-	7,102		-	-	-	(0)	-	-	1,213
Loan and financial liabilities	-	6,000	-	-	-	7,389	134	150	-	-		-	-	28,500
Non Current Provision for risk and charges	-	-	-	-	-	23,162	266	-	-	-		-	-	-
Other Non Current Liabilities	-	-	-	-	-	165		-	-	-		-	-	-
Total Non Current Liabilities	**-**	**6,000**	**-**	**-**	**-**	**37,819**	**400**	**150**	**-**	**-**	**(0)**	**-**	**-**	**29,713**
Current Liabilities														
Due to banks	-	-	-	-	10,075	1,087		30	423	-		-	-	-
Trade payables	-	1,215	21	-	(1)	155,453	6	35	1,724	8,680	202	4,526	(1)	10,873
Current Provision for Risk and Charges	-	-	-	-	-	-		88	10	31,875		2,965	-	-
Tax liabilities	0	38	956	-	-	19,627	198	120	889	726	425	83	25	46
Intecompany Current Liabilities	553	848	1,438	5,502	30,225	141,717	1	60	436	239,478	483	1,176	63	9,364
Other current financial liabilities							-							
Other current liabilities	-	461	-	-	-	12,460	217	798	130	8,941	2,431	244	-	258
Total Current Liabilities	**553**	**2,562**	**2,415**	**5,502**	**40,300**	**330,343**	**422**	**1,131**	**3,613**	**289,701**	**3,541**	**8,994**	**87**	**20,542**
Non current liabilities related to current assets available for sale	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**553**	**8,562**	**2,415**	**5,502**	**40,300**	**368,162**	**822**	**1,281**	**3,613**	**289,701**	**3,541**	**8,994**	**87**	**50,255**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**9,665**	**10,520**	**5,908**	**7,597**	**77,189**	**1,443,612**	**39,475**	**1,790**	**5,406**	**343,246**	**46,266**	**12,293**	**540**	**37,378**

Mediaset S.p.A.

Summary tables of main economic and financial data of companies included in the consolidation area

(values in EUR thousands)

STATEMENT OF INCOME	Advertisement 4 Adventures SLU	Conecta 5 Telecinco S.A.U.	Grupo Editorial Tele 5 SAU	Integracion Transmedia SAU	Mediacinco Cartera SL	Mediaset Espana Comunicacion S.A.	Mediaset Investment SARL	Netsonic SL	Premiere Megaplex SA	Publiespana SAU	Publieurope Ltd	Publimedia Gestion SAU	Sogecable Editorial S.L.U.	Telecinco Cinema SAU
Revenues														
Revenues from the sale of goods and services	-	8,757	4	(22)		744,200		2,702	7,361	873,191	25,215	32,193	-	24,664
Other revenues and income	-	884	5,095	-		26,758	15	0	3	186	-	6	227	2,119
Total Revenues	**-**	**9,641**	**5,099**	**(22)**	**-**	**770,958**	**15**	**2,702**	**7,363**	**873,376**	**25,215**	**32,199**	**227**	**26,783**
Costs														
Personnel expenses	-	640		30	-	83,463	231	996	587	20,416	3,433	1,362	-	1,108
Purchases, services, other costs	905	7,385	169	(166)	1	370,673	467	1,913	8,266	765,970	15,171	27,871	1	7,841
Amortisation, depreciation and write-downs	-	241	-	-	-	207,587	3	14	46	694	50	23	-	15,418
Impairment losses and reversal of impairment on fixed assets														
TOTAL COSTS	**905**	**8,266**	**169**	**(137)**	**1**	**661,723**	**702**	**2,923**	**8,900**	**787,080**	**18,653**	**29,256**	**1**	**24,367**
Gains/(Losses) from disposal of non current assets														
EBIT	**(905)**	**1,375**	**4,930**	**115**	**(1)**	**109,234**	**(686)**	**(221)**	**(1,536)**	**86,297**	**6,562**	**2,942**	**226**	**2,416**
Income/(losses) from financing activity														
Financial losses	(13)	(150)	(0)	(130)	(1,031)	(1,892)	(459)	(43)	(221)	(117)	(14)	(5)	(0)	(946)
Financial income	-	110	0	0	0	70,912	624	33	3	3,729	434	5	0	0
Income/(losses) from equity investments						16,230	(1,290)							
Other income/(losses) from financing activity	-	(1)	-		-	895		(31)	(0)	(0)		-	-	(2)
Total Income/(Losses) from financing activity	**(13)**	**(42)**	**0**	**(130)**	**(1,031)**	**86,146**	**(1,125)**	**(41)**	**(218)**	**3,611**	**420**	**(0)**	**0**	**(948)**
EBT	**(918)**	**1,333**	**4,930**	**(15)**	**(1,032)**	**195,381**	**(1,812)**	**(262)**	**(1,754)**	**89,908**	**6,983**	**2,942**	**226**	**1,468**
Income taxes	(257)	20	1,380	(4)	(605)	27,976	138	93	(470)	24,337	1,691	824	63	(934)
NET RESULT FROM CONTINUING OPERATIONS	**(661)**	**1,313**	**3,550**	**(11)**	**(427)**	**167,404**	**(1,950)**	**(354)**	**(1,284)**	**65,571**	**5,292**	**2,119**	**163**	**2,402**
Gains/(Losses) from disposal of assets available for sale														
NET RESULT FOR THE YEAR	**(661)**	**1,313**	**3,550**	**(11)**	**(427)**	**167,404**	**(1,950)**	**(354)**	**(1,284)**	**65,571**	**5,292**	**2,119**	**163**	**2,402**

Mediaset Group

Compensation Report

Written pursuant to art. 123-ter of Legislative Decree No. 58 of 24 February 1998, and pursuant to art. 84-quater of the Issuers Regulations, Consob Resolution No.11971 of 14 May 1999 and in accordance with Attachment 3A Charts 7-bis and 7-ter of said Regulations.

SECTION I

1. Introduction

This Report, approved by the Board of Directors on 22 March 2016, describes the principles and guidelines of Mediaset S.p.A.'s compensation policy and its implementation, on a transparent basis and in compliance with applicable standards and regulations.

On 16 March 2016, the Compensation Committee submitted to the Board of Directors a proposal for a general compensation policy.

The compensation policy is based on the conviction that there is a close connection between the compensation of directors and key management personnel, company performance and the creation of value over the medium and long term.

In this regard, the pursuit of a policy capable of ensuring full consistency between overall "management" compensation and overall company performance is a key element for meeting investor expectations and strengthening the confidence of all stakeholders.

The compensation policy, developed pursuant to the provisions of Consob Resolution No. 18049 of 23 December 2011 to implement Article 123-TER of Legislative Decree 58/1998 concerning the transparency of the compensation paid to directors of listed companies, in accordance with the Procedure for Transactions with Related Parties adopted by the Group on 9 November 2010, is submitted to the approval of the shareholders at the Shareholders' Meeting also called to approve the 2015 Financial Statements.

Key elements of the compensation policy

<table>
<tr><th>COMPONENT</th><th>PURPOSE</th><th>MAIN CHARACTERISTICS AND PERFORMANCE CONDITIONS</th><th>THEORETICAL AMOUNTS AND PAYOUTS (gross on annual basis)</th></tr>
<tr><td>FIXED COMPENSATION</td><td>Compensates responsibilities assigned, experience and distinctive skills possessed.</td><td>In line with the best market practices and such as to guarantee an adequate level of retention.</td><td>Chairman: 3,458,579.38 (includes the yearly consideration for the non-compete agreement)

Deputy Chairman and Chief Executive Officer: 1,382,332.68

Key Management Personnel (DRS): compensation linked to the significance of the position.</td></tr>
<tr><td>VARIABLE SHORT-TERM COMPENSATION</td><td>Ensures a direct link between compensation and performance results; its purpose is to reward the achievement of corporate and personal objectives.</td><td>Performance Objectives

The system provides for a connection between incentives expenses and profitability levels achieved, which ensures the economic-financial balance of the plan (so-called “Bonus Pool”). The system requires linking the incentives to the strategic objectives of profitability and balance sheet sustainability, distributed among the corporate structures through a process that ensures that the objectives of the individuals are consistent with the company's strategic priorities.

Claw-back

The plan's regulation makes it possible for the Company to utilise a claw-back clause, which allows, under some specific conditions, requesting the return, in whole or in part, of the amounts already paid.</td><td>Incentive, expressed as % of the fixed compensation (including the non-compete agreement):

<table><tr><th></th><th>Maximum</th></tr><tr><td>Chairman</td><td>3%</td></tr><tr><td>Deputy Chairman and Chief Executive Officer</td><td>18%</td></tr><tr><td>DRS</td><td>24%</td></tr></table>
The value of the short-term incentive is calculated in the case that 50% of the theoretical MBO bonus (so-called target) is allocated to the long-term plan.</td></tr>
<tr><td>VARIABLE LONG-TERM COMPENSATION</td><td>Ensures the growth of the company's value and the achievement of results sustainable over time, the loyalty of the key personnel and the alignment of the objectives of management with those of the shareholders.</td><td>Performance Objectives

- Free Cash Flow of the Group accumulated during the three-year period (weight: 50%)
- Net result of the Group accumulated during the three-year period (weight: 50%)

Vesting

The performance is assessed with a time horizon of three years for each cycle of attribution.

Lock-Up

20% of the shares earned are subject to a lock-up period of one year.

Claw-back and Malus

The plan's regulations allow the Company to utilise the claw-back and malus clauses, which make it possible, when some circumstances occur, to request the return, in whole or in part, of shares already assigned or to not assign them.</td><td>The plan is activated by allocating a share of 25% or 50% MBO target bonus. This share is converted into rights to receive shared of the Company; at the same time, Mediaset attributes a corresponding number of rights to the beneficiary (matching).

Incentive, expressed as % of the fixed compensation (including the non-compete agreement):

<table><tr><th></th><th>Maximum</th></tr><tr><td>Chairman</td><td>6%</td></tr><tr><td>Deputy Chairman and Chief Executive Officer</td><td>36%</td></tr><tr><td>DRS</td><td>27%</td></tr></table>
The value of the long-term incentive is calculated assuming that a share of 50% of the target MBO is assigned.</td></tr>
</table>

2. Governance model

2.1 Bodies and/or individuals involved

Mediaset's compensation policy is defined clearly and transparently through a shared process involving the Board of Directors, the Compensation Committee, the Shareholders' Meeting and the relevant company department (Human Resources, Procurement and Services Central Department).

The Board of Directors, following proposals of the Compensation Committee, establishes the general compensation policy for delegated bodies and key management personnel.

On an annual basis, the directors submit the Report on the compensation policy for directors and key management personnel to the Shareholders' Meeting for approval.

The Board of Directors is also directly responsible for implementing the policy for the compensation of delegated bodies.

The delegated bodies, within their area of responsibility, and the Human Resources, Procurement and Services Department, are responsible for implementing the compensation policy for key management personnel.

2.2 Compensation Committee

The Compensation Committee consists of three non-executive directors, the majority of whom are independent and will remain in office until the term of office of the entire Board of Directors expires; among them are experts in financial matters and compensation policies. The Committee comprises:

Members of the Compensation Committee		
Michele Perini	Chairman	Independent Director
Bruno Ermolli	Member	Non-executive Director
Fernando Napolitano	Member	Independent Director

The Board of Directors assigned the following responsibilities to the Compensation Committee:

- to periodically review the adequacy, overall consistency and actual application of the general policy adopted for the compensation of the Chairman, Deputy Chairman and Chief Executive Officer, and key management personnel, using, as regards the latter, information supplied by the Chairman, Deputy Chairman and Chief Executive Officer, and submitting the related proposals to the Board of Directors;
- to provide advance opinions on the proposals of the Board of Directors, and, on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning the compensation of the Chairman, Deputy Chairman and Chief Executive Officer and on setting performance objectives related to the variable component of the compensation It also monitors the application of decisions taken by the Board;

- to provide advance opinions on the proposals of the Board of Directors, and, on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning the definition by Mediaset's delegated bodies on the compensation of key management personnel and of the other key executives of the Mediaset Group;
- to provide advance opinions on proposals of the Board of Directors, and on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning general regulations for allocating compensation (allocation, rejection or reversal) to employees of the companies of the Mediaset Group designated to fill positions in administrative and control bodies and/or in committees appointed by administrative bodies of Italian or foreign subsidiaries or investee companies;
- to make proposals to the Board of Directors concerning the criteria, beneficiary categories, quantities, terms, conditions and procedures for share-based compensation plans.

The Committee meets at the frequency required to fulfil its functions.

Normally, the Chairman and/or other members of the Board of Statutory Auditors participate in the meetings.

When fulfilling its functions, the Committee has the right to access the corporate information and departments as required to accomplish its tasks, and to utilise outside consultants who are not in a situation that would compromise the independence of their opinion, at the terms and within the limits set by the Board of Directors.

None of the directors participate in the meetings of the Committee in which proposals regarding their compensation are formulated.

During 2015, the Committee carried out the activities under its responsibility in support of the Board; these activities continued in 2016:

- it approved the report on General Compensation Policies and mandated its Chairman with submitting the proposal to the Board of Directors on 22 March 2015;
- it confirmed the regulations for the operation of the Committee;
- it expressed favourable opinion regarding the performance objectives set for the 2015 financial year in connection with the variable component of the compensation of directors who occupy specific positions (Chairman and Deputy Chairman - Chief Executive Officer);
- it expressed favourable opinion to the confirmation of the compensations of the of directors who occupy specific positions (Chairman and Deputy Chairman - Chief Executive Officer);
- it took note that the Shareholders' meeting approved the medium to long-term 2015-2017 loyalty and incentive plan and it submitted to the approval of the Board of Directors the regulations of the plan, the objectives, and the categories of the persons affected;
- with regard to the medium to long-term loyalty and incentive plan, it took note of the destination of the share of variable annual compensation by the beneficiaries;
- it assessed (also on the basis of information exchanged with the central Human Resources and Organisation department) and consistently and actually implemented the compensation policy approved by the Shareholders' Meeting;

- it mandated the company Hay Group with starting the revision process to assess the contents and approach of the current Compensation Report, compared to the best practices in the market and to the reference regulatory framework.

2.3 Involvement of independent experts

On a regular basis, both the relevant company department (Human Resources, Procurement and Services) and the Compensation Committee analyse the fairness and competitiveness of the compensation packages of the Chairman and of the Deputy Chairman and Chief Executive Officer, in overall terms and for each component. They also consult independent outside advisors and/or companies specialised in executive compensation that are recognised for their reliability and for the comprehensive nature of their databases used for national and international comparisons and their use of standard methodologies to assess the complexity of assigned roles and powers.

Although no independent experts participated in defining the compensation policy, this report incorporates the data obtained from the activity of the company Hay Group, which verified conformity with the market's best practices and reference regulatory framework, as mentioned in the preceding paragraph.

3. Purposes and principles of the compensation policy

Mediaset's compensation policy for its delegated bodies and key management personnel is inspired by the following guiding principles:

Alignment with the business strategy	Strengthening values, capabilities, and conducts, aligning them with the business strategies, by recognising the responsibility and crucial nature of the position held, results achieved, and quality of professional contribution. The structure of the overall compensation includes a balanced package of fixed and variable, material and non-material components.
Attract and retain high-value personnel	Mediaset believes the compensation policy is a key vehicle for attracting, retaining and motivating key resources and for contributing to the creation of sustainable value over the medium and long term for all stakeholders. To this end, the compensation policy is structured to guarantee competitiveness with the outside market and to ensure internal equity, also consistently with the defined performance levels.
Link with performance and value creation	The ongoing use of a variable component of the compensation, split into a short-term and a medium-long-term (share-based) component, makes the compensation policy consistent with the medium-long-term interest of the Company and its shareholders. A distinctive characteristic of Mediaset is the significant weight of the fixed component, deemed to be instrumental in preventing actions based on short-term opportunities.

3.1 Scope

The policy sets principles and guidelines for establishing the compensation of:

- Delegated bodies
- Key Management Personnel
- Non-executive and independent directors.

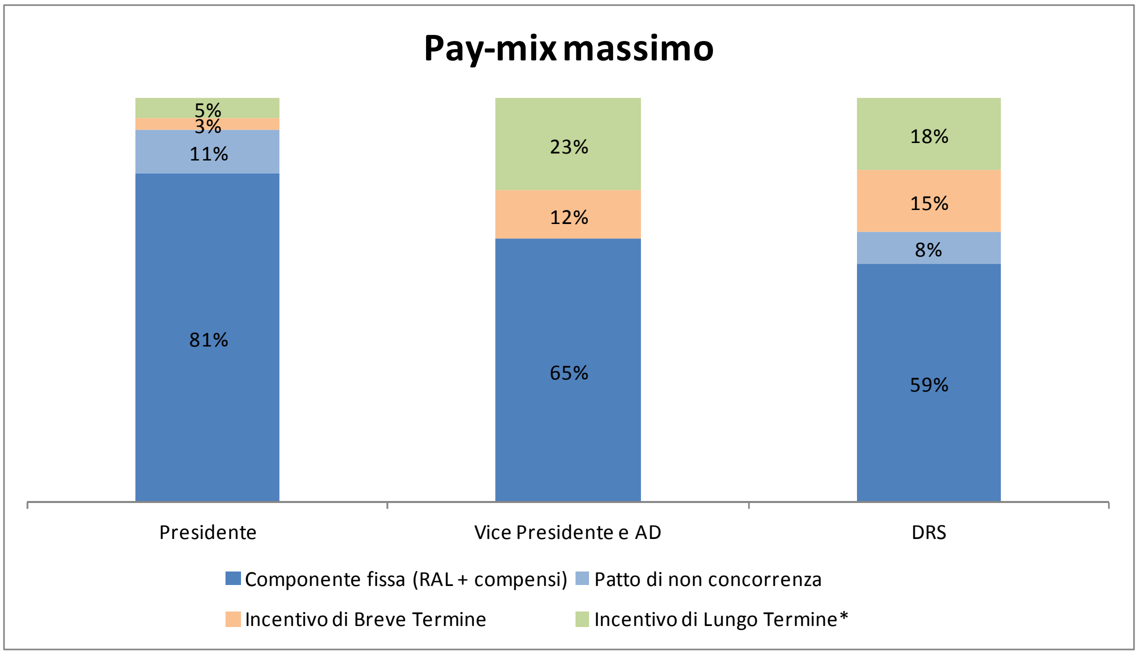
3.2 Structure of compensation

The structure of the compensation of the delegated bodies and key management personnel is subdivided into the following components:

Fixed part	• it is defined with reference to the responsibilities assigned and distinctive competencies possessed • it is monitored periodically against market benchmarks to guarantee an adequate level of retention
Annual variable	• it ensures a direct link between compensation and performance results; its purpose is to reward the achievement of corporate and personal objectives
Variable medium-long-term	• it ensures the growth of the company's value and the achievement of results sustainable over time, the loyalty of the key personnel and the alignment of the objectives of management with those of the shareholders
Benefits	• they include non-monetary forms of compensation, complementing the other compensation elements; they provide competitive advantage and address the various needs of the executive (welfare and improved quality of life)

3.3 Composition of the compensation

The following graph shows the theoretical pay mix of the delegated bodies and key management personnel, indicating the relative weight of each component when the maximum level of the objectives linked to the variable components of the compensation is reached.



* *This calculation was based on the assumption that 50% of the MBO target bonus is assigned. Refer to section 6 for the plan's details.*

4. Compensation of delegated bodies

The compensation of the delegated bodies is structured as follows:

Fixed component

The fixed component is subdivided into:

- ***Gross annual compensation*** **(GAC)** for executives of the company; the level is based on the importance of the position;
- ***Compensation*** in the capacity of directors (set by the Shareholders' Meeting) and in the capacity of directors having specific assignments.

In addition, the Chairman is the beneficiary of a ***non-compete agreement*** which provides for a consideration paid annually and based on the duration and scope of the obligation derived from the agreement.

Variable short-term component

The delegated bodies participate in the management incentive plan applied to the executives of the Mediaset Group (so-called MBO).

In order to ensure the economic-financial balance of the MBO system, the overall resources to be allocated to the incentive plan (so-called "Actual Bonus Pool") are set on the basis of the profitability levels achieved by the Group.

Specifically, the incentive is paid only if the proforma net profit of the Group [*] is positive; in this case, the Actual Bonus Pool cannot exceed 20% of the proforma net profit of the Group; the maximum limit is the sum of the target values of the MBO (so-called "Theoretical Bonus Pool").

If 20% of the proforma net profit of the Group is less than the Theoretical Bonus Pool, the individual target bonus is decreased proportionally and is set in accordance with the equation:

$$\text{Premio target individuale} = \text{Premio teorico individuale} \times \frac{\text{20\% Utile Netto di Gruppo proforma}}{\text{Bonus Pool Teorico}}$$

Considering the breadth of responsibilities of the delegated bodies and the Group's economic-financial situation, it was deemed a priority to focus, in the short term, exclusively on the company's profitability.

The impact of the MBO system for the delegated bodies is the following:

	Maximum value* *(% Fixed compensation and non-compete agreement)*
Chairman	3%
Deputy Chairman and Chief Executive Officer	18%

** The bonuses reported are net of the component intended for the long-term incentive plan, considering the case of allocating 50% of the MBO bonus target.*

The variable, short-term part of the compensation is paid during the financial year following the reference year.

The Company reserves the right to ask the beneficiaries to return, in whole or in part, amounts already paid as variable compensation if they were determined and/or paid on the basis of data that later turned out to be clearly incorrect.

[*] Proforma net profit of the Group: net profit of the Group means before MBO allocation and connected tax effect

Variable, long-term component

During 2015, the Shareholders' Meeting approved a new medium-long-term incentive plan that includes the attribution of rights to receive free common shares of Mediaset (so-called performance shares) as shown in detail in section 6 of this report.

The theoretical value of the incentive for delegated bodies is shown below:

	Maximum* *(% of fixed compensation and non-compete agreement)*
Chairman	6%
Deputy Chairman and Chief Executive Officer	36%

** This calculation was based on the assumption that 50% of the MBO target bonus is assigned.*

Benefits

To complement the compensation package, Mediaset offers ***non-monetary benefits*** mostly in the area of social security and assistance and to supplement the provisions of national employment agreements: supplementary health care plan, insurance for accidents, life and permanent disability caused by illness, company vehicle. In keeping with best practices, a third-party civil liability insurance policy is also offered to executives covering their duties in their capacity both as managers and directors.

Other payments

In case of extraordinary transactions, significant project commitments, or other exceptional situations, the Company can grant selective one-time bonuses.

5. Compensation of key management personnel

The compensation of key management personnel is structured as follows[1]:

Fixed component

The fixed component is subdivided into:

- ***Gross annual compensation*** **(GAC)** for executives of the company; the level is based on the importance of the position;
- ***Compensation*** as director (set by the Shareholders' Meeting); in addition, from time to time, the pertinent company body can set compensations for directors charged with specific tasks.

The key management personnel also benefits from a ***non-compete agreement*** which provides for a consideration paid annually; the compensation depends on the duration and scope of the obligation, with reference to the sector in which the Group operates, its geographic extent, and the breadth of the management role played at the time the agreement was finalised.

Variable short-term component

The annual incentive system (so-called MBO) applied to key management personnel measures the Group/Area/Department results achieved during the year against the pre-set objectives, consistently with the Company's strategic lines.

[1] The compensation of Giuliano Adreani (formerly Chief Executive Officer of Mediaset until 29 April 2015) consists only of the fixed component: compensation in his capacity as director (set by the Shareholders' meeting) and as director mandated with special tasks, in addition to benefits.

In the case of key management personnel too, the system links the resources to be allocated to the MBO to the profitability levels reached, in order to ensure economic-financial balance.

In fact, the individual bonus target is calculated in accordance with the bonus pool mechanism applied to all beneficiaries of the MBO system, already described for the delegated bodies (section 4 of this report) and subject to achieving positive proforma net profit for the Group.

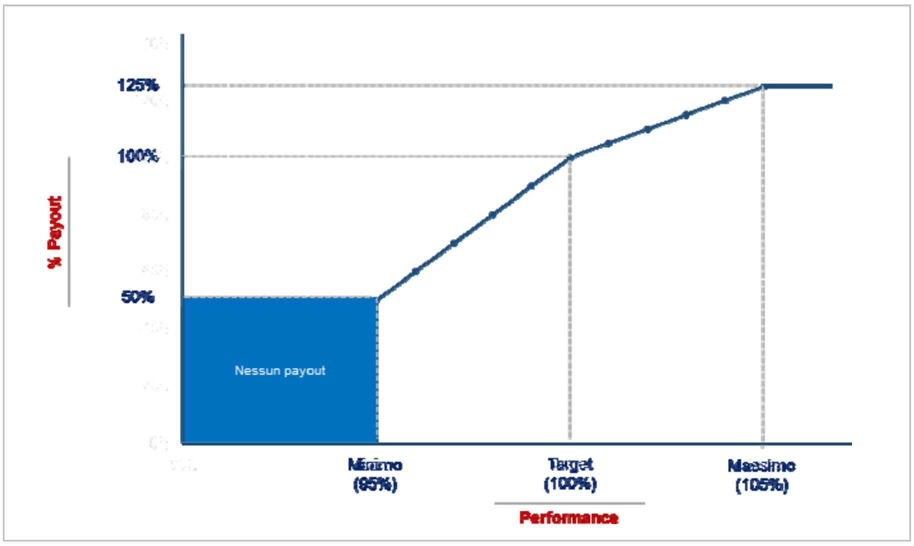
The system also provides that, depending on the responsibilities connected to the role, each key manager is assigned a limited number of quantitative objectives, mostly economic-financial, each of which has a defined relative weight.

The main measurement parameters of the MBO system's objectives, set in the budget are:

- Net financial position
- Costs/Investments
- Staff.

For the purpose of paying the incentive, the minimum performance, measured on the basis of the weights assigned to the individual objectives, must be at least 95%; this level corresponds to the payment of 50% of the individual target bonus. Below this performance level, the variable short-term component becomes zero. On the other hand, the maximum payment is earned when a performance of 105% is achieved; this level corresponds to the payment of 125% of the individual bonus target..

The following graph shows the relation between system payout and performance:



The impact of the MBO system for key management personnel is the following:

	Target *(% Fixed compensation and non-compete agreement)*	**Maximum value*** *(% Fixed compensation and non-compete agreement)*
DRS	19%	24%

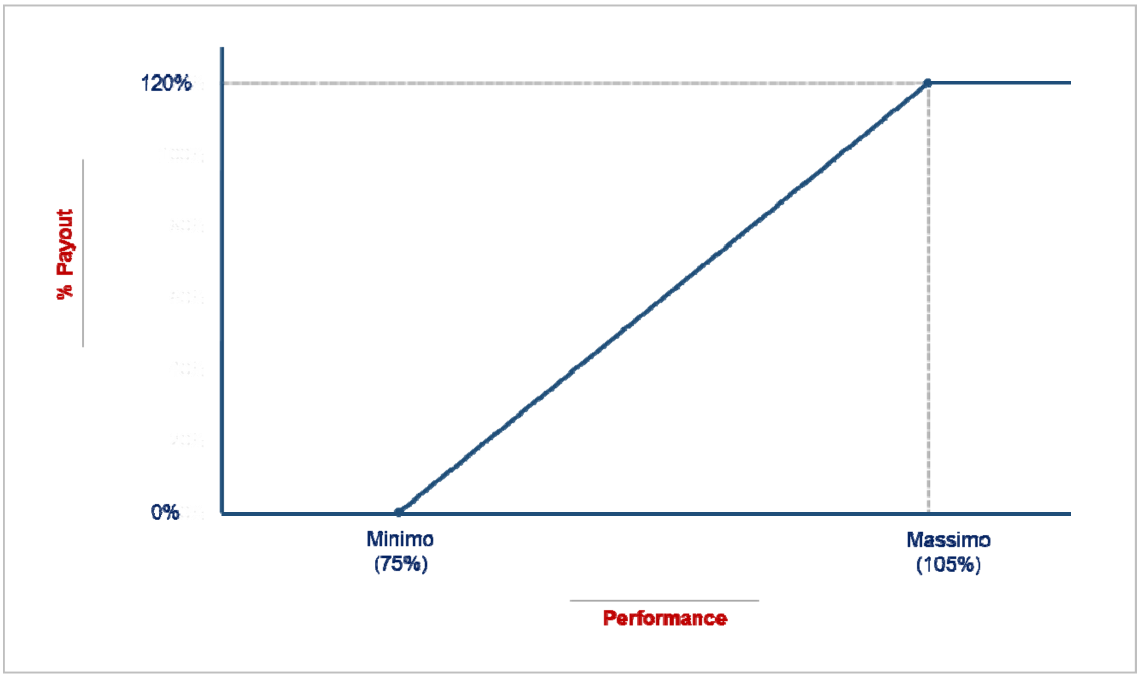
** The bonuses are net of the component intended for the long-term incentive plan. The option of assigning 50% of the target bonus was considered for this purpose.*

The Company reserves the right to ask the beneficiaries to return, in whole or in part, amounts already paid as variable compensation if they were determined and/or paid on the basis of data that later turned out to be clearly incorrect.

Besides the MBO system, the Chief Executive Officer of Publitalia ’80 benefits also from a sales incentive system, whose main purpose is to support performance as measure through the consolidated revenues in Italy.

For the purpose of determining this incentive, each deviation of one percentage point from the budget objective causes a 4% change in the payout level. The maximum payout is achieved by reaching a performance of 105%; this level corresponds to the payment of 120% of the target bonus.

The following graph shows the relation between system payout and performance:



The variable, short-term part of the compensation, for both the MBO system and the commercial incentive system, is paid during the financial year following the reference year, after the parameters relevant to its determination are finalised.

Variable, long-term component

During 2015, the Shareholders' Meeting approved a new medium-long-term incentive plan that includes the attribution of rights to receive free common shares of Mediaset (so-called performance shares) as shown in detail in section 6 of this report.

The following graph shows the theoretical value of the incentives for key management personnel:

	Maximum* *(% of fixed compensation and non-compete agreement)*
DRS	27%

** This calculation was based on the assumption that 50% of the MBO target bonus is assigned.*

Benefits

To complement the compensation package, Mediaset offers ***non-monetary benefits*** mostly in the area of social security and assistance and to supplement the provisions of national employment agreements: supplementary health care plan, insurance for accidents, life and permanent disability caused by illness, company vehicle. In keeping with best practices, a third-party civil liability insurance policy is also offered to executives covering their duties in their capacity both as managers and directors.

Other payments

In case of extraordinary transactions, significant project commitments, or other exceptional situations, the Company can grant selective one-time bonuses.

6. Variable, long-term component

Mediaset has been using medium-long-term incentive systems for the past 10 years; The Company had Stock Option plans in place up until 2011; currently, options granted in 2010 can still be exercised.

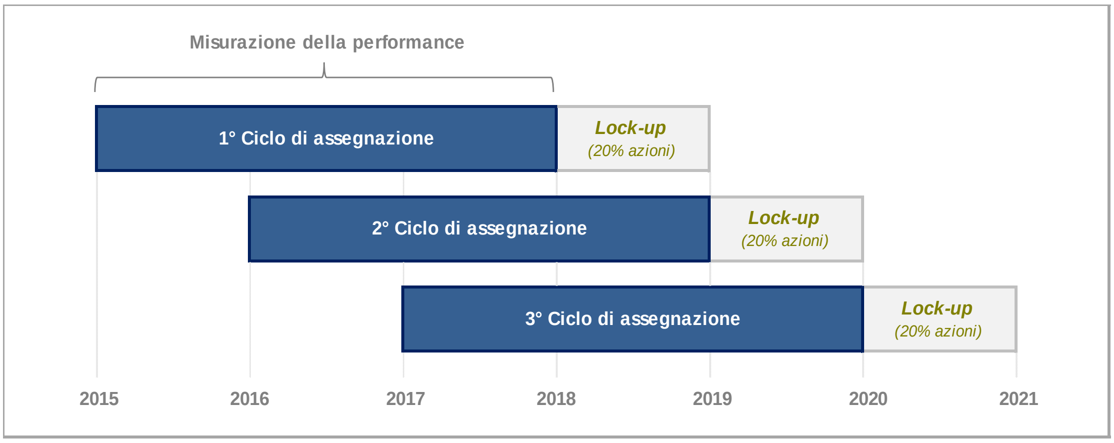
During 2015, the Shareholders' Meeting approved a new medium-long-term incentive plan having the following objectives:

- to ensure the growth of the value of the Company by aligning the interest of management with those of the shareholders
- to motivate management to achieve results that can be sustained over time
- to ensure the loyalty of key personnel in order that they remain within the Group
- to ensure an adequate level of competitiveness of the compensation in the employment market.

The Plan is intended for executives, selected by the Board of Directors on the basis of the proposal under the responsibility of the Compensation Committee, who are between the first and second management line and hold strategically important positions, with a major impact on value creation for the Mediaset Group and shareholders.

The plan consists in granting rights to receive free common shares of Mediaset S.p.A. (*so-called performance shares*) at the end of a three-year vesting period, on condition of achieving pre-determined performance levels.

The plan operates over three annual granting cycles for the years 2015, 2016, and 2017 and provides, at the end of the three-years vesting period, for a one-year lock-up period for 20% of any shares that might be assigned.



The plan provides for the attribution of *base rights* and of *matching rights*.

The *base rights* are determined depending on the choice of each recipient to assign one quarter or one half of the reference target value of his/her MBO to the medium-long-term incentive plan.

The beneficiary receives 1 additional *matching right* for each base right deriving from deferring one share of his/her target MBO.

One common share of Mediaset corresponds to each right. The actual maturing of the *rights*, and therefore of the corresponding shares, is subject to:

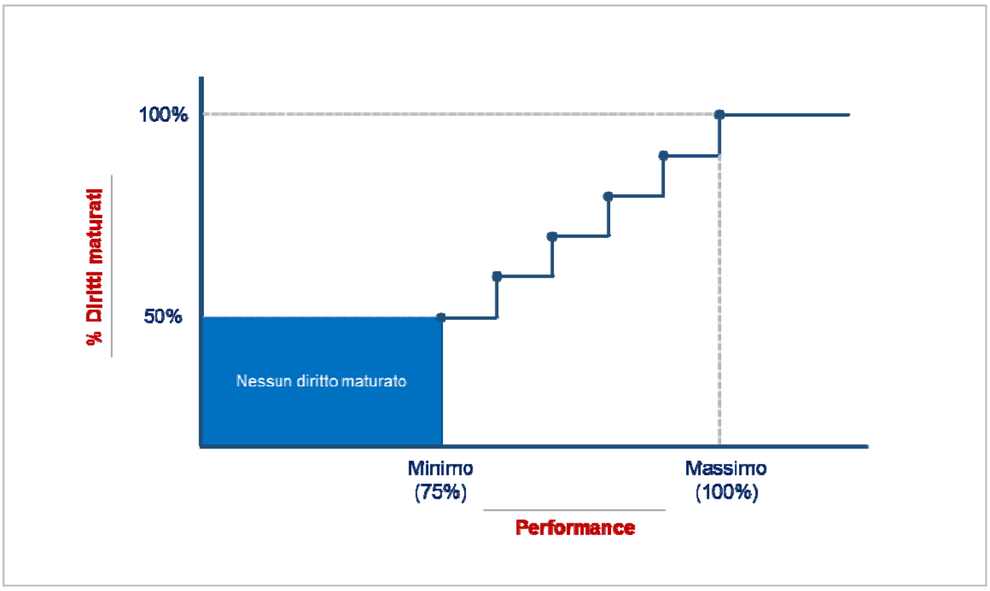
- continuity of the employment relationship during the three-year vesting period
- degree of achievement of the performance objectives of the plan.

Performance Objectives

The plan is linked to two performance objectives, namely:

- cumulative **Free Cash Flow** of the Group during the three-years reference period
- cumulative **Net result** of the Group during the three-years reference period.

100% of the *rights* assigned mature when 100% of the combined objectives are met. 50% of the *rights* assigned mature when 75% of the combined objectives are met. Intermediate results causer a share of the rights to mature.



Claw-back, malus, and lock-up

The plan includes a malus clause that allows the Company to not assign, in whole or in part, the shares matured, if the financial or balance sheet situation of the Group deteriorates significantly. In addition, there are claw-back clauses in the event that rights mature on the basis of data that turn out to be incorrect or forged.

20% of the shares deriving from the plan are subject to a 12 month lock-up period, during which the beneficiaries may not dispose of the shares matured (no-sale or no-transfer constraint).

7. Pay in the event of the termination of a position or work relationship

The Company policy is to not set *in advance* the financial aspects of any early termination of the relationship or mandate. However, consistently with the market practice, it is provided that the compensation paid in case of termination/resolution of the work relationship does not exceed 24 months of overall compensation, in addition to the severance settlement and any indemnity in lieu of notice.

8. Policy for independent directors, participation in committees

In keeping with best market practice, there are provisions for non-executive and/or independent directors to receive fixed annual compensation and an attendance fee for actually attending meetings of the body concerned. This compensation is commensurate with the obligation required and the performance of assigned activities.

However, there is no variable compensation component.

At present the annual fixed compensation set by shareholders in the Shareholders' Meeting of 29 April 2015 is € 16,000, in addition to an attendance fee of € 2,000 for attending each meeting of the Board and/or of the committees This attendance fee is 50% higher for the chairman of the Board of Directors and committee chairmen. Pursuant to the Bylaws, the members of the

Board of Directors are entitled to be reimbursed the expenses incurred for reasons due to the exercise of their position.

9. Other information

This policy was prepared with regard to the Issuer and taking into consideration the characteristics and unique features of the situation as well as specific activities without using other companies as a reference.

SECTION II

1 Part one

This section of the report describes the implementation of the 2015 policy for delegated bodies and for key management personnel; the purpose is to highlight its consistency with the general policy described in Section I.

1.1 Delegated bodies

Chairman of the Board of Directors

Mr Fedele Confalonieri received a compensation broken down as follows:

- **fixed component** of € 2,988,430.82, of which the gross annual compensation (GAC) was € 1,464,430.82, the compensation for the position held throughout 2015 was € 1,524,000 (including the compensation for the position of Chairman of the Board of Directors amounting to € 24,000).

  In addition to the fixed component, the remuneration for a *non-compete agreement*, totalling € 400,000, was paid in 2015 (in Table 1, shown in the second part of the Section, this amount is included in the fixed employee compensation).

  He also received compensation of € 75,000 as director of the subsidiary Mediaset España.

- **variable annual component**, determined on the basis of the Bonus Pool mechanism at 14.7% of the target bonus, corresponding to a matured gross bonus of € 14,700.
- **medium-long-term variable component**; on 14 July 2015 , the Board of Directors of Mediaset attributed 45,662 rights, implementing the medium-long-term plan.
- **benefits**: the non-monetary benefits package allocated to the Chairman was valued at € 13,519.39.

No one-off bonus was paid in 2015.

Deputy Chairman and Chief Executive Officer

Mr Pier Silvio Berlusconi received a compensation broken down as follows:

- **fixed component** of € 1,389,101.89, of which *the gross annual compensation* (GAC) was € 373,101.89, *the compensation* for the position held throughout 2015 was € 1,016,000 (including the compensation for the position of director amounting to € 16,000).
- **variable annual component**, determined on the basis of the Bonus Pool mechanism at 14.7% of the target bonus, corresponding to a matured gross bonus of € 36,750.
- **medium-long-term variable component**; on 14 July 2015 , the Board of Directors of Mediaset attributed 114,154 rights, implementing the medium-long-term plan.
- **benefits**: the non-monetary benefits package allocated to the Deputy Chairman was valued at € 4,295.74.

No one-off bonus was paid in 2015.

1.2 Key Management Personnel

Key managers are:

Last name	First name	Position at company
Adreani	Giuliano	Chairman of Publitalia '80 S.p.A., Digitalia '08 S.r.l., and Mediamond S.p.A.
Crippa	Mauro	General Manager Information of R.T.I. S.p.A.
Giordani	Marco	General Manager of Administration, Finance, Control, and Business Development of Mediaset, Chief Executive Officer of R.T.I. S.p.A., Chairman of Mediaset Premium S.p.A. and Monradio S.r.l.
Nieri	Gina	Manager of Institutional Affairs, Legal, and Strategic Analysis Department of Mediaset S.p.A., Deputy Chairman of R.T.I. S.p.A.
Querci	Niccolò	Central Manager of Human Resources, Procurement, and Services of Mediaset S.p.A., Deputy Chairman of R.T.I. S.p.A. and Publitalia '80 S.p.A.
Sala	Stefano	Chief Executive Officer of Publitalia '80 S.p.A and Digitalia '08 S.r.l., Deputy Chairman of Mediamond S.p.A.

Mr Giuliano Adreani received the following **compensation**:

- for the position held up to 29 April 2015 as Chief Executive Officer of Mediaset, € 166,666.67;
- for the position, held for the entire year 2015, as director of Mediaset, € 16,000.00;
- for the position as Chairman of Publitalia, € 1,700,000 and of Digitalia, € 200,000;
- **benefits**: the non-monetary benefits package allocated was valued at € 33,941.74.

He also received compensation of € 75,000 as director of the subsidiary Mediaset España.

Finally, he was paid a one-time sum of € 1,500,000 for the exceptional and ongoing contribution provided in the years during which he held the position of Chief Executive Officer, in accordance with the provisions in effect in this matter.

Mr Mauro Crippa received a compensation broken down as follows:

- **fixed component** totalling € 678,197.45, of which the *gross annual compensation* (GAC) was € 662,197.45 received as an employee of R.T.I. and the compensation as director of Mediaset was € 16,000.

  In addition to the fixed component, the remuneration for a *non-compete agreement* totalling € 100,000 was paid in 2015 (in Table 1, shown in the second part of the Section, this amount is included in the fixed employee compensation).

- **variable annual component**, determined on the basis of the Bonus Pool mechanism (14.7% of the target bonus) and of the level of achievement of the individual objectives of the MBO system (99%), corresponding to a gross matured bonus of € 24,806.25.
- **medium-long-term variable component**; on 14 July 2015 , the Board of Directors of Mediaset attributed 28,538 rights, implementing the medium-long-term plan.
- **benefits**: the non-monetary benefits package allocated was valued at € 5,182.59.

No one-off bonus was paid in 2015.

Mr Marco Giordani received a compensation broken down as follows:

- **fixed component** totalling € 731,334.76, of which the *gross annual compensation* (GAC) was € 715,334.76 received as an employee of Mediaset and the compensation as director was € 16,000.

  In addition to the fixed component, the remuneration for a *non-compete agreement* totalling € 100,000 was paid in 2015 (in Table 1, shown in the second part of the Section, this amount is included in the fixed employee compensation).

  He also received compensation of € 75,000 as director of the subsidiary Mediaset España.
- **variable annual component**, determined on the basis of the Bonus Pool mechanism (14.7% of the target bonus) and of the level of achievement of the individual objectives of the MBO system (106%), corresponding to a gross matured bonus of € 22,968.75.
- **medium-long-term variable component**; on 14 July 2015 , the Board of Directors of Mediaset attributed 57,076 rights, implementing the medium-long-term plan.
- **benefits**: the non-monetary benefits package allocated was valued at € 5,819.36.

In 2015 received a one-time bonus of € 150,000 for the special commitment devoted to the three-year cost -reduction programme, whose results were achieved ahead of time.

Mrs Gina Nieri received a compensation broken down as follows:

- **fixed component** totalling € 788,929.30, of which *the gross annual compensation* (GAC) was € 772,929.30 received as an employee of Mediaset and the compensation as director was € 16,000.

  In addition to the fixed component, the remuneration for a *non-compete agreement* totalling € 100,000 was paid in 2015 (in Table 1, shown in the second part of the Section, this amount is included in the fixed employee compensation).
- **variable annual component**, determined on the basis of the Bonus Pool mechanism (14.7% of the target bonus) and of the level of achievement of the individual objectives of the MBO system (106%), corresponding to a gross matured bonus of € 22,968.75.
- **medium-long-term variable component**; on 14 July 2015 , the Board of Directors of Mediaset attributed 57,076 rights, implementing the medium-long-term plan.
- **benefits**: the non-monetary benefits package allocated was valued at € 5,641.84.

No one-off bonus was paid in 2015.

Mr Niccolò Querci received a compensation broken down as follows:

- **fixed component** totalling € 826,466.71, of which the *gross annual compensation* (GAC) was € 810,466.71 received as an employee of R.T.I. and the compensation as director of Mediaset was € 16,000.

  In addition to the fixed component, the remuneration for a *non-compete agreement* totalling € 100,000 was paid in 2015 (in Table 1, shown in the second part of the Section, this amount is included in the fixed employee compensation).

- **variable annual component**, determined on the basis of the Bonus Pool mechanism (14.7% of the target bonus) and of the level of achievement of the individual objectives of the MBO system (103%), corresponding to a gross matured bonus of € 31,696.88.
- **medium-long-term variable component**; on 14 July 2015 , the Board of Directors of Mediaset attributed 28,538 rights, implementing the medium-long-term plan.
- **benefits**: the non-monetary benefits package allocated was valued at € 5,566.58.

In 2015 received a one-time bonus of € 150,000 for the special commitment devoted to the three-year cost -reduction programme, whose results were achieved ahead of time.

Mr Stefano Sala received a compensation broken down as follows:

- **fixed component** of € 1,520,572.91, of which the gross *annual compensation* (GAC) was € 1,209,906.25 received as employee of Publitalia '80, the compensation as director of Mediaset was € 10,666.67, and the compensation for the position held at Publitalia '80 was € 300,000 for the whole year.

  In addition to the fixed component, the remuneration for a *non-compete agreement* totalling € 200,000 was paid in 2015 (in Table 1, shown in the second part of the Section, this amount is included in the fixed employee compensation).

- **variable annual component**, on the basis of the results of the commercial incentive plan linked to consolidated advertising revenues, the gross bonus matured was € 460,000; the gross MBO bonus, determined on the basis of the bonus pool mechanism (14.7% of the target bonus) and of the level of achievement of the individual objectives of the MBO system (101%) corresponds to a gross matured premium of € 23,152.50.
- **medium-long-term variable component**; on 14 July 2015 , the Board of Directors of Mediaset attributed 68,492 rights, implementing the medium-long-term plan.
- **benefits**: the non-monetary benefits package allocated was valued at € 7,640.93.

No one-off bonus was paid in 2015.

1.3 Board of Statutory Auditors

The Shareholders' Meeting allocates fixed compensation to each member of the Board of Statutory Auditors.

The Shareholders' Meeting of 29 April 2014 confirmed Mr Mauro Lonardo as the Chairman of the Board of Statutory Auditors and appointed Mr Ezio Maria Simonelli and Ms Francesca Meneghel as regular auditors, establishing an annual gross compensation of € 60,000 for the regular auditors and of € 90,000 for the Chairman. Pursuant to the Bylaws, the members of the

Board of Statutory Auditors are entitled to being reimbursed the expenses incurred to fulfil the assignment.

The Board of Statutory Auditors as appointed will remain in office until the Shareholders' Meeting to approve the 2016 financial statements.

1.2 Part 2

Part two provides a breakdown of compensation paid during the Reference Year, for any purpose and in any form, by the company, subsidiaries and associates.

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits (***)	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives (**)	Share of profits					
Fedele Confalonieri	Chairman of the Board of Directors	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	24.000,00	(EC)	19.500,00							
				(Att)	25.500,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)	1.500.000,00	(CC)								
				(Sal)	1.864.430,82	(IC)								
(I) Compensation in company preparing the accounts					3.413.930,82		19.500,00	14.700,00		13.519,39		3.461.650,21	196.894,00	
Partial compensation from subsidiaries and associates				(ShC)	75.000,00	(EC)	8.000,00							
				(Att)	20.000,00	(RCC)	16.000,00							
				(Lre)		(GNC)								
				(Csr)		(CC)	4.000,00							
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates					95.000,00		28.000,00					123.000,00		
(III) Total					3.508.930,82		47.500,00	14.700,00		13.519,39		3.584.650,21	196.894,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(**) this amount was paid as compensation for the employment relationship (accrued in 2015 paid in 2016) pursuant to the 2015 - 2017 Plan, established by a resolution of the General Meeting of 29 April 2015
(**) The amount was paid as an employee
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation including non-compete agreement

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits (***)	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives (**)	Share of profits					
Pier Silvio Berlusconi	Deputy Chairman and Chief Executive Officer	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)	7.000,00							
				(Att)	17.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)	1.000.000,00	(CC)								
				(Sal)	373.101,89	(IC)								
(I) Compensation in company preparing the accounts					1.406.101,89		7.000,00	36.750,00		4.295,74		1.454.147,63	492.232,00	
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					1.406.101,89		7.000,00	36.750,00		4.295,74		1.454.147,63	492.232,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(**) this amount was paid as compensation for the employment relationship (accrued in 2015 paid in 2016) pursuant to the 2015 - 2017 Plan, established by a resolution of the General Meeting of 29 April 2015
(**) The amount was paid as an employee
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation
(.) confirmed Deputy Chairman and appointed Chief Executive Officer at the Board of Directors Meeting of 30 April 2015

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office (.)	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation (..)	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Giuliano Adreani	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)	14.000,00							
				(Att)	17.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)	166.666,67	(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					199.666,67		14.000,00			33.941,74	1.500.000,00	1.747.608,41	0,00	
Partial compensation from subsidiaries and associates				(ShC)	96.000,00	(EC)	12.000,00							
				(Att)	24.000,00	(RCC)	20.000,00							
				(Lre)		(GNC)								
				(Csr)	1.879.000,00	(CC)	8.000,00							
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates					1.999.000,00		40.000,00					2.039.000,00		
(III) Total					2.198.666,67		54.000,00			33.941,74	1.500.000,00	3.786.608,41	0,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(**) this amour was paid by virtue of an administrative relationship
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation
(.) from 1/1/2015 to 29/04/2015 he held the office of Chief Executive Officer. He has held the office of director since 29 April 2015
(..) one-time payment

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Marina Berlusconi	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)								
				(Att)	7.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					23.000,00							23.000,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					23.000,00							23.000,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation (**)		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Franco Bruni	Director	29/04/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	10.666,67	(EC)								
				(Att)	14.000,00	(RCC)	12.000,00							
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					24.666,67		12.000,00					36.666,67		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					24.666,67							36.666,67		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation
(**) The expenses incurred as a result of the office amount to € 453.00

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation (**)		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Pasquale Cannatelli	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)								
				(Att)	11.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					27.000,00							27.000,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					27.000,00							27.000,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(**) for the officeholder the compensation is paid directly to the person's company
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office		Fixed compensation		Compensation for participation in committees	Variable non equity compensation: Bonuses and other incentives	Variable non equity compensation: Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Paolo Andrea Colombo	Director	01/01/2015 29/04/2015	Approval 2014 financial statements											
Partial compensation in company preparing the accounts				(ShC)	5.333,33	(EC)								
				(Att)	2.000,00	(RCC)								
				(Lre)		(GNC)	1.000,00							
				(Csr)		(CC)	1.000,00							
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					7.333,33		2.000,00					9.333,33		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					7.333,33		2.000,00					9.333,33		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office		Fixed compensation		Compensation for participation in committees	Variable non equity compensation: Bonuses and other incentives (**)	Variable non equity compensation: Share of profits	Non-monetary benefits (***)	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Mauro Crippa	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)								
				(Att)	16.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					32.000,00							32.000,00	123.056,00	
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)	762.197,45	(IC)								
(II) Compensation from subsidiaries and associates					762.197,45			24.806,25		5.182,59		792.186,29		
(III) Total					794.197,45			24.806,25		5.182,59		824.186,29	123.056,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(**) this amount was paid as compensation for the employment relationship (accrued in 2015 paid in 2016) pursuant to the 2015 - 2017 Plan, established by a resolution of the General Meeting of 29 April 2015
(***) The amount was paid as an employee
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation including non-compete agreement

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office		Fixed compensation		Compensation for participation in committees	Variable non equity compensation: Bonuses and other incentives	Variable non equity compensation: Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Bruno Ermolli	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)								
				(Att)	11.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)	5.000,00							
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					27.000,00		5.000,00					32.000,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					27.000,00		5.000,00					32.000,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office		Fixed compensation		Compensation for participation in committees	Variable non equity compensation: Bonuses and other incentives (**)	Variable non equity compensation: Share of profits	Non-monetary benefits (***)	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Marco Giordani	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)	10.000,00							
				(Att)	17.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)	815.334,76	(IC)								
(I) Compensation in company preparing the accounts					848.334,76		10.000,00	172.968,75		5.819,36		1.037.122,87	246.112,00	
Partial compensation from subsidiaries and associates				(ShC)	75.000,00	(EC)								
				(Att)	24.000,00	(RCC)	20.000,00							
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates					99.000,00		20.000,00					119.000,00		
(III) Total					947.334,76		30.000,00	172.968,75		5.819,36		1.156.122,87	246.112,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(**) this amount was paid as compensation for the employment relationship (accrued in 2015 paid in 2016) pursuant to the 2015 - 2017 Plan, established by a resolution of the General Meeting of 29 April 2015, in the amount of € 22,968.75 and of € 150,000.00 as a one-time bonus paid in 2015
(***) The amount was paid as an employee
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation including non-compete agreement

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Alfredo Messina	Director	01/01/2015 29/04/2015	Approval 2014 financial statements											
Partial compensation in company preparing the accounts				(ShC)	5.333,33	(EC)								
				(Att)	3.000,00	(RCC)	4.000,00							
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					8.333,33		4.000,00					12.333,33		
Partial compensation from subsidiaries and associates				(ShC)	75.000,00	(EC)								
				(Att)	16.000,00	(RCC)	12.000,00							
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates					91.000,00		12.000,00					103.000,00		
(III) Total					99.333,33		16.000,00					115.333,33		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation (**)		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Fernando Napolitano	Director	29/04/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	10.666,67	(EC)								
				(Att)	14.000,00	(RCC)	12.000,00							
				(Lre)		(GNC)								
				(Csr)		(CC)	6.000,00							
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					24.666,67		18.000,00					42.666,67		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					24.666,67		18.000,00					42.666,67		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation
(**) The expenses incurred as a result of the office amount to € 4,462.75

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits (***)	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives (**)	Share of profits					
Gina Nieri	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)	14.000,00							
				(Att)	17.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)	872.929,30	(IC)								
(I) Compensation in company preparing the accounts					905.929,30		14.000,00	22.968,75		5.641,84		948.539,89	246.112,00	
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					905.929,30		14.000,00	22.968,75		5.641,84		948.539,89	246.112,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.

(**) this amount was paid as compensation for the employment relationship (accrued in 2015 paid in 2016) pursuant to the 2015 - 2017 Plan, established by a resolution of the General Meeting of 29 April 2015

(**) The amount was paid as an employee

(ShC) compensation assigned by shareholders

(Att) Attendance fees for participation at Board of Directors meetings

(Lre) lump-sum expense reimbursement

(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")

(Sal) Fixed employee compensation including non-compete agreement

(EC) Executive Committee

(RCC) Risk and Control Committee

(CNG) Governance and Appointments Committee

(CC) Compensation Committee

(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Michele Perini	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)								
				(Att)	17.000,00	(RCC)								
				(Lre)		(GNC)	10.000,00							
				(Csr)		(CC)	9.000,00							
				(Sal)		(IC)	19.500,00							
(I) Compensation in company preparing the accounts					33.000,00		38.500,00					71.500,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					33.000,00		38.500,00					71.500,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.

(ShC) compensation assigned by shareholders

(Att) Attendance fees for participation at Board of Directors meetings

(Lre) lump-sum expense reimbursement

(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")

(Sal) Fixed employee compensation

(EC) Executive Committee

(RCC) Risk and Control Committee

(CNG) Governance and Appointments Committee

(CC) Compensation Committee

(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Alessandra Piccinino	Director	29/04/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	10.666,67	(EC)								
				(Att)	14.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)	10.000,00							
(I) Compensation in company preparing the accounts					24.666,67		10.000,00					34.666,67		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					24.666,67		10.000,00					34.666,67		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits (***)	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives (**)	Share of profits					
Niccolo' Querci	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)								
				(Att)	17.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					33.000,00							33.000,00	123.056,00	
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)	910.466,71	(IC)								
(II) Compensation from subsidiaries and associates					910.466,71			181.696,88		5.566,58		1.097.730,17		
(III) Total					943.466,71			181.696,88		5.566,58		1.130.730,17	123.056,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(**) this amount was paid as compensation for the employment relationship (accrued in 2015 paid in 2016) pursuant to the 2015 - 2017 Plan, established by a resolution of the General Meeting of 29 April 2015, in the amount of € 31,696.88 and of € 150,000.00 as a one-time bonus paid in 2015
(**) The amount was paid as an employee
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation including non-compete agreement

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation			Compensation for participation in committees	Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives (**)	Share of profits					
Stefano Sala	Director	29/04/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	10.666,67	(EC)								
				(Att)	12.000,00	(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					22.666,67							22.666,67	295.337,00	
Partial compensation from subsidiaries and associates (01/01/2015 - 31/12/2015)				(ShC)	16.000,00	(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)	284.000,00	(CC)								
				(Sal)	1.409.906,25	(IC)								
(II) Compensation from subsidiaries and associates					1.709.906,25			483.152,50		7.640,93		2.200.699,68		
(III) Total					1.732.572,92			483.152,50		7.640,93		2.223.366,35	295.337,00	

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.

(**) this amount was paid as compensation for the employment relationship (accrued in 2015 paid in 2016) of which 23,152.50 pursuant to the 2015 - 2017 Plan, established by a resolution of the Shareholders' Meeting of 29 April 2015

(ShC) compensation assigned by shareholders

(Att) Attendance fees for participation at Board of Directors meetings

(Lre) lump-sum expense reimbursement

(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")

(Sal) Fixed employee compensation including non-compete agreement

(EC) Executive Committee

(RCC) Risk and Control Committee

(CNG) Governance and Appointments Committee

(CC) Compensation Committee

(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation			Compensation for participation in committees	Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Carlo Secchi	Director	01/01/2015 31/12/2015	Approval 2017 financial statements											
Partial compensation in company preparing the accounts				(ShC)	16.000,00	(EC)								
				(Att)	16.000,00	(RCC)	24.000,00							
				(Lre)		(GNC)	16.000,00							
				(Csr)		(CC)								
				(Sal)		(IC)	13.000,00							
(I) Compensation in company preparing the accounts					32.000,00		53.000,00					85.000,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					32.000,00		53.000,00					85.000,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.

(ShC) compensation assigned by shareholders

(Att) Attendance fees for participation at Board of Directors meetings

(Lre) lump-sum expense reimbursement

(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")

(Sal) Fixed employee compensation

(EC) Executive Committee

(RCC) Risk and Control Committee

(CNG) Governance and Appointments Committee

(CC) Compensation Committee

(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation (**)		Compensation for participation in committees		Variable non equity compensation: Bonuses and other incentives	Variable non equity compensation: Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Wanda Ternau	Director	29/04/2015 31/12/2015	Approval 2017 financial statements											

	Fixed compensation		Compensation for participation in committees		Bonuses and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Partial compensation in company preparing the accounts	(ShC)	10.666,67	(EC)								
	(Att)	14.000,00	(RCC)								
	(Lre)		(GNC)	10.000,00							
	(Csr)		(CC)								
	(Sal)		(IC)								
(I) Compensation in company preparing the accounts		24.666,67		10.000,00					34.666,67		
Partial compensation from subsidiaries and associates	(ShC)		(EC)								
	(Att)		(RCC)								
	(Lre)		(GNC)								
	(Csr)		(CC)								
	(Sal)		(IC)								
(II) Compensation from subsidiaries and associates											
(III) Total		24.666,67		10.000,00					34.666,67		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation
(**) The expenses incurred as a result of the office amount to € 5,735.71

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation: Bonuses and other incentives	Variable non equity compensation: Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Attilio Ventura	Director	01/01/2015 29/04/2015	Approval 2014 financial statements											

	Fixed compensation		Compensation for participation in committees		Bonuses and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
Partial compensation in company preparing the accounts	(ShC)	5.333,33	(EC)								
	(Att)	3.000,00	(RCC)	4.000,00							
	(Lre)		(GNC)	1.500,00							
	(Csr)		(CC)	1.500,00							
	(Sal)		(IC)	3.000,00							
(I) Compensation in company preparing the accounts		8.333,33		10.000,00					18.333,33		
Partial compensation from subsidiaries and associates	(ShC)		(EC)								
	(Att)		(RCC)								
	(Lre)		(GNC)								
	(Csr)		(CC)								
	(Sal)		(IC)								
(II) Compensation from subsidiaries and associates											
(III) Total		8.333,33		10.000,00					18.333,33		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation (**)		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Mauro Lonardo	Chmn BSA	01/01/2015 31/12/2015	Approval 2016 financial statements											
Partial compensation in company preparing the accounts				(ShC)	90.000,00	(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					90.000,00							90.000,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					90.000,00							90.000,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation
(**) The expenses incurred as a result of the office amount to EUR 7,720.62

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Francesca Meneghel	Reg Auditor	01/01/2015 31/12/2015	Approval 2016 financial statements											
Partial compensation in company preparing the accounts				(ShC)	60.000,00	(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					60.000,00							60.000,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					60.000,00							60.000,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

Table 1: Compensation paid to members of administrative and control bodies, general managers and other key management personnel

First and last name	Office	Period office held	Termination of office	Fixed compensation		Compensation for participation in committees		Variable non equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
								Bonuses and other incentives	Share of profits					
Ezio Maria Simonelli	Reg Auditor	01/01/2015 31/12/2015	Approval 2016 financial statements											
Partial compensation in company preparing the accounts				(ShC)	60.000,00	(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(I) Compensation in company preparing the accounts					60.000,00							60.000,00		
Partial compensation from subsidiaries and associates				(ShC)		(EC)								
				(Att)		(RCC)								
				(Lre)		(GNC)								
				(Csr)		(CC)								
				(Sal)		(IC)								
(II) Compensation from subsidiaries and associates														
(III) Total					60.000,00							60.000,00		

(*) The key management personnel of the Mediaset Group hold the position of Director of Mediaset S.p.A.
(ShC) compensation assigned by shareholders
(Att) Attendance fees for participation at Board of Directors meetings
(Lre) lump-sum expense reimbursement
(SR) remuneration for performance of specific responsibilities (ex art. 2389 paragraph 3 "Civil Code")
(Sal) Fixed employee compensation

(EC) Executive Committee
(RCC) Risk and Control Committee
(CNG) Governance and Appointments Committee
(CC) Compensation Committee
(IC) Committee of Independent Directors for Related-Party Transactions

TABLE 2: Stock-options assigned to members of the administrative body, general directors and other key management personnel

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
First and last name	Office	Plan	Number of options	Strike price	Period of possible exercise (from to)	Number of options	Strike price	Period of possible exercise (from to)	Fair value at the Allotment Date	Allotment Date	Market price of shares underlying the assignment of options	Number of options	Strike price	Market price of underlying shares at the date of exercise	Number of options	Number of options	Fair Value
Fedele Confalonieri	Chairman of the Board of Directors																
(I) Compensation in the company preparing the accounts		Shareholders' Meeting 22.04.2009 (1)	450.000	4,72	30.09.2012 29.09.2015										450.000		
		Shareholders' Meeting 22.04.2009 (2)	450.000	4,92	23.06.2013 22.06.2016											450.000	0,00
(II) Compensation from subsidiaries and associates																	
III) Total			900.000												450.000	450.000	0,00

(1) Options assigned in 2009

(2) Options assigned in 2010

TABLE 2: Stock-options assigned to members of the administrative body, general directors and other key management personnel

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
First and last name	Office	Plan	Number of options	Strike price	Period of possible exercise (from to)	Number of options	Strike price	Period of possible exercise (from to)	Fair value at the Allotment Date	Allotment Date	Market price of shares underlying the assignment of options	Number of options	Strike price	Market price of underlying shares at the date of exercise	Number of options	Number of options	Fair Value
Pier Silvio Berlusconi	Deputy Chairman and Chief Executive Officer																
(I) Compensation in the company preparing the accounts		Shareholders' Meeting 22.04.2009 (1)	360.000	4,72	30.09.2012 29.09.2015										360.000		
		Shareholders' Meeting 22.04.2009 (2)	360.000	4,92	23.06.2013 22.06.2016											360.000	0,00
(II) Compensation from subsidiaries and associates																	
III) Total			720.000												360.000	360.000	0,00

(1) Options assigned in 2009

(2) Options assigned in 2010

TABLE 2: Stock-options assigned to members of the administrative body, general directors and other key management personnel

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
First and last name	Office	Plan	Number of options	Strike price	Period of possible exercise (from to)	Number of options	Strike price	Period of possible exercise (from to)	Fair value at the Allotment Date	Allotment Date	Market price of shares underlying the assignment of options	Number of options	Strike price	Market price of underlying shares at the date of exercise	Number of options	Number of options	Fair Value
Giuliano Adreani	Director																
(I) Compensation in the company preparing the accounts		Shareholders' Meeting 22.04.2009 (1)	270.000	4,72	30.09.2012 29.09.2015										270.000		
		Shareholders' Meeting 22.04.2009 (2)	270.000	4,92	23.06.2013 22.06.2016											270.000	0,00
(II) Compensation from subsidiaries and associates																	
III) Total			540.000												270.000	270.000	0,00

(1) Options assigned in 2009

(2) Options assigned in 2010

TABLE 2: Stock-options assigned to members of the administrative body, general directors and other key management personnel

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
First and last name	Office	Plan	Number of options	Strike price	Period of possible exercise (from to)	Number of options	Strike price	Period of possible exercise (from to)	Fair value at the Allotment Date	Allotment Date	Market price of shares underlying the assignment of options	Number of options	Strike price	Market price of underlying shares at the date of exercise	Number of options	Number of options	Fair Value
Mauro Crippa	Director																
(I) Compensation in the company preparing the accounts		Shareholders' Meeting 22.04.2009 (1)	100.000	4,72	30.09.2012 29.09.2015										100.000		
		Shareholders' Meeting 22.04.2009 (2)	100.000	4,92	23.06.2013 22.06.2016											100.000	0,00
(II) Compensation from subsidiaries and associates																	
III) Total			200.000												100.000	100.000	0,00

(1) Options assigned in 2009

(2) Options assigned in 2010

TABLE 2: Stock-options assigned to members of the administrative body, general directors and other key management personnel

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
First and last name	Office	Plan	Number of options	Strike price	Period of possible exercise (from to)	Number of options	Strike price	Period of possible exercise (from to)	Fair value at the Allotment Date	Allotment Date	Market price of shares underlying the assignment of options	Number of options	Strike price	Market price of underlying shares at the date of exercise	Number of options	Number of options	Fair Value
Marco Giordani	Director																
(I) Compensation in the company preparing the accounts		Shareholders' Meeting 22.04.2009 (1)	100.000	4,72	30.09.2012 29.09.2015										100.000		
		Shareholders' Meeting 22.04.2009 (2)	100.000	4,92	23.06.2013 22.06.2016											100.000	0,00
(II) Compensation from subsidiaries and associates																	
III) Total			200.000												100.000	100.000	0,00

(1) Options assigned in 2009

(2) Options assigned in 2010

TABLE 2: Stock-options assigned to members of the administrative body, general directors and other key management personnel

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
First and last name	Office	Plan	Number of options	Strike price	Period of possible exercise (from to)	Number of options	Strike price	Period of possible exercise (from to)	Fair value at the Allotment Date	Allotment Date	Market price of shares underlying the assignment of options	Number of options	Strike price	Market price of underlying shares at the date of exercise	Number of options	Number of options	Fair Value
Gina Nieri	Director																
(I) Compensation in the company preparing the accounts		Shareholders' Meeting 22.04.2009 (1)	100.000	4,72	30.09.2012 29.09.2015										100.000		
		Shareholders' Meeting 22.04.2009 (2)	100.000	4,92	23.06.2013 22.06.2016											100.000	0,00
(II) Compensation from subsidiaries and associates																	
III) Total			200.000												100.000	100.000	0,00

(1) Options assigned in 2009

(2) Options assigned in 2010

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
First and last name	Office	Plan	Number of options	Strike price	Period of possible exercise (from to)	Number of options	Strike price	Period of possible exercise (from to)	Fair value at the Allotment Date	Allotment Date	Market price of shares underlying the assignment of options	Number of options	Strike price	Market price of underlying shares at the date of exercise	Number of options	Number of options	Fair Value
Niccolo' Querci	Director																
(I) Compensation in the company preparing the accounts		Shareholders' Meeting 22.04.2009 (1)	100.000	4,72	30.09.2012 29.09.2015										100.000		
		Shareholders' Meeting 22.04.2009 (2)	100.000	4,92	23.06.2013 22.06.2016											100.000	0,00
(II) Compensation from subsidiaries and associates																	
III) Total			200.000												100.000	100.000	0,00

(1) Options assigned in 2009

(2) Options assigned in 2010

TABLE 3A: Incentive plans based on financial instruments, other than stock options, in favour of the members of the Board of Directors, general managers and other key management personnel

			Financial instruments assigned during the preceding financial years not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not attributed		Financial instruments vested during the financial year and that can be attributed		Financial instruments for the financial year
First and last name	Office	Plan	Number and type of financial instruments	Price of vesting	Number and type of financial instruments	Fair value at the Allotment Date	Vesting Period	Allotment Date	Market price of shares underlying the assignment of options	Number and type of financial instruments		Number and type of financial instruments	Value at maturity date	Fair value
Fedele Confalonieri	Chairman													
(I) Compensation in the company preparing the accounts		2015 - 2017 Plan (General Meeting resolution of 29 April 2015)			45,662 Rights for the assignment of free shares	4,312	14/07/2015 31/07/2018	14/07/2015	4,38					196.894
(II) Compensation from subsidiaries and associates														
III) Total					45.662	4,312								196.894

(*) additional information concerning the plan is available in the appropriate information document found in the Company's website (www.mediaset.it)

TABLE 3A: Incentive plans based on financial instruments, other than stock options, in favour of the members of the Board of Directors, general managers and other key management personnel

			Financial instruments assigned during the preceding financial years not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not attributed		Financial instruments vested during the financial year and that can be attributed		Financial instruments for the financial year
First and last name	Office	Plan	Number and type of financial instruments	Price of vesting	Number and type of financial instruments	Fair value at the Allotment Date	Vesting Period	Allotment Date	Market price of shares underlying the assignment of options	Number and type of financial instruments		Number and type of financial instruments	Value at maturity date	Fair value
Pier Silvio Berlusconi	Deputy Chairman and Chief Executive Officer													
(I) Compensation in the company preparing the accounts		2015 - 2017 Plan (General Meeting resolution of 29 April 2015)			114,154 Rights for the assignment of free shares	4,312	14/07/2015 31/07/2018	14/07/2015	4,38					492.232
(II) Compensation from subsidiaries and associates														
III) Total					114.154	4,312								492.232

(*) additional information concerning the plan is available in the appropriate information document found in the Company's website (www.mediaset.it)

TABLE 3A: Incentive plans based on financial instruments, other than stock options, in favour of the members of the Board of Directors, general managers and other key management personnel

			Financial instruments assigned during the preceding financial years not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not attributed	Financial instruments vested during the financial year and that can be attributed		Financial instruments for the financial year
First and last name	Office	Plan	Number and type of financial instruments	Price of vesting	Number and type of financial instruments	Fair value at the Allotment Date	Vesting Period	Allotment Date	Market price of shares underlying the assignment of options	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value
Mauro Crippa	Director												
(I) Compensation in the company preparing the accounts		2015 - 2017 Plan (Shareholders' Meeting resolution of 29 April 2015)			28,538 Rights for the assignment of free shares	4,312	14/07/2015 31/07/2018	14/07/2015	4,38				123,056
(II) Compensation from subsidiaries and associates													
III) Total					28.538	4,312							123,056

(*) additional information concerning the plan is available in the appropriate information document found in the Company's website (www.mediaset.it)

TABLE 3A: Incentive plans based on financial instruments, other than stock options, in favour of the members of the Board of Directors, general managers and other key management personnel

			Financial instruments assigned during the preceding financial years not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not attributed	Financial instruments vested during the financial year and that can be attributed		Financial instruments for the financial year
First and last name	Office	Plan	Number and type of financial instruments	Price of vesting	Number and type of financial instruments	Fair value at the Allotment Date	Vesting Period	Allotment Date	Market price of shares underlying the assignment of options	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value
Marco Giordani	Director												
(I) Compensation in the company preparing the accounts		2015 - 2017 Plan (General Meeting resolution of 29 April 2015)			57,076 Rights for the assignment of free shares	4,312	14/07/2015 31/07/2018	14/07/2015	4,38				246.112
(II) Compensation from subsidiaries and associates													
III) Total					57.076	4,312							246.112

(*) additional information concerning the plan is available in the appropriate information document found in the Company's website (www.mediaset.it)

TABLE 3A: Incentive plans based on financial instruments, other than stock options, in favour of the members of the Board of Directors, general managers and other key management personnel

			Financial instruments assigned during the preceding financial years not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not attributed	Financial instruments vested during the financial year and that can be attributed		Financial instruments for the financial year
First and last name	Office	Plan	Number and type of financial instruments	Price of vesting	Number and type of financial instruments	Fair value at the Allotment Date	Vesting Period	Allotment Date	Market price of shares underlying the assignment of options	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value
Gina Nieri	Director												
(I) Compensation in the company preparing the accounts		2015 - 2017 Plan (General Meeting resolution of 29 April 2015)			57,076 Rights for the assignment of free shares	4,312	14/07/2015 31/07/2018	14/07/2015	4,38				246.112
(II) Compensation from subsidiaries and associates													
III) Total					57.076	4,312							246.112

(*) additional information concerning the plan is available in the appropriate information document found in the Company's website (www.mediaset.it)

TABLE 3A: Incentive plans based on financial instruments, other than stock options, in favour of the members of the Board of Directors, general managers and other key management personnel

			Financial instruments assigned during the preceding financial years not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not attributed	Financial instruments vested during the financial year and that can be attributed		Financial instruments for the financial year
First and last name	Office	Plan	Number and type of financial instruments	Price of vesting	Number and type of financial instruments	Fair value at the Allotment Date	Vesting Period	Allotment Date	Market price of shares underlying the assignment of options	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value
Niccolo' Querci	Director												
(I) Compensation in the company preparing the accounts		2015 - 2017 Plan (General Meeting resolution of 29 April 2015)			28,538 Rights for the assignment of free shares	4,312	14/07/2015 31/07/2018	14/07/2015	4,38				123.056
(II) Compensation from subsidiaries and associates													
III) Total					28.538	4,312							123.056

(*) additional information concerning the plan is available in the appropriate information document found in the Company's website (www.mediaset.it)

TABELLA 3A: Piani di incentivazione basati su strumenti finanziari, diversi dalle stock option, a favore dei componenti dell'organo di amministrazione, ai direttori generali e agli altri dirigenti con responsabilità strategiche

			Stumenti finanziari assegnati negli esercizi precedenti non vested nel corso dell'esercizio		Strumenti finanziari assegnati nel corso dell'esercizio					Stumenti finanziari vested nel corso dell'esercizio e non attribuiti	Stumenti finanziari vested nel corso dell'esercizio e attribuibili		Strumenti finanziari di competenza dell'esercizio
Nome e Cognome	Carica	Piano (*)	Numero e tipologia di strumenti finanziari	Prezzo di vesting	Numero e tipologia di strumenti finanziari	Fair value alla data di assegnazione	Periodo di vesting	Data di assegnazione	Prezzo di mercato all'assegnazione	Numero e tipologia strumenti finanziari	Numero e tipologia strumenti finanziari	Valore alla data di maturazione	Fair value
Stefano Sala	Consigliere												
I) Compensi nella società che redige il bilancio		Piano 2015 - 2017 (delibera assembleare 29 aprile 2015)			68.492 Diritti per l'assegnazione a titolo gratuito di azioni	4,312	14/07/2015 31/07/2018	14/07/2015	4,38				295.337
II) Compensi da controllate e collegate													
III) Totale					68.492	4,312							295.337

(*) ulteriori informazioni riguardanti il piano sono disponibili nell'apposito documento informativo presente sul sito internet della società (www.mediaset.it)

TABLE 3B:
Monetary incentive plans for members of the administrative body, general directors and other key management personnel

First and last name	Office	Plan	2015 bonus			Bonuses of previous years			Other bonuses
Fedele Confalonieri	Chairman of the Board of Directors.		Payable/Paid (*)	Deferred	Deferral period	Can no longer be paid	Payable/Paid	Still deferred	
(I) Compensation in the company preparing the accounts	Plan A (date of relative resolution)		14.700,00						
	Plan B (date of relative resolution)								
	Plan C (date of relative resolution)								
(II) Compensation from subsidiaries and associates	Plan A (date of relative resolution)								
	Plan B (date of relative resolution)								
III) Total			14.700,00						

(*) the amount was paid as an employee (accrual 2015 payment 2016)

TABLE 3B:
Monetary incentive plans for members of the administrative body, general directors and other key management personnel

First and last name	Office	Plan	2015 bonus			Bonuses of previous years			Other bonuses
Pier Silvio Berlusconi	Deputy Chairman and Chief Executive Officer		Payable/Paid (*)	Deferred	Deferral period	Can no longer be paid	Payable/Paid	Still deferred	
(I) Compensation in the company preparing the accounts	Plan A (date of relative resolution)		36.750,00						
	Plan B (date of relative resolution)								
	Plan C (date of relative resolution)								
(II) Compensation from subsidiaries and associates	Plan A (date of relative resolution)								
	Plan B (date of relative resolution)								
III) Total			36.750,00						

(*) the amount was paid as an employee (accrual 2015 payment 2016)

TABLE 3B

Monetary incentive plans for members of the administrative body, general directors and other key management personnel

First and last name	Office	Plan	2015 bonus			Bonuses of previous years			Other bonuses
Mauro Crippa	Director		Payable/Paid (*)	Deferred	Deferral period	Can no longer be paid	Payable/Paid	Still deferred	
(I) Compensation in the company preparing the accounts	Plan A (date of relative resolution)								
	Plan B (date of relative resolution)								
	Plan C (date of relative resolution)								
(II) Compensation from subsidiaries and associates	Plan A (date of relative resolution)		24.806,25						
	Plan B (date of relative resolution)								
III) Total			24.806,25						

(*) the amount was paid as an employee (accrual 2015 payment 2016)

TABLE 3B

Monetary incentive plans for members of the administrative body, general directors and other key management personnel

First and last name	Office	Plan	2015 bonus			Bonuses of previous years			Other bonuses (**)
Marco Giordani	Director		Payable/Paid (*)	Deferred	Deferral period	Can no longer be paid	Payable/Paid	Still deferred	
(I) Compensation in the company preparing the accounts	Plan A (date of relative resolution)		22.968,75						150.000,00
	Plan B (date of relative resolution)								
	Plan C (date of relative resolution)								
(II) Compensation from subsidiaries and associates	Plan A (date of relative resolution)								
	Plan B (date of relative resolution)								
III) Total			22.968,75						150.000,00

(*) the amount was paid as an employee (accrual 2015 payment 2016)

(**) The amount was paid as an employee. The compensation is a one-time bonus paid in 2015

TABLE 3B

Monetary incentive plans for members of the administrative body, general directors and other key management personnel

First and last name	Office	Plan	2015 bonus			Bonuses of previous years			Other bonuses
Gina Nieri	Director		Payable/Paid (*)	Deferred	Deferral period	Can no longer be paid	Payable/Paid	Still deferred	
(I) Compensation in the company preparing the accounts	Plan A (date of relative resolution)		22.968,75						
	Plan B (date of relative resolution)								
	Plan C (date of relative resolution)								
(II) Compensation from subsidiaries and associates	Plan A (date of relative resolution)								
	Plan B (date of relative resolution)								
III) Total			22.968,75						

(*) the amount was paid as an employee (accrual 2015 payment 2016)

TABLE 3B

Monetary incentive plans for members of the administrative body, general directors and other key management personnel

First and last name	Office	Plan	2015 bonus			Bonuses of previous years			Other bonuses (**)
Niccolò Querci	Director		Payable/Paid (*)	Deferred	Deferral period	Can no longer be paid	Payable/Paid	Still deferred	
(I) Compensation in the company preparing the accounts	Plan A (date of relative resolution)								
	Plan B (date of relative resolution)								
	Plan C (date of relative resolution)								
(II) Compensation from subsidiaries and associates	Plan A (date of relative resolution)		31.696,88						150.000,00
	Plan B (date of relative resolution)								
III) Total			31.696,88						150.000,00

(*) the amount was paid as an employee (accrual 2015 payment 2016)

(**) The amount was paid as an employee. The compensation is a one-time bonus paid in 2015

TABLE 3B

Monetary incentive plans for members of the administrative body, general directors and other key management personnel

First and last name	Office	Plan	2015 bonus			Bonuses of previous years			Other bonuses
Stefano Sala	Director		Payable/Paid (*)	Deferred	Deferral period	Can no longer be paid	Payable/Paid	Still deferred	
(I) Compensation in the company preparing the accounts	Plan A (date of relative resolution)								
	Plan B (date of relative resolution)								
	Plan C (date of relative resolution)								
(II) Compensation from subsidiaries and associates	Plan A (date of relative resolution)		483.152,50						
	Plan B (date of relative resolution)								
III) Total			483.152,50						

(*) the amount was paid as an employee (accrual 2015 payment 2016)

SCHEDULE NO. 7, PART THREE: Schedule with information on investments of members of administrative and control bodies, general managers and other key management personnel.

Table 1

INVESTMENTS OF MEMBERS OF ADMINISTRATIVE AND CONTROL BODIES AND GENERAL MANAGERS

First and last name	Office	Investee	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
			(31/12/2014)			(31/12/2015)
Fedele Confalonieri	Chairman of the Board (	Mediaset S.p.A.	577.000	-	177.000	400.000
Berlusconi Pier Silvio	Deputy Chairman and Chief Executive Officer		-	-	-	-
Giuliano Adreani	Director	Mediaset S.p.A.	329,100 (1)	-	-	329,100 (1)
Marina Berlusconi	Director	Mediaset S.p.A.	640,000 (2)		320,000 (2)	320,000 (2)
Franco Bruni	Director		-	-	-	-
Cannatelli Pasquale	Director	Mediaset S.p.A.	116.500	120,000 (3)	120,000 (3)	116.500
Mauro Crippa	Director	Mediaset S.p.A.	3.595	-	-	3.595
Bruno Ermolli	Director	Mediaset S.p.A.	19.000	-	-	19.000
Marco Giordani	Director		-	-	-	-
Fernando Napolitano	Director		-	-	-	-
Gina Nieri	Director	Mediaset S.p.A.	5.500	-	-	5.500
Michele Perini	Director		-	-	-	-
Alessandra Piccinino	Director		-	-	-	-
Niccolò Querci	Director	Mediaset S.p.A.	15.000	-	-	15.000
Stefano Sala	Director		-	-	-	-
Carlo Secchi	Director		-	-	-	-
Wanda Ternau	Director		-	-	-	-
Mauro Lonardo	Chairman of Board of Statutory Auditors		-	-	-	-
Francesca Meneghel	Reg Auditor		-	-	-	-
Ezio Maria Simonelli	Reg Auditor		-	-	-	-

(1) of which 7,000 shares held by their spouse.

(2) shares purchased through the subsidiary.

(3) exercise of stock options obtained from agreement with majority shareholder.

At the Shareholders' Meeting of 29 April 2015, the terms of office of directors Alfredo Messina and Attilio Ventura, who did not possess shares, and that of director Paolo Andrea Colombo, who at that date held 1,000 shares (500 of them held by his spouse) expired.

The information in Table 2 is included in Table 1 as key management personnel of the Mediaset Group are also Directors of Mediaset S.p.A.

For the Board of Directors

The Chairman

Mediaset Group

Report on corporate governance and ownership structures

This Report has been prepared pursuant to article 123-bis of the Italian Consolidated Finance Act (TUF). It can be consulted at the Company's registered office, is published on the Company's website, and is available on the eMarket Storage (www.emarketstorage.com) authorised storage mechanism according to the terms and conditions set out in current regulations.
Issuer: Mediaset S.p.A.
Website: www.mediaset.it
Year-end to which the Report refers: 31 December 2015
Date of approval of the Report: 22 March 2016

GLOSSARY

Board of Statutory Auditors/Board: the Board of Statutory Auditors of Mediaset S.p.A.

Board of Directors/Board: the Board of Directors of Mediaset S.p.A..

Code/Corporate Governance Code: the Corporate Governance Code for Listed Companies approved in July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime, and Confindustria, which is available on the website www.borsaitaliana.it/comitato-corporate-governance/codice/2015clean.pdf

Committee of Independent Directors: the Committee of Independent Directors for Related-Party Transactions of Mediaset S.p.A..

Company Bylaws: the Company Bylaws of Mediaset S.p.A., which are available on the website www.mediaset.it/investor/governance/statuto_it.shtml

Compliance Programme: the Compliance Programme, pursuant to Legislative Decree 231/2001, available on the website www.mediaset.it/corporate/impresa/modello231_01_it.shtml.

Consob: the Italian Securities and Exchange Commission.

Executive Committee/Committee: the Executive Committee of Mediaset S.p.A.

Financial Reporting Officer: the Financial Reporting Officer with responsibility for producing the Company's accounting documents.

Financial Year: the 2015 financial year.

Group: the Mediaset Group.

Internal Control and Risk Management System Director: the Director appointed to oversee the functioning of the internal control and risk management system of Mediaset S.p.A..

Issuer Regulation: the Regulations issued by CONSOB with resolution no. 11971 of 1999 (subsequently amended) regarding Issuers.

Issuer/Company/Mediaset: Mediaset S.p.A..

Italian Civil Code: the Italian Legal Code containing Company Law.

Procedure: the procedure for transactions with related parties, available on the site www.mediaset.it/investor/governance/particorrelate_it.shtml .it

Regulation on Markets: the Regulations issued by CONSOB with resolution no. 16191 of 2007 (subsequently amended) regarding markets.

Regulation on Related-Party Transactions: the regulation issued by Consob with resolution No.17221 of 12 March 2010 concerning transactions with related parties.

Report: the report on Corporate Governance and Ownership Structures that companies are required to produce pursuant to Article 123-bis of the Consolidated Finance Law.

Shareholders' Meeting: the Meeting of the Shareholders of Mediaset S.p.A..

Shareholders' Meeting: the regulation approved by the Shareholders' Meeting of Mediaset of 9 April 2001 available on the site www.mediaset.it/gruppomediaset/bin/47.$plit/Regolamento_Assembleare.pdf

Supervisory and Control Body: the Supervisory and Control Body appointed by the Board of Directors of Mediaset S.p.A., pursuant to Article 6 of Legislative Decree 231/01.

System: the internal control and risk management system.

TUF: Legislative Decree no. 58 of 24 February 1998 (Testo Unico della Finanza - Consolidated Finance Act).

1. PROFILE OF THE ISSUER[1]

Mediaset is a multinational media group that has been listed on the Italian Stock Exchange since 1996. Its core business is commercial television broadcasting in Italy and Spain.

In Italy, Mediaset operates, on the one hand, in the area of Integrated Television Operations consisting of commercial television broadcasting over three of Italy's largest general interest networks and an extensive portfolio of thematic free-to-air and pay TV channels (linear, non-linear and OTTV), with a broad range of content centred on Football, Cinema, TV Series, Documentaries and Children's Television channels, and, on the other hand, in network infrastructure management through its 40% stake in EI Towers S.p.A. EI Towers S.p.A. is the leading operator in Italy in the management of infrastructures and electronic communication services aimed at TV, radio, and mobile broadcasting.

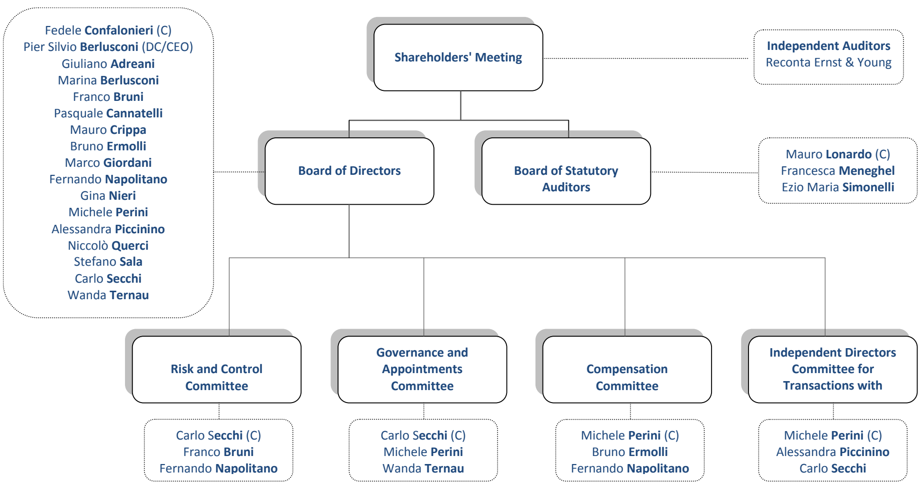
During 2015, the Company, through its subsidiary R.T.I., acquired 80% of the share capital of Monradio S.r.l., a fully owned subsidiary of Arnoldo Mondadori Editore S.p.A. of which the radio broadcaster R101 is part[2].

Abroad, Mediaset holds a plurality of the shares of the Spanish television group Mediaset España Comunicación S.A .

Mediaset subscribes to the corporate governance code promoted by Borsa Italiana S.p.A.

Mediaset has adopted a traditional administration and control system consisting of the following company bodies: the Shareholders' Meeting, the Board of Directors, the Executive Committee and the Board of Statutory Auditors. In accordance with relative laws in force, accounts are audited by independent auditors listed in the register held by CONSOB.

The Board of Directors has established, from among its members, three committees with advisory functions: the Compensation Committee, the Internal Risk and Control Committee and the Governance and Appointments Committee. The powers and functioning of company bodies and committees are governed by law, by the Company Bylaws of the Company and by resolutions passed by competent company bodies.



[1] Refer also to the financial statements and to the Mediaset website for the Issuer's profile.
[2] After this agreement, Mediaset entered into a partnership with the founders of the Finelco Group; the investment falls within the new development strategy of Mediaset, oriented towards radio broadcasting.

The information in this Report, unless otherwise indicated, refers to the date of approval of the Report by the Board of Directors (22 March 2016).

2. INFORMATION ON OWNERSHIP STRUCTURE AS OF 22 MARCH 2016

Structure of share capital

The share capital of Mediaset S.p.A. is Euro 614,238,333.28 fully paid up and subscribed; it consists of common shares, as shown below:

TABLE 1: INFORMATION ON OWNERSHIP STRUCTURES

STRUCTURE OF SHARE CAPITAL				
	Number of shares	**Percentage of Share Capital**	**Listed / non-listed**	**Rights and obligations**
Ordinary shares	1,181,227,564* (nominal amount EUR 0.52 each)	100%	Borsa Italiana - Blue Chip segment -	Pursuant to Law and and the Bylaws

* As of 22.03.2016 the company held 44,825,500 treasury shares, or 3.795% of the share capital, whose voting rights are suspended in accordance with article 2357 ter of the Italian Civil Code.

No other financial instruments have been issued with the right to subscribe to new share issues.

No share-based incentive plans have been established that would increase share capital, even without any consideration.[3]

American Depositary Receipts programme

In 2015 Mediaset renewed the ADR (American Depositary Receipts) programme, introduced in 2005 in the US market. The ADR are certificates representing Mediaset shares and are exchanged in the USA market in accordance with the Level I programme. JP Morgan Chase Bank N.A. is the bank depositary of the Mediaset ADR. Three common shares traded in the Milan stock exchange correspond to each Mediaset ADR[4].

Restrictions on the transfer of securities

Pursuant to the Company Bylaws, shares are registered, indivisible and freely transferable. Provisions regarding representation, legitimisation and the circulation of equity investments for securities that are traded on regulated markets are applied.

Relevant equity investments in share capital

According to the communications received pursuant to Article 120 of the TUF, as of 22 March 2016, the significant equity investments in the share capital of Mediaset S.p.A. were as follows:

RELEVANT EQUITY INVESTMENTS IN SHARE CAPITAL			
Declarer	**Direct Shareholder**	**% ownership of ordinary capital**	**% ownership of voting capital**
Berlusconi Silvio	Fininvest S.p.A.	**33. 469**	**33. 469**
Mackenzie Financial Corporation	Mackenzie Financial Corporation	**4,920**	**4,920**
	Mackenzie Cundill Value Fund	3,093	3,093
		4,920	**4,920**
Mediaset S.p.A.	Mediaset S.p.A.	**3,795**	**3.795 (*)**

(*) without voting rights.

(**) The Consob website shows as significant shareholders: FMR LLC, with a percentage of ownership of the common share capital and voting share capital of 3.522%.

[3] The Shareholders' Meeting of 29 April 2015 approved a medium-long-term loyalty and incentive plan for the three-year period 2015-2017 pursuant to art. 114-bis of the TUF based on the Company's own shares. Additional information on the plan is available on the Company's website.
[4] Further information is available on the Company's website.

Securities with special rights

No securities with any special control rights have been issued. The Bylaws do not envisage multiple vote shares.

Employee shareholdings: mechanism for exercising voting rights

There is no employee shareholding system with a mechanism for exercising voting rights, other than that established for all other shareholders of the Company.

Restrictions on the right to vote

All ordinary shares that are currently in circulation have voting rights, with the exception of treasury shares held by the Company for which voting rights are suspended pursuant to Article 2357-ter of the Italian Civil Code.

Agreements between shareholders

There are no shareholders' agreements concerning the Company, pursuant to Article 122 of the TUF.

Change of control clauses and provisions of Company Bylaws regarding Public Purchase Offers

The Company, as part of its normal business operations, has existing loan agreements, including agreements relative to the bond issues of 21 January 2010 and 17 October 2013, which establish, as a common practice on financial markets, specific effects if a "change of control" takes place (such as, for example, settlement or modification in the case of a change of control of the Company). However, none of these contracts may be considered significant by itself[5].

As regards the subsidiary EI Towers S.p.A., reference is made to its Corporate Governance Report.

Agreements between the Company and directors

No agreements exist between the Company and directors, as of Article 123-bis, paragraph one, letter i) of the TUF.

Legislation and regulations applicable to the appointment and replacement of Directors and changes to the Company Bylaws

As regards regulations applicable to the appointment and replacement of directors, reference is made to paragraph 4) relative to the Board of Directors. Pursuant to the Company Bylaws and without prejudice to the areas of responsibility of the Extraordinary Shareholders' Meeting, which maintains powers to pass resolutions thereon, the Board of Directors has the power to pass resolutions regarding mergers and demergers in cases established by Articles 2505, 2505-bis and 2506-ter of the Italian Civil Code, the establishment or closure of secondary sites, the

[5] The Bylaws of the Company do not establish any departure from provisions concerning Public Purchase Offers and the passivity rule pursuant to Article 104, paragraph 1 and 1-bis of the TUF, or the application of neutralisation rules pursuant to Article 104-bis, paragraphs 2 and 3 of the TUF.

appointment of directors to represent the Company, the reduction of share capital in the case of withdrawal of a shareholder and amendments to the Company Bylaws to legal provisions.

Powers to increase share capital and authorisation to purchase treasury shares

No powers to increase share capital pursuant to Article 2443 of the Italian Civil Code, or to issue any financial instruments that would constitute equity investments, have been granted.

The Shareholders' Meeting of 29 April 2015 resolved to give the Board of Directors the authority to purchase, also through trading in options or financial instruments, including derivatives on Mediaset share, up to a maximum number of 118,122,756 common shares of a nominal value of euro 0.52 each - amounting to 10% of the share capital - in one or more lots, until the approval of the Financial Statements to 31 December 2015 and, in any case, for a period of no longer than 18 months from the date of the related resolution of the Shareholders' Meeting. The above amount is covered by available reserves as shown in the last approved Financial Statements[6].

From the date of the Shareholders' Meeting to the present, no treasury shares have been purchased. Therefore, on 22 March 2016, the Company held 44,825,500 treasury shares, amounting to 3.795% of the share capital .

Management and coordination activities (pursuant to Article 2497 et seq. of the Italian Civil Code)

Mediaset S.p.A. is subject to the de facto control of Fininvest S.p.A., as the latter owns 33.469 % of the share capital. On 4 May 2004 Fininvest S.p.A. informed Mediaset that it does not carry out any management and coordination activities, pursuant to Article 2497 et seq. of the Italian Civil Code, regarding Mediaset. The Company acknowledged the notice of Fininvest S.p.A. in the meeting of the Board of Directors of 11 May 2004.

The above notification from Fininvest is still applicable as Mediaset S.p.A. defines its own strategies independently and has total organisational, operational and negotiating autonomy, because Fininvest does not oversee or coordinate its business operations. Specifically, Fininvest does not issue any directives to Mediaset nor does it provide assistance or technical, administrative or financial coordination on behalf of Mediaset and its subsidiaries.

Currently, Mediaset S.p.A. carries out management and coordination activities, according to articles 2497 and following of the Italian civil code, over the companies of the Mediaset Group[7] and over the listed subsidiary EI Towers S.p.A.

3. COMPLIANCE

In March 2000, the Board of Directors of Mediaset S.p.A. decided to adopt the measures contained in the first version of the Corporate Governance Code for Listed Companies, incorporating the principles of this Code into the Mediaset Code. The Company has continued, over time, to update its own system of corporate governance to align it with best national and

[6] The purchases must be made in the listing exchange, by the operational methods of article 144-bis letters b) and c) of the Issuers Regulation, at a price no higher than the greater of the price of the latest independent trade and the price of the highest independent bid currently in effect in the electronic stock market managed by Borsa Italiana. Purchase transactions are carried out in compliance with Articles 2357 and subsequent of the Italian Civil Code, Article 132 of Legislative Decree 58/98, Article 144-bis, of the CONSOB Regulation implementing Legislative Decree no. 58 of 24 February 1998, concerning the discipline of Issuers and in compliance with any other applicable regulations, including those referred to in the EU Directive 2003/6 and all relative EU and national regulations for implementation.

[7] Digitalia '08 S.r.l., Elettronica Industriale S.p.A., Mediaset Premium S.p.A., Media4commerce S.p.A., Medusa Film S.p.A., Monradio S.r.l., Promoservice Italia S.r.l., Publitalia '80 S.p.A., R.T.I. S.p.A., Taodue S.r.l., Video Time S.p.A.

international practices, with recommendations of the Corporate Governance Code for Listed Companies, and with provisions that have gradually been introduced, while informing shareholders and the market on an annual basis; adaptations to the changes introduced in the latest edition of the Code (July 2015) are also under way.

The Board of Directors, taking into account the opinions and proposals of the Governance and Appointments Committee, with the approval of the Risk and Control Committee, in its resolution of 18 December 2012, adopted the Corporate Governance Code for Listed Companies.

The Annual Report on Corporate Governance and Ownership Structure is written also on the basis of the *format* of Borsa Italiana.

The subsidiary EI Towers S.p.A., listed on the Electronic Stock Market (MTA) Star Segment of Borsa Italiana S.p.A., also adheres to the Corporate Governance Code for Listed Companies.

The subsidiary Mediaset España Comunicación S.A., listed on the Madrid, Barcelona, Bilbao, and Valencia Stock Exchanges and on the Spanish electronic stock market – Ibex 35 and its subsidiaries are subject to Spanish Law and to the Spanish corporate governance system.

4. BOARD OF DIRECTORS

4.1 APPOINTMENT AND REPLACEMENT

The appointment and replacement of directors are regulated by Article 17 of the Company Bylaws, included in Attachment A to this Report.

Based on the Company Bylaws, lists may be presented only by shareholders who have voting rights and who, either alone or together with other shareholders, represent at least 2.5% of the share capital consisting of shares with voting rights at the Ordinary Shareholders' Meeting, or any different percentage established by pro tempore laws in effect and which, will be indicated each time in the notice of the Shareholders' Meeting called to resolve on the appointment of the Board of Directors[8].

It is specified that, besides the requirements of the TUF, Issuers Regulation, Code, and legal requirements, is not subject to additional requirements regarding the composition of the Board.

Succession Plans

At this stage, the Board does not deem it necessary to adopt a succession plan for the executive directors, given the stable shareholding structure and the current status of delegations of the Company's powers. Therefore, no succession plans for directors exist.

4.2 COMPOSITION

Article 17 of the Company Bylaws establishes that the Company is administered by a Board of Directors consisting of five to twenty-one directors.

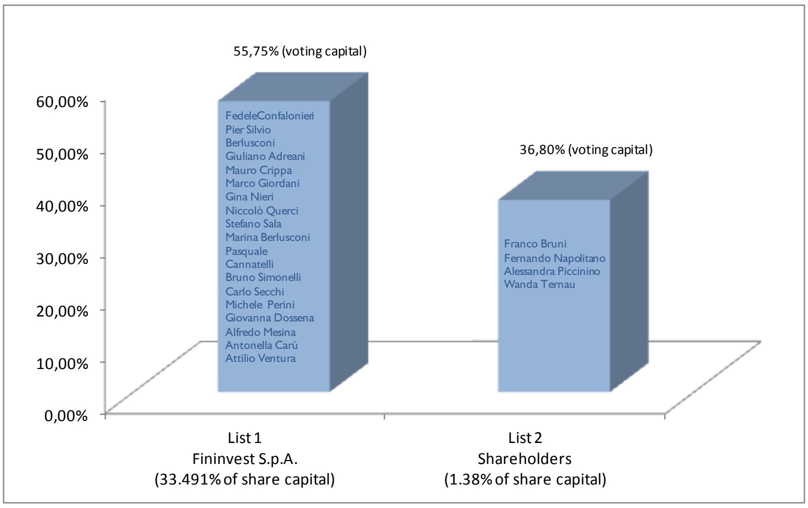
The Shareholders' Meeting of 29 April 2015 resolved that the Board of Directors would consist of seventeen members and would remain in office for three years (until the approval of the financial statements to 31 December 2017).

[8] It is pointed out that at the date of the Shareholders' Meeting (29 April 2015), the threshold percentage of shares required to submit lists of candidates was 1% (Consob resolution No.19109 of 28 January 2015).

As of today, the members of the Board of Directors are[9]:

Fedele Confalonieri, Pier Silvio Berlusconi, Giuliano Adreani, Mauro Crippa, Marco Giordani, Gina Nieri, Niccolo' Querci, Stefano Sala, Marina Berlusconi, Pasquale Cannatelli, Bruno Ermolli, Carlo Secchi, Michele Perini (chosen from the majority list, No. 1) Franco Bruni, Alessandra Piccinino, Fernando Napolitano, and Wanda Ternau (chosen from the minority list, No. 2).

Two lists were presented at the Shareholders' Meeting of 29 April 2015 (739,838,857 shares, or 62.63% of the share capital)[10].



The curricula vitae of the members of the Board may be consulted on the Company's website and are also shown in Attachment B to this report.

The composition of the Board has not changed since the end of the reporting period.

Maximum number of positions held in other companies

On 24 March 2015, the Governance and Appointments Committee confirmed the preference already expressed on 11 March 2008 regarding the maximum number of director or statutory auditor positions compatible with an efficient performance of the mandate. In particular:

- an executive director should not hold:
    I. the position of executive director in any other listed company, either Italian or foreign, or in a finance, banking or insurance company, or in large-sized companies (with a net equity of more than EUR 10 Billion);
    II. the position of non-executive director or statutory auditor, or of a member of another control body, in more than five listed companies, either Italian or foreign, or in

[9] The fifteen members that composed the Board of Directors whose term in office naturally expired at the Shareholders' Meeting of 29 April 2015 were: Fedele Confalonieri, Pier Silvio Berlusconi, Giuliano Adreani, Marina Berlusconi, Pasquale Cannatelli, Paolo Andrea Colombo, Mauro Crippa, Bruno Ermolli, Marco Giordani, Alfredo Messina, Gina Nieri, Michele Perini, Niccolo' Querci, Carlo Secchi, and Attilio Ventura.

[10] The first list was presented by the shareholder Fininvest S.p.A. The second list was presented by the following shareholders: Anima Geo Italia fund, Anima Italia fund, Anima Star Italia Alto Potenziale fund, Anima Geo Europa fund, Anima Europa fund, Anima Trading fund, and Anima Visconteo fund; Arca SGR S.p.A., manager of the fund Arca Azioni Italia; Ersel Asset Management SGR S.p.A. manager of the fund Fondersel PMI; Eurizon Capital S.G.R. S.p.A. manager of the fund Eurizon Azioni Italia; Eurizon Capital SA manager of the funds: Eurizon Easy Fund – Equity Italy, Eurizon Easy Fund – Equity Italy LTE, and Eurizon Investment SICAV – PB Flexible Marco; Fideuram Investimenti S.G.R. S.p.A. manager of the fund Fideuram Italia; Fideuram Asset Management (Ireland) Limited manager of the funds: Fideuram Fund Equity Italy and Fonditalia Equity Italy; Interfund Sicav manager of the fund Interfund Equity Italy; Legal & General Investment Management Limited – Legal & General Assurance (Pensions Management) Limited; Mediolanum Gestione Fondi SgrpA manager of the fund Mediolanum Flessibile Italia; Mediolanum International Funds Limited – Challenge Funds – Challenge Italian Equity; Pioneer Asset Management S.A. manager of the fund Pioneer Fund Italian Equity and Pioneer Investment Management SGRpA manager of the fund Pioneer Italia Azionario Crescita.

finance, banking or insurance companies, or in large-sized companies (with a net equity of more than EUR 10 Billion);

- a non-executive director should not hold:
  I. the position of executive director in more than three listed companies, either Italian or foreign, or in finance, banking or insurance companies, or in large-sized companies (with a net equity of more than EUR 10 Billion) and the position of non-executive director or statutory auditor, or of a member of another control body, in more than five listed companies, either Italian or foreign, or in finance, banking or insurance companies, or in large-sized companies (with a net equity of more than EUR 10 Billion).
  II. the position of non-executive director or statutory auditor, or of a member of another control body in more than ten listed companies, either Italian or foreign, or in finance, banking or insurance companies, or in large-sized companies (with a net equity of more than EUR 10 Billion).

The acceptance of a position, for all directors of the Company, requires their prior evaluation as to the possibility of being able to dedicate the time needed to diligently carry out the high-level duties entrusted to them and undertake consequent responsibilities. This means taking into account, among other things, the number of positions held as director and/or statutory director in other companies listed on regulated markets (including foreign markets), and in finance, banking or insurance companies, or in large-sized companies.

The offices held in Mediaset and in companies of the Mediaset Group are excluded.

If the above limits are exceeded, directors shall promptly inform the Board, which will evaluate the situation in the light of the Company's interests and request the director involved to take ensuing decisions.

On an annual basis, the Board of Directors identifies, from information received from each director, the positions they hold as director and/or statutory auditor in other companies, included in Attachment B to this Report.

Induction Programme

Consistently with Company practice, in order to enhance the awareness of all directors and statutory auditors of the Company's dynamics and reality, informal gatherings were held during the financial year, aimed at discussing in depth specific *business* and *corporate governance* topics, also through a structured *Induction* programme.

After the current Board took office, the 2015 Induction programme was intensified in order to facilitate the integration of the new directors. Specifically, in line with the provisions of the Code regarding the effective and conscious performance of one's role by each director, The Chairman provided, during the first Board meeting of 30 April 2015, the "Directors' Information Guide," examined in advance by the Governance and Appointments Committee, which, among other things, summarises the main provisions of laws, regulations and of the Corporate Governance Code concerning the Board and the Company's internal committees.

The following sessions were organised with the involvement of the Company's *management*; the topics were: Institutional affairs, Legal, and Strategic Analyses, Mediaset premium and Infinity offer, Human Resources, Procurement and Services, Information, and Enterprise Risk

Management , as well as on the macro-topics of Mediaset financial statements and Report on corporate governance.

In addition a meeting was held on 8 June 2015, devoted to updating the directors members of the Related Parties Transactions Committee regarding the regulations governing transactions with related parties and to the related procedures adopted by the Company.

Finally, also in view of the findings of the "Board Performance Evaluation"[11] for the 2014 financial year, the Company organised a "Strategy Day" on 6 October 2015. This event drew the participation of directors, statutory auditors, and all top line management, including the executive directors of the main subsidiaries, as well as outside speakers. The purpose was to analyse in depth strategic themes, market dynamics and evolution of broadcasters, new trends in the advertising market, and the responses of the Company to the new competition challenges.

In addition to the above-mentioned activities, the independent directors were given the opportunity to participate in a training programme organised by Assonime and Assogestioni on "transactions with related parties and compensation of directors," as well as on the "responsibility of directors and statutory auditors in listed companies.".

The Company has already scheduled more induction sessions for 2016.

4.3. THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is the collective body of the Company responsible for administration and plays a key role in the Company's organisation, overseeing functions and responsibility for its strategic and organisational guidelines, checking the existence of controls necessary to monitor the performance of the Company and Group. The system of delegation of powers is such that the central role of the Board is maintained within the Company's organisation. The powers provided by the law and by art. 23 of the Bylaws belong to the Board[12]. In addition, the Board performs the activities assigned to it by the Code.

The Board meets on a regular basis, observing the deadlines established by law and a working calendar. It is organised and operates in such a way as to guarantee it perform its functions effectively and efficiently.

The Board met ten times during the financial year. The average duration of each meeting was about 1.5 hours. The overall percentage of directors attending during the financial year was approximately 91%, while the percentage of independent directors attending was approximately 95% overall. The percentage of each director attending Board Meetings is shown in Attachment C to this Report.

The Board devoted to the topics in the agenda the time required to allow a constructive debate, encouraging the input of the individual directors.

Two board meetings have been held in 2016 and four more have been scheduled and communicated to the market, to approve the financial statements for the respective periods; in this regard, Mediaset has published a calendar, which is available on the Company's website.

[11] This topic is discussed in the successive Chapter 4.3 Role of the Board of Directors, "Self-assessment of the Board of Directors.".

[12] The Board of Directors may, pursuant to the Company Bylaws, appoint one or more Deputy Chairmen and assign one or more of its members, also holding the position of Chief Executive Officer, all or a part of its powers, without prejudice to the provisions in Article 2381 of the Italian Civil Code and Article 23 of the Company Bylaws, and may also appoint an Executive Committee to be assigned powers, except for powers reserved for the Board of Directors. The Board of Directors may also establish other Committees, comprising persons that are not necessarily Board members, defining their duties, powers, compensation, if any, composition and operating procedures.

The Chairman ensures timely and complete information is given to directors prior to board meetings; parties concerned receive documents about items on the agenda, in the days immediately before the scheduled date of the Board Meeting (usually 4 days before), so they have useful elements enabling them to participate effectively in the proceedings of the Meeting. For this purpose, the Chairman is assisted by the Secretary of the Board of Directors. In the limited and exceptional cases in which it was not possible to send the documentation sufficiently in advance, the Chairman ensured that adequate and detailed examinations were carried out during the Board meetings, thus guaranteeing the adoption of informed decisions.

Informing the Board was facilitated by the establishment of the "Mediaset BoD Portal" which makes it possible to make available to the directors and statutory auditors the documents related to the meetings of the Board and its committees, through a secure access by browser from a device connected to the internet. The Group press review and the Communication Library are also available on the Mediaset Portal; documents from institutional sources, research institutes, and the Company's documentation centre are available in this last section.

During the Board Performance Evaluation, the Board established that pre-meeting information about items on the agenda was sent with proper and adequate advance notice.

It was also stated that decision-making processes of the Board are based on information flows considered by parties concerned as timely and effective and are included in the minutes.

The Chairman encourages the involvement of company executives responsible for company departments in Board Meetings, so they may give board members appropriate in-depth information to fully understand items on the agenda. In 2015 company executives took part in Board meetings.

During the year, the Board:

- examined and approved the strategic, industrial and financial plans of the Company and of Group of which the Company is the parent company and periodically monitored their implementation;
- defined strategic objectives, the nature and level of risk compatible with them, and monitored their implementation during the year; based on the above, it examined and approved the three-year economic/financial forecasts of the Group;
- reviewed the adequacy of the organisational, administrative and general accounting arrangements of the Company and subsidiaries with strategic relevance, with particular reference to the internal control system and risk management. This review, with a positive outcome, was supported by specific explanatory reports, relative to the different operational and control structures of the companies, drawn up by delegated bodies;
- after hearing the recommendations of the Compensation Committee, approved a loyalty and medium-long-term incentive plan for the three-year period 2015-2017, pursuant to art.114-bis of TUF; this plan was approved by the Shareholders' Meeting of 29 April 2015;
- positively reviewed the general progress of operations, specifically taking into account information from the Executive Committee, Chairman, Deputy Chairman and Chief Executive Officer, and Risk and Control Committee, and periodically comparing actual and planned results;

- examined and approved, in advance, all operations that were significant from a strategic, economic and financial viewpoint for the Company and its subsidiaries and, specifically, related-party transactions;
- defined the Company's Policy for the compensation of directors and key management personnel, on the proposal of the Compensation Committee;
- reviewed the functioning of the Board and its committees;
- based on reports from subjects appointed to supervise the internal control and risk management system, the Supervisory and Control Body and after consulting with the Risk and Control Committee, reviewed the internal control and risk management system, which in overall terms is adequate and effective for the business and risk profile of the Company;
- after consulting with the Risk and Control Committee, the Board of Statutory Auditors and Internal Control and Risk Management System Director, approved the work plan prepared by the Internal Audit Function; it also reviewed the Internal Audit Function's Report on its activities carried out during the financial year and considered the resources assigned to the Function as appropriate;
- consulted with the Board of Statutory Auditors and the Risk and Control Committee and subsequently evaluated the findings of the auditors in their letter and in the report on fundamental issues arising during the audit; the Committee also acknowledged that the Independent Auditors, in the absence of observations to bring to the attention of Management, did not issue a letter of recommendations;
- approved interim financial reports. On these occasions, the Board received information regarding the results achieved, compared to historical data and budget objectives.

On 22 March 2016, the Board of Directors, following a proposal of the Compensation Committee, set out a general policy for the compensation of directors and key management personnel for the 2016 financial year.

Self-assessment of the Board of Directors

In accordance with the Code's requirements, the Board has been carrying out the self-assessment process since 2006. In this annual process, the composition, number of board members and operation of the Board and its committees are assessed, as well as directors' contributions to activities. The Board, adopting a proposal of the Governance and Appointments Committee, and taking into account the positive experience of the preceding year, deemed it appropriate to maintain for the 2015 financial year the self-assessment methods used for the 2014 financial year..

The self-assessment process started with the preparation of a guide[13] set up to support exchanges among directors that took place during a meeting held on 15 December 2015 in which 14 of the 17 directors in office, including the Chairman, participated. The topics on which the directors focused their attention are those contemplated by the Corporate Governance Code: size, composition, operation, and organisation of the Board of Directors; participation and commitment of the directors; organisation and operation of the committees.

[13] The Company was assisted by Spencer Stuart, a company that specialises in the sector and does not have other professional of commercial relations with the Company or other companies of the Group.

In general, the directors expressed satisfaction with the size, composition, and operation of the Board for the financial year.

According to the self-assessment, the Board performs well its guide and control role, devoting special commitment in the risk management area. The high level of professionalism of the directors explains the Board's full effects, which are the result of the directors' participation in the meetings of the Board and committees.

The directors agreed that it is necessary to continue the analysis and in-depth study of what is happening in the market and to share the strategic options that can be practically implemented by the Mediaset Group . The Boards stressed the completeness of the information made available to the Directors both by the structures and by the activities of the Committees; it also expressed appreciation for the ongoing support provided by the Board's administrative office, also through the timely issue of the meetings minutes. The frequency and duration of Board meetings are considered adequate, also considering the other opportunities to exchange information.

As usual, meetings were held with management, in the context of the directors training programme (in particular in the presence of the newly elected directors); the subject of these meetings was the analysis of some topics on the business in which the Mediaset Group operates[14].

All directors found these shared occasion to be well organised, useful, and appropriate; these meetings, and especially Strategy Day[15], enabled the directors to understand the competitive scenarios, the changes under way in the reference market, and the importance of partnerships and alliances. The directors agreed that the exchanges reinforced the positive and active attitude of the directors; they expressed the hope that Strategy Day will be held again in 2016.

With regard to the size and composition of the Board, the directors reiterated their appreciation of the current Mediaset Board, which consists of persons of high personal and professional standing, and which also has a balanced mix of directors.

Article 2390 of the civil code

The Shareholders' Meeting has not authorised any departures from the prohibition on competition established by Article 2390 of the Italian Civil Code.

4.4 DELEGATED BODIES

The Chairman

Traditionally, the Chairman is appointed by the Shareholders' Meeting . The Shareholders' Meeting of 29 April 2015 confirmed Fedele Confalonieri as Chairman of the Company.

At its meeting of 30 April 2015, the Board of Directors assigned to the Chairman all ordinary and extraordinary administration powers within a maximum limit of Euro 15,000,000 for an individual transaction, except those under the exclusive jurisdiction of the Board of Directors and Executive Committee. Pursuant to the Company Bylaws, the Chairman represents the Company.

[14] The topic was discussed in chapter 4 "Board of Directors," in the section "Induction Programme".

[15] The importance of adopting a method to orient the Board to look more towards the future, changes, possible alliances, and international markets (also with the support of outside experts) was one of the themes that arose from the past self-assessments. The possibility of organising a day session, the so-called" Strategy Day" was evoked in this regard. This day session was organised in October 2015.

Board members are required to know the duties and responsibilities of their position. The Chairman ensures that the Board is constantly kept informed on the main changes in laws and regulations that concern the Company, also in collaboration with the Corporate Affairs manager and the Board's secretary.

The Chairman coordinates the activities of the Board of Directors and chairs the Board Meetings. The Chairman, or person acting on his behalf, convenes Board Meetings.

Deputy Chairman and Chief Executive Officer

In the meeting of 30 April 2015, the Board of Directors appointed Pier Silvio Berlusconi as Deputy Chairman and Chief Executive Officer, giving him all powers of ordinary and extraordinary administration within a maximum limit of Euro 15,000,000 for an individual transaction, except those under the exclusive jurisdiction of the Board of Directors and Executive Committee. Pursuant to the Bylaws, the Deputy Chairman and Chief Executive Officer has the power to represent the Company[16].

***

The Board of Directors decided that the above division of powers to the Chairman and to the Deputy Chairman and Chief Executive Officer best meets needs for organisational efficiency.

Executive Committee

At its meeting of 30 April 2015, the Board of Directors appointed the Executive Committee which consists of five members who will remain in office for the duration of the mandate of the Board, appointing as members by right, besides the Chairman Fedele Confalonieri and the Deputy Chairman and Chief Executive Officer Pier Silvio Berlusconi, the directors Giuliano Adreani, Marco Giordani, and Gina Nieri.

The Board assigned to the Executive Committee all powers of ordinary and extraordinary administration within the maximum limit of Euro 130,000,000.00 for an individual transaction, excluding the matters under the exclusive jurisdiction of the Board.

During 2015, the Committee met nine times and systematically involved the Company's executives responsible for the pertinent departments. The average duration of the meetings was about one hour.

As a rule, all members of the Board of Statutory Auditors participate in Committee meetings.

The percentage of each director attending Committee meetings is shown in Attachment C to this Report.

***

Reporting to the Board of Directors

In compliance with laws and the Company Bylaws, the Board of Directors and Board of Statutory Auditors are informed of the activities carried out, operations, their outlook, and the most important strategic, economic, balance sheet, and financial operations carried out by the Company or subsidiaries.

[16] Pursuant to the Bylaws, the Deputy Chairman replaces the Chairman if the latter is absent or incapacitated. The actual exercising of the power of representation by the Deputy Chairman indicates per se the absence or impediment of the Chairman and exonerates third parties from any verification or responsibility thereof.

During Board Meetings, each item is reviewed thoroughly, to enable directors to make an informed decision on the matters discussed.

Information on the delegated activities is communicated continuously by the delegated bodies to the Board of Directors and Board of Statutory Auditors during the board meetings, in accordance with the methods provided by the Bylaws and by the legislation in effect. During the first available board meeting, the Chairman, Deputy Chairman and Chief Executive Officer, Executive Committee, directors with special assignments, and, more generally, the delegated bodies report to the Board of Directors and Board of Statutory Auditors on the progress of the projects assigned to them and of the activities performed when fulfilling the mandates assigned to them, as provided by the Bylaws.

4.5. OTHER EXECUTIVE DIRECTORS

In addition to the Chairman and the Deputy Chairman and Chief Executive Officer the following six executive directors are members of the Board:

Giuliano Adreani	Chairman of Publitalia '80 S.p.A., Chairman of Digitalia '08 S.r.l., and Chairman of Mediamond S.p.A.
Mauro Crippa	General Manager IT for RTI S.p.A.
Marco Giordani	Central Manager, Administration, Finance, Control, and Business Development of Mediaset S.p.A., Chief Executive Officer of RTI S.p.A., Chairman of Mediaset Premium S.p.A., and Chairman of Monradio S.r.l.
Gina Nieri	Department of Institutional and Legal Affairs and of Strategic Analysis of Mediaset S.p.A. and Deputy Chairman of RTI S.p.A.
Niccolò Querci	Central Manager of Human Resources, Procurement, and Services of Mediaset S.p.A., Deputy Chairman of RTI S.p.A., and Deputy Chairman of Publitalia '80 S.p.A.
Stefano Sala	Chief Executive Officer of Publitalia '80 S.p.A., Chief Executive Officer of Digitalia '08 S.r.l., and Deputy Chairman of Mediamond S.p.A.

4.6. INDEPENDENT DIRECTORS

The six independent Directors appointed by the Shareholders' Meeting of 30 April 2015 are: Franco Bruni, Fernando Napolitano, Michele Perini, Alessandra Piccinino, Carlo Secchi, and Wanda Ternau[17].

The Board meeting of 30 April 2015 assessed the independence of its directors pursuant to art. 147 ter of the T.U.F. and to the Code, on the basis of the declarations available to the Company, as shown in Attachment C to this report.

The Board was of the opinion that the directors Franco Bruni, Fernando Napolitano, Michele Perini, Alessandra Piccinino, Carlo Secchi, and Wanda Ternau meet the independence requirements pursuant to art. 148, paragraph 3 of the TUF as well as the independence requirements of the Code. With regard to the latter requirement, it is pointed out that the Board recognised the director Carlo Secchi as independent director, although he has held the office of director of the Company for over nine years during the past twelve years, in consideration of the independent judgement that he displays continuously and of his professional qualities.

[17] The current composition of the Board of Directors, with 6 independent directors out of 17, complies also with application criterion 3.C.3 of the Corporate Governance Code which requires that, in the companies included in the FTSE-Mib index, at least one third of the Board of Directors be independent directors.

The Board assesses the independence of its non-executive members paying attention more to the substance than to form and taking into account that normally a director does not appear independent in the cases contemplated by the Code.

Each independent director has undertaken to communicate promptly to the Board the occurrence of situations that cause the requirement not to be satisfied.

The Board of Directors periodically reviews the independence of the directors, also assisted by the Governance and Appointments Committee. The Board of Statutory Auditors has verified the correct application of the verification criteria and procedures adopted by the Board of Directors to assess the independence of the directors during the financial year.

The number of Independent Directors and their expertise are appropriate for the size of the Board and operations carried out by Mediaset, and are such as to enable Committees to be established within the Board of Directors, as described in full in this report.

The Chairman operates so that the Board, as a whole, is updated on an ongoing basis and during board meetings on main legal and regulatory developments concerning the Company; this occurs regularly during the Board meetings. It is a consolidated practice for the Independent Directors to periodically meet with the Chief Financial Officer and management of the Company and its subsidiaries to provide an overview of the Group's structure and knowledge of its business operations, in order to further investigate specific economic, financial and corporate governance issues. As a rule, all members of the Board of Statutory Auditors participate in these initiatives.

During the financial year, the independent directors participated in various initiatives[18] intended to inform them on the main aspects of the Company's activities and to increase their knowledge of the Company's dynamics.

The Independent Directors met, without other directors, once during the year, on 15 December 2015. Various topics were discussed during the meeting and a general satisfaction was expressed concerning the operation of the Board and the information made available. The directors expressed an invitation to continue reflecting on the strategic context and on the evolution of the technological scenarios and to study in depth the themes that influence the Company's business. The presence of the majority of the independent directors in the committees established within the Board of Directors facilitates the ongoing exchange of opinions and information among them.

4.7 LEAD INDEPENDENT DIRECTOR

The Board decided not to implement the recommendation of the Code that provides for the office of "lead independent director," as the prerequisites for this office are not in place[19].

At present, the current corporate governance structure guarantees not only constant information flows to all executive and non-executive directors, both independent and non-independent, but also the broad-ranging and proactive involvement of all directors in the operations of the Company.

[18] Can be consulted at chapter 4.2 Composition - "Induction Programme".

[19] The Independent Directors, as regards the appointment of a Lead Independent Director, decided in the meeting of 13 November 2012 that this appointment was not necessary and confirmed that the formal requirements established by the Code did not exist.

5. THE PROCESSING OF COMPANY INFORMATION

Inside information

The Mediaset Group organisational guideline "Management and communication of privileged information" regulates the internal management and communication of privileged information as well as the establishment and ongoing update of the "Registry of persons who have access to privileged information"[20] mentioned at art. 115-bis of the TUF. Inside information means all information which is not in the public domain, of a precise nature, which if made public, could significantly impact the price of financial instruments. This guideline, which goes back to 2006, was updated during 2015 at the light of the provisions of the Code and of the corporate organisational changes that have occurred, also in anticipation of an evolution on the matter in the near future[21]. The Chairman and the Deputy Chairman and Chief Executive Officer work together to ensure that company information is correctly managed.

The directors and statutory auditors of the Company and, in general, all other recipients of the aforesaid guidelines are required to keep all documents and information that come to their knowledge when carrying out their duties strictly confidential, with particular reference to inside information. Disclosure to the authorities and public takes place according to the deadlines and procedures of laws in force, in compliance with parity of information and the above guidelines.

The Company has distributed the procedure to its own personnel and to the personnel of its subsidiaries.

The Chief Financial Officer of the Company, upon mandate of the Board, monitors constantly the application of the procedure and its updating status, also in view of the best practices in the area, in order to ascertain its effectiveness.

Internal dealing

The Board complied with the legal obligations concerning internal dealings; specifically, the person charged with receiving the communications and with managing them and distributing them to the market was identified in Mediaset's Corporate Affairs department.

A procedure has been established to monitor the significance of subsidiaries[22] and identify, among company executives, persons required to provide disclosure. Timely information on related obligations has been given to identified persons.

In compliance with CONSOB recommendations, the Company has created a specific section “Market Abuse” on its website.

6. COMMITTEES WITHIN THE BOARD OF DIRECTORS

The Board of Directors[23] established the following internal committees, all with proposal and consulting functions:

[20] The Insider Register is the list of persons who, because of their work or professional activities, or because of the functions they carry out/positions they hold, have access to important and/or inside information of the Company and its subsidiaries. The Company identified the Manager of the Corporate Affairs department of Mediaset S.p.A as the person in charge of the Insiders Registry.
[21] The aforesaid guidelines are applicable to members of company bodies and employees of Mediaset S.p.A. and its subsidiaries who have access to important and/or inside information, with the exception of El Towers S.p.A. and Mediaset España Comunicación S.A., who are required to keep their own Insider Registers, meet related requirements and provide disclosure to their reference markets.
[22] Major subsidiaries whose book value of the equity investment is over 50% of Mediaset's balance sheet assets on the basis of the latest approved financial statements.

- the Risk and Control Committee was assigned the responsibilities of the Code;
- the Board meeting of 30 April 2015 confirmed to the Compensation Committee the responsibilities assigned to it in 2011;
- the Governance and Appointments Committee retained the existing responsibilities appropriate to guarantee the update of the governance rules and the adequacy, implementation, and enforcement of said rules, in addition to those contemplated by the Code for the Nominations Committee.

The Committees established within the Board have investigative and/or advisory duties regarding aspects requiring further examination, in order to exchange actual and informed opinions. The establishment and operation of the Board of Director's internal committees satisfy the Code's criteria.

In carrying out their functions, the Committees may access the information and company functions necessary to perform their duties, and may be assisted by external consultants at the Company's expense, within the limits of the budget approved by the Board of Directors.

The Committees, who routinely report to the Board on their activities, have operating regulations and scheduled meetings for each financial year. The regulations of the Committees were approved by the Board.

The Board, when adopting the procedure to regulate transactions with related parties (addressing Consob's requirements) established within itself the Committee of Independent Directors for Related-Party Transactions[24]; the latter is asked to express specific opinions regarding transactions with related parties carried out by the Company, either directly or through subsidiaries, in the cases indicated and in accordance with the methods required by the above-mentioned procedure.

7. THE GOVERNANCE AND APPOINTMENTS COMMITTEE

The Governance and Appointments Committee[25] includes three non-executive and independent directors whose term in office lasts three years until the expiry of the mandate of the entire Board of Directors.

GOVERNANCE COMMITTEE

Carlo Secchi	Chairman - Independent Director
Michele Perini	Independent Director
Wanda Ternau	Independent Director

The Committee has its own operating regulations and minutes are taken of all meetings. The Manager of the Corporate Affairs Department, appointed as Committee Secretary, attends the meetings. In the days preceding meetings, sufficiently in advance of the meeting, the Secretary, as agreed with the Committee Chairman, sends to the Governance Committee members all available documents and information on items on the agenda.

The Committee met six times during 2015. The average duration of each meeting is about one hour. The percentage of each director attending Committee meetings is shown in Attachment

[23] Pursuant to the Company Bylaws, the Board of Directors may establish Committees, also comprising persons who are not Board members, identifying their duties, powers, compensation and number. The Committees, if comprising persons who are not Board members, only have advisory powers.

[24] Refer to chapter 12 Interests of directors and transactions with related parties at section "Independent directors committee for related parties transactions."

[25] The earlier Governance and Appointments Committee, whose term expired regularly with the Shareholders' Meeting of 29 April 2015 consisted of Mr Attilio Ventura (Chairman), Mr Paolo Andrea Colombo and Mr Carlo Secchi, all independent directors.

C to this Report. Five meetings were scheduled for the 2016 financial year and two of them have been held.

As a rule, all members of the Board of Statutory Auditors took part in the meetings, and the managers of specific company departments and external consultants were invited to attend by the Committee Secretary, to explain particular issues.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 29 April 2015.

Functions and activities of the Governance and Appointments Committee

The Board attributed to the Committee the responsibilities of Governance Committee and those that the Code assigns to the Appointments Committee; specifically, it fulfils these tasks:

regarding Corporate Governance:

- monitor compliance with and the periodic updating of corporate governance rules and compliance with the principles of conduct adopted by the Company, reporting to the Board of Directors;
- propose procedures and deadlines for the annual self-assessment of the Board of Directors;
- review, in advance, the contents of the Annual Report on Corporate Governance and Ownership Structures;
- assist the Board in evaluating whether Independent Directors meet requirements for independence, on an ongoing basis.

regarding Appointments:

- give to the Board of Directors opinions on the size and composition of the Board, and recommendations on the types of professional positions considered appropriate to sit on the Board, as well as the maximum number of positions as director or statutory auditor compatible with being able to effectively fulfil the mandate of director of the issuer, and on any departures from the prohibition on competition established by Article 2390 of the Italian Civil Code;
- propose to the Board candidates to the office of director in the case that directors need to be co-opted, when it becomes necessary to replace independent directors.

During 2015, the Committee carried out the activities under its responsibility; among other things, it:

- proposed to confirm the inclination expressed on 10 March 2008 regarding the maximum number of mandates of director or statutory auditor compatible with an effective performance of the assignment, to be submitted to the Board of Directors' meeting of 24 March 2015;
- examined the "information guide for directors"[26] a document that summarises the main provisions of the laws, regulations, and corporate governance code of the Mediaset Group;
- reviewed the "2014 Report on Corporate Governance and Ownership Structures";
- approved the Committee's operating rules;
- illustrated the methods used to perform the 2014 Board Performance Evaluation, for the benefit of the new Committee members, and carried out the first assessments in the process of self-assessment of the Board for the financial year;

[26] Refer to chapter 4.2 Composition – "Induction programme".

- carried out the first preliminary evaluations of the changes made to the Corporate Governance Code in July 2015.
- prepared, with the support of Spencer Stuart, a company specialised in the sector, the methods and items object of the Board's self-assessment process for the financial year[27].

During 2016, the Committee:

- analysed the possibility of subjecting any new subsidiaries having strategic importance to the provisions of the Corporate Governance Code;
- examined the report on the Board Performance Evaluation;
- prepared the "2015 Report on Corporate Governance and Ownership Structure".

The Committee Chairman informs the Board of the meetings held at the first available Board meeting.

When fulfilling its functions, the Committee had full access to the information and corporate departments of the Company and/or Group needed for the purpose, with the assistance of the secretary.

The Committee is given funding of EUR 100 thousand per annum for expenses related to its duties.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 29 April 2015.

8. THE COMPENSATION COMMITTEE

The Compensation Committee[28] consists of three non-executive directors, the majority of whom are independent and will remain in office until the entire Board of Directors expires; experts in financial matters and compensation policies are among them.

COMPENSATION COMMITTEE

Michele Perini	Chairman - Independent Director
Bruno Ermolli	Non-executive Director
Fernando Napolitano	Independent Director

No directors concerned took part in meetings of the Compensation Committee, when proposals to the Board of Directors concerning their compensation were discussed.

The Committee has its own operating regulations and minutes are taken of all meetings.

The Committee met four times during 2015. The average duration of each meeting is about one hour. The percentage of each director attending Committee meetings is shown in Attachment C to this Report. Five meetings were scheduled for the 2016 financial year and two of them have been held.

Normally, the Chairman of the Board of Statutory Auditors and/or other designated members participate in the Committee's meetings; a secretary, chosen each time by the Chairman, is also present; the managers of specific company departments and outside consultants have been invited to illustrate specific topics.

[27] This topic is discussed in the Chapter 4.3 Role of the Board of Directors, "Self-assessment of the Board of Directors.".
[28] The earlier Compensation Committee whose term naturally expired with the Shareholders' Meeting of 29 April 2015 included Mr Attilio Ventura (Chairman), Mr Paolo Andrea Colombo, and Mr Bruno Ermolli, all non-executive directors, the majority of whom were independent.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 29 April 2015.

Functions and activities of the Compensation Committee

The Board assigned the following responsibilities to the Compensation Committee:

- to periodically review the adequacy, overall consistency and actual application of the general policy adopted for the compensation of the Chairman, Deputy Chairman and Chief Executive Officer, and key management personnel, using, as regards the latter, information supplied by the Chairman and Deputy Chairman and Chief Executive Officer, and submitting the related proposals to the Board of Directors ;
- to provide advance opinions on the proposals of the Board of Directors, and on its behalf, proposals of the Chairman and/or Deputy Chairman concerning the compensation of the Chairman, Deputy Chairman and Chief Executive Officer and on setting performance objectives related to the variable component of compensation; It also monitors the application of decisions taken by the Board;
- to provide advance opinions on the proposals of the Board of Directors, and on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning the definition by Mediaset S.p.A.'s delegated bodies on the compensation of key management personnel and of the other key executives of the Mediaset Group;
- to provide advance opinions on proposals of the Board of Directors, and on its behalf, of the Chairman and/or Deputy Chairman and Chief Executive Officer concerning general regulations for allocating compensation (allocation, rejection or reversal) to employees of the companies of the Mediaset Group designated to fill positions in administrative and control bodies and/or in committees appointed by administrative bodies of Italian or foreign subsidiaries or investee companies;
- to make proposals to the Board of Directors regarding the criteria, categories of beneficiaries, quantities, deadlines, conditions and procedures for share-based compensation plans;

During 2015, the Committee carried out the activities under its responsibility; among other things, it:

- approved the report on General Compensation Policies and mandated its Chairman with submitting the proposal to the Board of Directors on 22 March 2015;
- confirmed the regulations for the operation of the Committee;
- expressed favourable opinion regarding the performance objectives set for the 2015 financial year in connection with the variable component of the compensation of directors who occupy specific positions (Chairman and Deputy Chairman - Chief Executive Officer);
- expressed favourable opinion to the confirmation of the compensations of the of directors who occupy specific positions (Chairman and Deputy Chairman - Chief Executive Officer);
- took note that the Shareholders' Meeting approved the medium to long-term 2015-2017 loyalty and incentive plan and it submitted to the approval of the Board of Directors the regulations of the plan, the objectives, and the categories of the persons affected;
- with regard to the medium to long-term loyalty and incentive plan, took note of the destination of the share of variable annual compensation by the beneficiaries;

- assessed (also on the basis of information exchanged with the central Human Resources and Organisation department) and consistently and actually implemented the compensation policy approved by the Shareholders' Meeting;
- mandated the company Hay Group with starting the revision process to assess the contents and approach of the current Compensation Report compared to the best practices in the market and to the reference regulatory framework.

During 2016, the Committee approved the Compensation Policy Report and mandated the Chairman with submitting the proposal to the Board or Directors' meeting of 22 March 2016.

The Committee Chairman informs the Board of the meetings held at the first available Board meeting.

The Committee is given funding of EUR 200 thousand per annum for expenses related to its duties.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 29 April 2015.

9. COMPENSATION OF DIRECTORS

On 29 April 2015, the Shareholders' Meeting approved the first section of the Compensation Report, pursuant to article 123-ter of Legislative Decree 58/1998, with 61.32% of votes in favour.

On 22 March 2016, the Board of Directors established a general policy for the compensation of executive directors, other directors with special roles and key management personnel.

For further information relative to this section, reference is made to the relevant parts of the Report on Compensation, published pursuant to Article 123-ter of the TUF.

10. RISK AND CONTROL COMMITTEE

The Risk and Control Committee[29] consists of three independent non-executive directors who remain in office for three years until the term of office of the entire Board expires; experts in accounting and financial matters are among them;.

RISK AND CONTROL COMMITTEE

Carlo Secchi	Chairman - Independent Director
Franco Bruni	Independent Director
Fernando Napolitano	Independent Director

The Committee has its own operating regulations and minutes are taken of all meetings. The Manager of the Corporate Affairs Department, appointed as Committee Secretary, attends the meetings. In the days preceding meetings, sufficiently in advance of the meeting, the Secretary, as agreed with the Committee Chairman, sends to the Governance Committee members all available documents and information on items on the agenda.

During 2015, ten meetings of the Risk and Control Committee were held. The Committee requested the following non-members to attend meetings, concerning individual items on the agenda and related to their area of responsibility: the Supervisory and Control Body, the

[29] The preceding Risk and Control Committee, whose term in office expired with the Shareholders' Meeting of 29 April 2015, consisted of Mr Carlo Secchi (Chairman), Mr Alfredo Messina, and Mr Attilio Ventura, non executive directors, the majority of whom were independent.

Financial Reporting Officer, the Internal Audit Manager, representatives from the independent auditors, managers of specific departments of the Company and/or Group companies, as well as external consultants when deemed appropriate. The average duration of each meeting was about 1.5 hours. The percentage of each director attending Committee meetings is shown in Attachment C to this Report. Eight meetings have been scheduled for the 2016 financial year.

As a rule, all members of the Board of Statutory Auditors took part in the meetings, and the managers of specific company departments and external consultants were invited to attend by the Committee Secretary, to explain particular issues.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 29 April 2015.

Functions and activities of the Risk and Control Committee

The Risk and Control Committee, besides assisting the Board in fulfilling the tasks assigned to the latter on matters of internal control, fulfils the functions in line with those indicated in the Code.

In order to allow the Board to guide the internal control and risk management system and assess its adequacy, the Committee performs systematically during the year the support activities consisting of an adequate investigative activity concerning the assessment of the Board's decisions related to (besides internal control and risk management) the approval of the periodic financial reports, including the financial statements for the year.

During the year, the Committee examined, usually every six months, the periodic reports prepared by the Supervisory and Control Body of Mediaset on audit outcomes and actions taken pursuant to Legislative Decree 231/01, subsequently presented to the Board of Directors.

The Committee annually reviews activities carried out by the Financial Reporting Officer, pursuant to Law 262/2005 on the Protection of Savings, for the purposes of issuing certification relative to the Financial Statements and Consolidated Financial Statements, and the Risk Officer's update on the assessment and procedures for the management of main company, strategic and process risks, of the Mediaset Group, carried out on an "Enterprise Risk Management" basis; this annual update is usually carried out also by the respective managers of the listed subsidiaries EI Towers S.p.A and Mediaset España Comunicación S.A.

During 2015, the Committee, among others:

- it took note of the findings of the required activity of "Independent Quality Assurance of the process for managing transactions with related parties" prepared by the Internal Auditing department;
- it took note of the summary of reports issued by the Internal Audit Department and of the Final 2014 Report, as well as the findings for 2014 of the "Quality Assurance and Improvement Plan." The Committee monitored the work of the Internal Audit Function, also through periodic audit reports, and the implementation of action plans on corrective measures necessary to ensure continual improvement of the system;
- it approved the "2015 Audit Plan", and also examined and took note of the Report on the Internal Control and Risk Management System as of 31 December 2014, prepared by the Internal Audit department;

- it took note of the "2015 Audit Plan" and final 2014 audit results of the listed subsidiaries EI Towers S.p.A. and Mediaset España Comunicación S.A. submitted by the respective managers;
- assessed, together with the executive charged with the preparation of the accounting books, with the auditors Reconta Ernst & Young S.p.A., and the Board of Statutory Auditors, the accounting principles used in the Mediaset Group and their uniformity for the purpose of preparing the 2014 financial statements, considered them to have been applied correctly, and started the due diligence activity for the preparation of the 2014 financial statements and of the 2015 interim financial reports;
- it took note and discussed the methodology adopted and the different plan configurations supporting evaluations relative to annual impairment testing;
- it approved Sections 10 and 11 of the 2014 Report on Corporate Governance relative to the Internal Control and Risk Management System;
- it approved the Committee's operating rules;
- it expressed a favourable opinion to the confirmation of the manager of the Internal Auditing department and to the compensation paid to the latter, which was considered to be consistent with the Company's policies;
- it shared the report on the basic 2014 issues written by Reconta Ernst & Young S.p.A. pursuant to art. 19, paragraph 3, of Legislative Decree No. 39 of 27 January 2010 and the report's conclusions and, in the spirit of the Code, decided to submit said report to the attention of the Board meeting of 14 July 2015; the Committee also acknowledged that the Independent Auditors, in the absence of observations to bring to the attention of Management, did not issue the Management Letter at 31 December 2014;
- it took note of the changes made to the "Policy for management of financial risks;"
- it took note of periodic updates to the "List of broadcasting rights suppliers", prepared by the Rights Department of RTI S.p.A., to complete the company procedure for the planning, acquisition and management of rights, and gave it a positive rating;
- it monitored the adequacy, effectiveness and efficiency of the Internal Audit Function;

The Committee also discussed Company evaluations on organising the coordination flows of subjects established by the Code, in order to ensure the efficiency of the Internal Control and Risk Management System.

During the first few months of 2016, it continued its activities and, specifically, three meetings were held during which the Committee:

- took note of the summary of reports issued by the Internal Audit department and Final 2015 Report, as well as the results for 2015 of the "Quality Assurance and Improvement Plan", recommended by international reference standards for the industry, in order to guarantee more effective monitoring of the department. The Committee monitored the work of the Internal Audit Function, also through periodic audit reports, and the implementation of action plans on corrective measures necessary to ensure continual improvement of the system;
- reviewed and took note of the "2016 Audit Plan", as well as the Report on the Internal Control and Risk Management System as of 31 December 2015 prepared by the Internal Audit department;

- took note of the “2016 Audit Plan” and final 2015 audit results of the listed subsidiaries EI Towers S.p.A. and Mediaset España Comunicación S.A. submitted by the respective managers;
- evaluated together with the Financial Reporting Officer, the independent auditors Reconta Ernst & Young S.p.A., and the Board of Statutory Auditors the accounting standards applied within the Mediaset Group for the purposes and their uniformity, for the purpose of drafting the 2015 consolidated financial statements, believing that they are applied correctly, and also starting the investigation activity related to the approval of the 2015 financial statements;
- took note and discussed the methodology adopted and the different plan configurations supporting evaluations relative to annual impairment testing;
- approved Sections 10 and 11 of this Report relative to the Internal Control and Risk Management System.

The Committee Chairman informs the Board of the meetings held at the first available Board meeting. When the semi-annual financial statements and management letter are approved, the Committee reports to the Board on the adequacy of the internal control system. During the activity described above and also in view of the policy manage the control system adopted by the Internal Control and Risk Management System Director on the basis of the guidelines of the Internal Control and Risk Management System of the Mediaset Group issued by the latest Board of Directors meeting of 18 December 2012, the Committee recommended to the Board to consider the Internal Control and Risk Management System to be adequate and effective overall, with respect to the profile and characteristics of the Company and to the profile of risk assumed .

In carrying out its functions, the Committee accessed all necessary information and/or functions of the Company and/or Group and/or was assisted by external consultants, as well as the Company Secretary.

The Committee is given funding of Euro 350,000 per annum for expenses related to its duties.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 29 April 2015.

11. THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system comprises all rules, procedures and organisational structures to perform business operations that are consistent with established objectives, through an adequate process that identifies, measures, manages and monitors main risks.

The Board exercises the functions listed by the Code, with the assistance of the Risk and Control Committee.

The Board of Directors carries out its functions related to the internal control and risk management system taking into consideration reference models and existing best practices at the national and international level. Specific attention is focused on the compliance programmes adopted pursuant to Legislative Decree 231/2001.

On 24 March 2015, the Board of Directors, on the basis of the favourable opinion of the Risk and Control Committee, examined the results of the Risk Officer’s annual update on the evaluation of and methodologies of managing the main company, strategic and process risks, evaluating the nature and level of risk compatible with the strategic objectives established in the preceding meeting of 9 December 2014.

During the meeting of 3 March 2015, the Board, based on Risk and Control Committee Reports, after consulting with the Board of Statutory Auditors and Financial Reporting Officer, took note, with no observations made, of the final data of the Audit Plan updated on 31 December 2014, and approved the 2015 Audit Plan prepared by the Internal Audit department Manager.

On 15 December 2015, the Board of Directors, with the approval of the Risk and Control Committee and as part of activities to monitor objectives and results, reviewed the main actions taken by the Group during the year as regards the strategic objectives previously established and the relative risk level accepted; it also updated the strategic objectives for the subsequent annual assessment of related risks.

The Guidelines of the Internal Control and Risk Management System of the Group, which identify the Enterprise Risk Management Framework as the reference methodology[30] for monitoring the internal control system, are implemented, by the Internal Control and Risk Management System Director, through the "Enterprise Risk Management Policy" , which defines the main methodological aspects of the risk management process, as well as the roles, responsibilities and main activities involved in risk management.

The internal control and risk management system of the Mediaset Group is able to identify and measure the main company risks that could undermine the achievement of established objectives, taking into account the characteristics of activities carried out by Mediaset and its subsidiaries, based on the following criteria:

- the nature of the risk, with reference to strategic and operating risks and risks concerning reporting and compliance with laws in force;
- the possibility of risk affecting the ability to achieve company objectives;
- the organisation's ability to properly manage identified risk;
- the correct monitoring of company risks, by checking the suitability of the internal control and risk management system to provide an acceptable profile of overall risk. Specifically, the internal control and risk management system of the Mediaset Group establishes the following:
  - the systematic monitoring by management of main company risks, in order to identify and implement any corrective actions for existing control processes;
  - periodic independent checks of the adequacy and effectiveness of the internal control system, as well as the timely adoption of specific corrective actions if weaknesses are identified;
  - rules for reporting on the adequacy and effectiveness of the internal control and risk management system.

[30] According to the Enterprise Risk Management methodology, the internal control system starts from the definition of the Company's strategy. The Company's objectives are taken into consideration by the methodology according to the following categories:
- strategic objectives: high level objectives, aligned with and supporting the Company's mission;
- operational objectives: objectives related to the efficient and effective use of resources;
- reporting objectives: objectives related to the reliability of reporting external and internal to the Company;
- compliance objectives: objectives related to compliance with applicable laws and regulations.

For this purpose, the Internal Control and Risk Management System Director supervises the management of the Internal Control and Risk Management System of the Mediaset Group, to ensure the system can:

- promptly react to significant risk situations, establishing adequate control mechanisms;
- guarantee, within the context of company processes, an adequate level of separation between operating and control functions, thus preventing conflicts of interest arising regarding assigned responsibilities;
- guarantee, within the context of operating and administrative/accounting activities, the use of systems and procedures that ensure the accurate recording of company events and operations, as well as the production of reliable, timely information flows, both in and outside the Group;
- establish methodologies for the timely communication of significant risks and control anomalies identified in relation to appropriate Group levels, allowing for the identification and timely adoption of corrective actions.

This model is adopted for listed subsidiaries, also in line with the management and coordination activities of the parent company, giving them Guidelines and related polices for implementation.

With particular reference to financial reporting processes, the main characteristics of the Internal Control and Risk Management System relative to such risks pursuant to Article 123-bis, paragraph 2, letter b) of the TUF are described below.

Main characteristics of risk management and internal control systems in relation to the financial reporting system process

1. Introduction

The risk management and internal control system in relation to the financial reporting process[31], developed within the Mediaset Group, aims to guarantee the dependability, accuracy, reliability and timeliness of financial reporting.

Mediaset, in defining its own system, has aligned it with laws and regulations currently in force.

As reference standards do not explicitly establish specific criteria for the design, implementation, evaluation and monitoring of the Risk Management and Internal Control System relative to financial reporting, Mediaset has opted for the application of a model that is universally recognised as one of the most accredited: the CoSO (Committee of Sponsoring Organizations) Framework. Furthermore, implementation of the System takes into account the guidelines of some industry organisations regarding the activities of the Appointed Director (the Italian Confederation of Industry, Confindustria, and the National Association of Finance and Administration Managers, Andaf).

Article 154-bis of the TUF has established the position of Financial Reporting Office for issuers with shares listed on regulated markets. This Officer is responsible, among others, in conjunction with relevant functions, for developing adequate administrative and accounting procedures for the production of financial statements, consolidated financial statements and

[31]Financial reporting means, for example, periodic accounting information, annual and interim financial reports, interim reports on operations – also with reference to consolidation – ongoing disclosure and press releases.

interim reports, as well as all other information disclosed to the market and relative to accounting disclosure and the issue of specific certification.

2. Description of the main characteristics of the Internal Control and Risk Management System in relation to the financial reporting system process

Roles and Functions involved

The Financial Reporting Officer is assisted by a specifically established company structure for the purpose and by the Organisation Department: these structures support the Financial Reporting Officer in designing, implementing and maintaining adequate administrative and accounting procedures to draft the financial statements and the consolidated financial statements and supply the Financial Reporting Officer with elements to evaluate their adequacy and effective functioning.

The structure assisting the Financial Reporting Officer works with process owners to promptly identify events that may impact or change the reference framework, update administrative accounting procedures, implement new controls and carry out any improvement plans within their own processes.

The Internal Audit Function periodically carries out independent checks on the adequacy and actual functioning of the control model adopted by the Company to ensure compliance with the requirements of the Law on the Protection of Savings in relation to obligations of the Financial Reporting Officer.

Stages of the Internal Control and Risk Management System in relation to the financial reporting process

The risk management and internal control system, relative to the financial reporting process, basically comprises a number of administrative accounting procedures and tools to evaluate the adequacy and actual functioning of procedures, which contribute to establishing an internal control model that is maintained, updated and, where concrete opportunities for rationalisation and optimisation are identified, is further developed.

The model is structured in three main stages:

a) definition of the scope of analysis with the identification and evaluation of risks;

b) identification and documentation of controls;

c) evaluation of the adequacy and actual application of administrative and accounting procedures and relative controls.

a) Definition of the scope of analysis, with the identification and evaluation of risks

To determine and plan activities to check the adequacy and actual application of the Group's administrative and accounting procedures, the definition of the scope of analysis describes the process to adopt when determining the level of complexity, identifying and assessing risks and assessing the materiality of financial statement areas. This process aims to assess controls of transactions generated from company processes that supply accounting data and record them in financial reporting.

Significant processes that are representative of the business are identified based on the quantitative analysis of financial statement items, applying the concept of materiality to aggregate items contained in the Consolidated Financial Statements of the Mediaset Group, and on a qualitative analysis of processes based on their level of complexity.

For each process identified as significant, the "generic" risks of the unreliability of financial reporting inherent in the process itself are determined, referring to financial statement assertions (existence and occurrence, completeness, rights and obligations valuation and recognition, presentation and reporting), which constitute control objectives.

The Financial Reporting Officer defines the reference context, at least annually and whenever elements occur that may considerably change the analysis carried out.

To complete scope analysis, a summary and overall analysis at a Group level is also carried out on the internal control system at a functional and/or organisational level (entity level control). This analysis breaks down each component of the CoSO framework in supervisory areas that, based on the Risk Assessment carried out, should be covered by the Group and monitored by management.

For each of the identified supervisory areas, actual risk coverage connected with it is tested, checking the existence of company procedures and practices adopted by the Group.

b) Identification and documentation of controls

Controls are defined by a process that identifies administrative and accounting procedures that meet various control assertions [32].

The controls identified and specifically applied when carrying out activities are formalised in a specific matrix (the "Risk and Control Matrix") and, in this matrix are related to the "generic" risks of the unreliability of financial reporting.

Administrative and accounting procedures and relative controls are periodically monitored and updated through a process that involves the Financial Reporting Officer, his/her support structure and process owners. Specifically, process owners inform the Financial Reporting Officer, on a regular basis, of events that may impact and change the frame of reference of significant procedures, and on an annual basis, the support structure of the Financial Reporting Officer reviews and validates the entire control model, involving all process owners in reviewing processes in their area of responsibility.

c) Evaluation of the adequacy and actual application of administrative and accounting procedures and relative controls

The adequacy and actual application of administrative and accounting procedures is evaluated by specific testing, and aims to guarantee the design and operational ability of identified controls.

The Mediaset Group has adopted a testing strategy which basically consists of defining the approach and criteria used for testing: the frequency of analysis, sizing of the sample, types of tests to carry out, formalisation of tests carried out and information flows to notify test outcomes.

[32] Reference control assertions are the following:
accuracy: this control ensures that all details of the individual transaction have been correctly processed;
completeness: this control ensures that all transactions are processed and are only processed once;
validity: this control ensures that the processed transaction has passed adequate authorisation levels and is effectively referable to company operations;
restricted access: this control ensures that access to information and transactions is adequately configured according to the roles and responsibilities recognised by the Company.

The purpose of testing is to guarantee the actual application of controls in compliance with the defined testing strategy. On a six-monthly basis, the support structure of the Financial Reporting Officer prepares a report indicating activities carried out and test outcomes.

Based on testing results, the Financial Reporting Officer, assisted by his/her support structure, defines a plan to remedy any deficiencies that may have a negative impact on the effectiveness of the risk management and internal control system relative to financial reporting.

The Financial Reporting Officer's support structure, in conjunction with process owners, for areas in their responsibility, coordinates improvement plans and guarantees their implementation.

On at least an annual basis, the Financial Reporting Officer reports to the Risk and Control Committee, the Board of Statutory Auditors and the Supervisory Bodies of Mediaset Group companies, with reference to procedures used to evaluate the adequacy and actual application of controls and administrative/accounting procedures, as well as compliance with remedial plans defined, and rates the adequacy of the accounting and administrative control system.

11.1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM DIRECTOR

During its meeting of 30 April 2015 the Board appointed the Chairman as system director.

During 2015 and the first few months of 2016, the Internal Control and Risk Management System Director Officer:

- implemented the guidelines issued by the Board and verified their adequacy and effectiveness;
- supervised amendments to the system concerning the dynamics of operating conditions and the legal and regulatory framework;
- oversaw the identification of the main company risks (strategic, operational, financial and concerning compliance) taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and based on the guidelines for the Internal Control and Risk Management System established by the Board of Directors.

The analysis and evaluation of main business processes and of the processes supporting the business, with the involvement of the Group's management, Internal Audit department, and Risk Officer, made it possible to give an overall evaluation of the Internal Control and Risk Management System (which was finalised with the presentation of the Report by the Internal Control and Risk Management System Officer to the Board of Directors during the meeting of 22 March 2016).

11.2. INTERNAL AUDIT FUNCTION MANAGER

The Issuer has established an Internal Audit Function to ensure that the internal control and risk management system is both functioning and adequate.

The Board of Directors, following the proposal of the Risk and Control Committee and after consulting with the Board of Statutory Auditors, confirmed Angelo Iacobbi as Internal Audit department manager, defining his compensation as being consistent with company policies and ensuring he has adequate resources to undertake his responsibilities. The Board found the incentive mechanisms for the Financial Reporting Officer to be commensurate to the tasks assigned to him.

To ensure an adequate level of independence and objectivity in internal audit activities, the Internal Audit Function Manager is not responsible for any operational area.

The Internal Auditing department reports to the Chairman, who informs the Board..

In compliance with international reference standards on auditing, the Internal Audit Function checks, both on an ongoing basis and in relation to specific needs, the functioning and adequacy of the internal control and risk management system, implementing an Audit Plan approved by the Board of Directors, based on a structured process, analysing and prioritising the main company risks.

The Internal Audit Function, in line with its remit, carried out the following activities in 2015:

- assurance, which consists of an objective review of evidence and findings, through analyses, evaluations, recommendations and qualified comments, in order to obtain an independent evaluation of the internal control and risk management system;
- advice, which consists of methodological support and assistance to provide added value and improve governance, risk management and control processes.

In its activities carried out during 2015, the Internal Audit Function had free and direct access to data, documents, information and personnel useful to carrying out its duties.

During the period, the Internal Audit department Manager prepared periodic reports[33] containing information on: activities carried out; procedures used to manage risks; and compliance with plans to limit risks. The reports also contained an evaluation of the suitability (adequacy and actual operation) of the internal control and risk management system.

As regards the 2015 financial year, the Internal Audit department considered the internal control and risk management system to be operational and adequate.

The Internal Audit Function Manager also maintained periodic communication flows with other company bodies and structures that have supervisory and monitoring functions in relation to the internal control and risk management system, such as the Financial Reporting Officer, the Risk Officer and Supervisory and Control Bodies of the Mediaset Group, pursuant to Legislative Decree 231/2001.

In compliance with recommendations of international standards on auditing, the Internal Audit Function put in place actions to ensure and improve the quality of activities carried out. The outcome of the last quality assurance audit, conducted by an external, qualified, and independent auditor, along with the results of internal audits, show that the Internal Audit Function operates generally in conformity to international standards and the code of ethics of its profession, issued by the Institute of Internal Auditors, and in line with best practices regarding corporate governance, risk management and internal control.

11.3. COMPLIANCE PROGRAMME PURSUANT TO LEGISLATIVE DECREE 231/2001

The internal control system was strengthened further by adopting an Compliance Programme pursuant to Legislative Decree 231/2001, approved, in its first draft, at the Board of Directors meeting of 29 July 2003 and later repeatedly modified and supplemented to reach its current version, approved with a resolution of the Board of 9 December 2014.

[33] These reports were sent to the Chairmen of the Board of Statutory Auditors, Risk and Control Committee and Board of Directors, as well as to the Internal Control and Risk Management System Director of Mediaset S.p.A..

With the adoption of its Compliance Programme, which includes general and operational rules, Mediaset sought to establish a structured and organic system, including a set of general principles of conduct, as well as procedures and activities that meet the control purposes and provisions of Legislative Decree 231/01, in terms of prevention of crimes and administrative offences (preventive controls), and in terms of control of the programme's implementation and any application of fines and sanctions (ex post controls).

The Compliance Programme comprises principles, company rules, provisions and organisational frameworks relative to the management and control of the Company's activities and includes a summary document, explaining the general regulations that are appropriate for preventing the commission of offences indicated in Legislative Decree 231/01 and a number of attachments (including, among others, the updated wording of Legislative Decree 231/01, a description of all criminal offences envisaged by the decree, a summary of so-called "*areas of activities at risk of offences being committed*" concerning the Company and relative organisational oversight).

The Compliance Programme that Mediaset adopted in 2014[34] refers, specifically, to the following types of "*predicate offence*": offences that may take place during relations with the Public Administration, corporate crimes, market abuse, offences of organised crime, computer crime, negligent offences infringing occupational health and safety laws, crimes against industry and trade, handling stolen goods, money laundering and the use of any monies, goods or other utilities from illicit sources and offences concerning copyright, the offence of omitting to make or making false statements to the judicial authorities, environmental offences, offences in employing citizens from third-party countries without valid permits, corruption among private entities.

The updates of the Compliance Programme took into account mostly (among other things): the legislative changes that occurred from time to time; the ensuing broadening of the range of "predicate offences;" internal organisational changes; and ongoing case law precedents being established regarding Compliance Programmes.

The Italian subsidiaries adopted similar initiatives to adapt and implement their respective Compliance Programmes, taking into account their respective structures and specific company activities. The main foreign subsidiaries have independently defined their company protocols and procedures in line with the principles of Mediaset's Compliance Programme, in accordance with the laws in effect in the countries where they are established and in relation to their typical activities, as well as operating sectors.

On 18 December 2012, the Board of Directors of the Company approved a new text of the Code of Ethics of the Mediaset Group[35] (the first draft was adopted in 2002 and subsequently amended in 2008), convinced that business ethics must be pursued as the key to the company's success and that, therefore, the Code of Ethics is a fundamental part of the Compliance Programme and of the Group's internal control system as a whole. In this regard, the principles and values in the Code of Ethics represent the cornerstone on which the Compliance Programme is based, and are a useful means for interpreting the actual application of the programme in relation to company dynamics.

[34] The Compliance Programme adopted by Mediaset in 2014 includes, as integral part, the document "*General Guidelines in Anti-Corruption matters*", adopted in order to align the Mediaset Group with the best practices developed at the international level to oppose corruption phenomena. The document describes the general principles which (in compliance with provisions in the Code of Ethics and in order to prevent unlawful or improper behaviour, including acts of corruption for any reason) shall inspire the conduct and actions of all persons who work for the Company or the Mediaset Group, in particular in "areas of activities in which there is a risk that offences may be committed."
[35] The new text of the Code of Ethics was adopted by Mediaset S.p.A. and its subsidiaries.

The Supervisory and Control Body

The Supervisory and Control Body, confirmed by the Board of Directors on 30 April 2015, after ensuring that it met the same requirements concerning reputation applicable to directors of the Company and requirements concerning adequate professional competence, and also after ensuring the absence of incompatibility and conflicts of interest with other company functions and/or positions that would undermine its independence, freedom of action and judgement, will expire from office with the approval of the Financial Statements to 31 December 2017. The Committee comprises three members:

MEMBERS OF THE SUPERVISORY AND CONTROL BODY pursuant to Legislative Decree 231/2001

Sergio Beretta	Chairman - Consultant
Aldo Tani	Consultant
Davide Attilio Rossetti	Consultant

The composition of the Supervisory and Control Body was considered appropriate to satisfy the requirement that this role and the ensuing responsibility must be assigned to persons that can wholly guarantee the necessary autonomy and independence that such body must possess.

Mediaset S.p.A. has not given the Board of Statutory Auditors the functions of the Supervisory and Control Body, as it considered it appropriate to have a Body with specific competencies regarding compliance, pursuant to Legislative Decree 231/01, and which is wholly dedicated to this activity.

In carrying out its activities, the Supervisory and Control Body is supported mainly by the Internal Audit department and - where necessary - it may be assisted by other company departments or outside consultants.

The Supervisory and Control Body carries out the duties and has the powers established in the Compliance Programme. To undertake its responsibilities, the Supervisory and Control Body may, at any time whatsoever, at its own discretion and independently, verify the application of the Compliance Programme and procedures relative to it, also regarding each member separately.

As a result of the audits conducted (on specific company operations and the procedures/rules of conduct adopted), and in relation to legal and/or organisational developments, or to the identification of new areas of activities at risk of serious infringements of provisions of the Compliance Programme, and/or of company procedures that refer to it, the Supervisory and Control Body also informs the Company of the advisability of making changes and updates to the Compliance Programme and/or relative procedures. With subsequent follow-up activities, the Supervisory and Control Body ensures that any corrective actions recommended to the Company have been adopted by relative company functions.

During 2015, the Supervisory and Control Body met six times and reported, every six months, to the Board of Directors, Risk and Control Committee, and Board of Statutory Auditors.

11.4. THE INDEPENDENT AUDITORS

The Shareholders' Meeting of 16 April 2008 appointed the independent auditors Reconta Ernst & Young S.p.A. to audit the Financial Statements and Consolidated Financial Statements and to audit the Interim Reports in a limited form for the 2008/2016 financial years, pursuant to provisions in Articles 156 and 159 of the TUF. The Financial Statements of subsidiaries are audited: by Reconta Ernst & Young S.p.A. and, for EI Towers S.p.A., by Deloitte & Touche S.p.A.

11.5. THE FINANCIAL REPORTING OFFICER

The Board of Directors, during its meeting of 30 April 2015, upon favourable recommendation of the Board of Statutory Auditors, confirmed Mr Luca Marconcini, manager of the Consolidated Accounts, Accounting Principles and Risk Office department as Mediaset Financial Reporting Officer. All powers and responsibilities needed to fulfil the assignment and related tasks were attributed to the Financial Reporting Officer[36].

For the 2015 financial year, the Financial Reporting Officer, assisted by the Risk Office and Organisation departments, implemented, in relation to main company processes within the operating companies of the Group[37], the activities[38] required to assess, adapt, and document the Internal Control System as required by Law 262/05.

The 2015 Financial Statements and Consolidated Financial Statements of the Company include statements issued based on the programme established according to CONSOB regulations on the adequacy and actual application of procedures, as well as their consistency with accounts and adequacy in giving a true and fair view of the equity, economic and financial standing of the Company and of companies included in the scope of consolidation, signed by the Financial Reporting Office and Chairman of the Company.

The Financial Reporting Officer, together with the Risk and Control Committee and independent auditors, evaluates the correct use of accounting standards and, in the case of the Group, their uniformity for the purpose of preparing the Consolidated Financial Statements, which is done during the first few months of each financial year.

In its meeting of 22 March 2016, the Board of Directors allocated funding of Euro 350,000 per annum to the Financial Reporting Officer for expenses related to his duties.

The Board found the incentive mechanisms for the Financial Reporting Officer to be commensurate to the tasks assigned to him.

11.6. COORDINATION BETWEEN PARTIES INVOLVED IN THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The coordination between parties involved in the internal control and risk management system is ensured by a steady flow of information between those parties. In addition, all the members of the Board of Statutory Auditors are required to attend the meetings of the Risk and Control Committee; in addition, at the request of the Risk and Control Committee, aided by the Manager of the Corporate Affairs Department, the meetings can also be attended by the Internal Audit department, the Financial Reporting Officer and the heads of specific company departments.

[36] pursuant to art. 154-bis of Legislative Decree No. 58 of 24 February 1998 and to art. 28 of the Bylaws.
[37] With reference to listed subsidiaries, the Financial Reporting Officer of the Mediaset Group coordinates with the financial reporting officers of these companies, in order to have appropriate evidence of the activities they perform to evaluate the adequacy of controls.
[38] Specifically, the following activities were carried out:
the identification and evaluation of company processes and relative risks;
the updating of identified processes and controls;
the analysis of the adequacy of controls adopted relative to administrative/accounting and financial aspects;
testing and relative documentation of controls to check the actual application of administrative/accounting procedures;
formalisation of the remedial plan to eliminate any deficiencies identified during controls;
monitoring of the status of remedial activities and testing of relative controls implemented.

12. INTERESTS OF DIRECTORS AND RELATED-PARTY TRANSACTIONS

Procedure for related-party transactions

The Board meeting of 9 November 2010, with the favourable opinion of the Governance Committee, approved the "Procedure for transactions with related parties"[39]" and established the Committee of Independent Directors.
Later, in its meeting of 17 December 2013, taking into account of the favourable opinion of the Committee of Independent Directors for Related-Party Transactions, the Board of Directors amended article 7 letter a) of the Procedure, effective 1 January 2014[40].

Committee of Independent Directors for Related-Party Transactions

The Committee of Independent Directors[41], appointed on 30 April 2015, consists of three independent directors who will remain in office until the term of office of the entire Board expires.

COMMITTEE FOR RELATED-PARTY TRANSACTIONS	
Michele Perini	Chairman - Independent Director
Carlo Secchi	Independent Director
Alessandra Piccinino	Independent Director

The Committee has its own operating regulations and minutes are taken of all meetings. The Manager of the Company's Affairs Department, appointed as Committee Secretary, attends the meetings. In the days preceding meetings, sufficiently in advance of the meeting, the Secretary, as agreed with the Committee Chairman, sends to the Governance Committee members all available documents and information on items on the agenda.

The Committee of Independent Directors met eight times during 2015..

The percentage of each director attending Committee meetings is shown in Attachment C to this Report.

As a rule, all members of the Board of Statutory Auditors take part in the meetings, and the managers of specific company departments and external consultants were invited to attend by the Committee Secretary, to explain particular issues.

The Committee of Independent Directors carries out the duties established by the Regulations on Related-Party Transactions and Procedure. Specifically, as regards non-material transactions, its opinions are non-binding; as regards material transactions, its opinions are binding.

The Committee also carries out periodic analyses and controls based on reports prepared by the Corporate Affairs Department, pursuant to Article 8.5 of the Procedure.

[39] Implementing the provisions of the "Regulations on transactions with related parties," adopted by Consob with resolution No. 17221 of 12 March 2010, and later amended by resolution No.17389 of 23 June 2010, the procedure, which can be consulted on the website, sets forth the rules to identify, approve, perform, and publish transactions with related parties conducted by Mediaset S.p.A., either directly or through subsidiaries, in order to ensure the transparency and substantial and procedural correctness of said transactions, as well as the cases of exclusion from the implementation of said rules.
[40] The amendment concerned the introduction of the threshold for transactions of low value with counterparts that are natural persons. Specifically, the Procedure identifies material and non-material transactions, establishing the rules for carrying them out and identifying transactions to which the foregoing regulations do not apply. Excluded transactions include, in particular, non-material transactions (of a total value not above EUR 300,000.00 if the counterpart is a natural person and not above EUR 500,000.00 if the counterpart is a corporate body), transactions with, or between, subsidiaries and affiliated companies, and normal transactions.
[41] The preceding Committee of Independent Directors for Related-Party Transactions, whose term expired normally with the Shareholders' Meeting of 29 April 2015, included Mr Michele Perini (Chairman), Mr Carlo Secchi, and Mr Attilio Ventura, all independent directors.

In its meeting of 30 April 2015, the Board of Directors allocated funding of Euro 100,000 per annum to the Committee of Independent Directors for expenses related to its duties.

The Committee members are given a fee for attending each meeting, in the amount set by the Shareholders' Meeting of 29 April 2015.

Directors with interests

Before dealing with transactions, the Directors shall give exhaustive information to other Directors and to the Board of Statutory Auditors of all interests, even potential, which they have in a specific transaction of the Company, on their own behalf or that of third parties, independently of any situation of conflict; they shall also specify the nature, terms, origin, and scale of said interests; if the Director involved is the Chief Executive Officer, he shall also refrain from carrying out the transaction.

13. APPOINTMENT OF STATUTORY AUDITORS

The appointment of Statutory Auditors is regulated by Article 28 of the Company Bylaws given in Attachment D to this Report.

The Shareholders' Meeting elects the Board of Statutory Auditors, consisting of three regular auditors and three alternate auditors, who remain in office for three financial years until the date of the Shareholders' Meeting convened to approve the Financial Statements of the third financial year. The auditors may be re-elected.

All Statutory Auditors shall be included in the Register of Auditors established by the Ministry of Justice and have carried out auditing for a minimum of three years. In addition, the Statutory Auditors must satisfy the requirements of the laws and regulations in effect and the Board makes sure that said requirements are satisfied.

Based on the Company Bylaws, lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, hold the amount of share capital required by the Company Bylaws to present lists for the appointment of members of the Board of Directors. Pursuant to Consob resolution No. 18775/2014, the shareholding percentage required to present lists of candidates for the Board of Statutory Auditors at the Shareholders' Meeting of 29 April 2014 amounted to 1%.

14. STATUTORY AUDITORS

The Board of Statutory Auditors, pursuant to article 149 of the TUF monitors: compliance with law and Company Bylaws, compliance with the principles of fair and proper administration, the adequacy of the Company's organisational structure for areas under its responsibility, the internal control system, the administrative/accounting system, as well as the reliability of the latter in correctly representing operating data, the procedures to implement corporate governance regulations required by governance codes prepared by companies managing regulated markets or trade associations, which the Company, through disclosure to the public, declares it adopts, and the adequacy of provisions issued by the Company to subsidiaries. Furthermore, Legislative Decree No. 39 of 27 January 2010 assigned the following supervisory duties to the Board of Statutory Auditors:

a) the financial reporting process;

b) the effectiveness of the systems for internal control, internal audit, and, if applicable, risk management; the auditing of the annual and consolidated accounts;

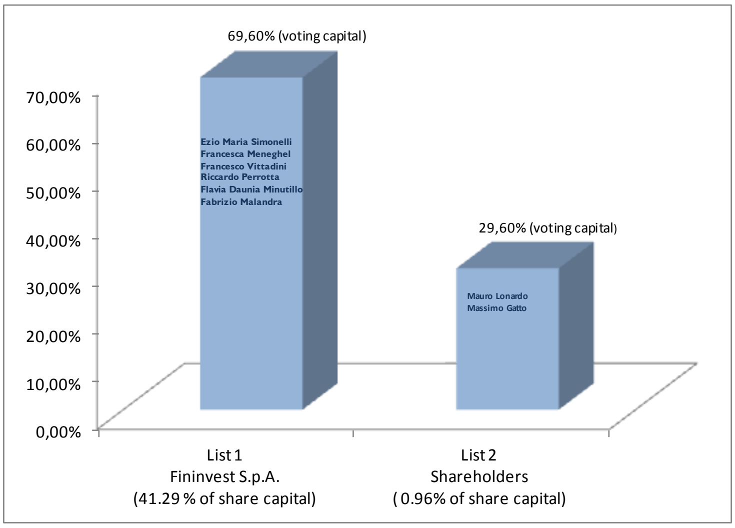
c) the independence of the statutory auditor or independent auditors.

The current members of the Board of Statutory Auditors are:

Mauro Lonardo, Francesca Meneghel and Ezio Maria Simonelli as regular auditors, and Massimo Gatto, Flavia Daunia Minutillo and Riccardo Perotta as alternate auditors, and will remain in office until the Shareholders' Meeting convened to approve the Financial Statements at 31 December 2016. Attachment E to this report shows the composition of the Board of Statutory Auditors.

The Chairman of the Board of Statutory Auditors is Mauro Lonardo, who was first in the minority list.

Two lists were presented at the Shareholders' Meeting of 29 April 2014 (728,801,373 shares, or 61.6% of the share capital)[42].



The curricula vitae of the members of the Board of Statutory Auditors may be consulted on the Company's website and are also shown in Attachment F to this report.

The composition of the Board of Statutory Auditors has not changed since the end of the reporting period.

***

During 2015, the Board of Statutory Auditors met 24 timed. On average, each meeting lasted approximately 2 hours. For 2016, 24 meetings have been scheduled, of which 5 have already been held.

On 15 December 2015, in accordance with the requirements of the Code, aimed at ensuring that the statutory auditors satisfy the independence requirements, the Board of Statutory Auditors assessed, among other things, whether its members satisfy said independence requirements and it verified the correct application of the criteria and procedures used by the Board to evaluate the independence of directors.

[42] The first list was submitted by the shareholder Fininvest S.p.A. The second list was submitted by the following shareholders: ANIMA SGR S.P.A. (Fund Manager: Fondo Anima Geo Italia, Fondo Anima Italia, Fondo Anima Star Italia Alto Potenziale, Fondo Anima Geo Europa, Fondo Anima Geo Europa PMI and Fondo Anima Iniziativa Europa) APG ASSET MANAGEMENT N.V. (Fund Manager Stichting Depositary APG Developed Markets Equity Pool) ARCA S.G.R. S.P.A. (Fund Manager: Arca Azioni Italia and Arca BB) ERSEL ASSET MANAGEMENT SGR S.P.A. (Fund Manager of Fondersel P.M.I.) EURIZON CAPITAL S.A. (Fund Manager:
Eurizon EasyFund - Equity Italy and Eurizon EasyFund - Equity Italy LTE) EURIZON CAPITAL SGR S.P.A. (Fund Manager: Eurizon Azioni Italia) GENERALI INVESTMENTS EUROPE SPA SGR (Manager of Assicurazioni Generali Group companies: Alleanza Assicurazioni S.p.A., Generali Italia S.p.A., Genertellife S.p.A.) MEDIOLANUM GESTIONE FONDI SgrpA (Manager of the Mediolanum Flessibile Italia Fund) MEDIOLANUM INTERNATIONAL FUNDS LTD (Manager of Challenge Funds) PIONEER ASSET MANAGEMENT S.A. (Manager of Pioneer Funds – Italian Equity) PIONEER INVESTMENT MANAGEMENT SGRpA (Manager of the Pioneer Italia Azionario Crescita Fund)

Before meetings, Statutory Auditors are given documents on items to evaluate and resolutions to be passed.

The Board of Statutory Auditors also monitored the independence of the independent auditors, verifying compliance with relevant regulatory provisions regarding the nature and extent of the various services supplied to Mediaset and its subsidiaries by the independent auditors and by entities belonging to their network. The Board of Statutory Auditors had no objections to report.

Statutory Auditors who, on their own behalf or on that of third parties, have an interest in a specific transaction of the Company shall promptly and exhaustively inform the other Statutory Auditors and the Chairman of the Board of Directors as to the nature, terms, origin, and scale of their interest.

With regard to the requirements for the Statutory Auditors, it is reported that the Board of Statutory Auditors currently in office satisfies all legal requirements.

When performing its activities, the Board of Statutory Auditors coordinated with the Internal Audit department, Risk and Control Committee, Governance and Appointments Committee, and Independent Directors Committee; it also participated in all Committee meetings, including those of the Compensation Committee.

Information is exchanged regularly between the Board of Statutory Auditors and the Chairmen of the Boards of Statutory Auditors of the subsidiaries.

The Chairman of the Board of Directors ensured that the Statutory Auditors, after their appointment and during their term of office, were able to take part in initiatives designed to give them adequate knowledge of the business sector in which the Group operates, of the company dynamics and their development, as well as of the legal and regulatory framework[43].

15. RELATIONS WITH SHAREHOLDERS

The Company's website publishes financial information (financial statements, interim reports, presentations to the financial community and the performance of Stock Exchange transactions involving financial instruments issued by the Company) as well as data and documents that are of interest to shareholders (press releases, composition of Company bodies and committees, Company Bylaws, regulations and minutes of Shareholders' Meeting s, as well as documents and information on corporate governance and the compliance programme pursuant to Legislative Decree no. 231/2001).

In order to establish an ongoing relationship with the shareholders, based on an understanding of the respective roles, the Board of Directors identified the Chief Financial Officer of the Group Marco Giordani as the officer in charge of managing relations with the shareholders.

For this purpose the Chief Financial Officer is assisted by the following two functions that report directly to him:

- the Company Affairs Department[44], which oversees relations with Retail Investors and Institutional Entities (CONSOB, Borsa Italiana);
- the Investor Relations Department[44], which oversees relations with the Financial Community (Financial Analysts, Institutional Investors and Rating Agencies).

[43] Refer to chapter 4 "Board of Directors" at section "Induction Programme".
[44] The contact details and telephone numbers of the Corporate Affairs Department and Investor Relations Department are also published on the Company's website.

In January, the financial calendar with details of main financial events, is reported to the market and published on the Company's website.

16. SHAREHOLDERS' MEETINGS

The Shareholders' Meeting brings together the Company's management and shareholders.

In convening, planning and managing Shareholders' Meetings, particular attention is paid to encouraging Shareholder involvement, and to guaranteeing the highest standards of information given during meetings, in compliance with restrictions and procedures for disseminating price-sensitive information.

The Shareholders' Meeting, when duly established, represents all shareholders and its resolutions, passed in conformity to law, are binding on all shareholders, even if absent or in disagreement. The Shareholders' Meetings meet in cases and according to procedures established by law, at the registered office of the Company or elsewhere, provided the venue is in Italy. As established by Article 9 of the Company Bylaws, the Shareholders' Meeting shall be convened by a notice published according to law, containing the date, time and venue, items to discuss, as well as any other information that is required by laws in force. The notice and documentation concerning the items in the agenda must be published on the Company's website within the terms required by the law, in accordance with the methods established by the legislation in effect.

The Board of Directors promotes initiatives to encourage the utmost shareholder involvement in meetings and facilitate the exercise of their rights, acting to limit restrictions and obligations that make it difficult or expensive for them to take part in the Shareholders' Meeting and exercise their right to vote regulated by Article 11 of the Company Bylaws.

Each shareholder who has the right to take part in the Shareholders' Meeting may be represented by written proxy, pursuant to law. Generally, all directors take part in Shareholders' Meetings. The Meetings are an opportunity to inform shareholders about the Company, in compliance with regulations on inside information.

The Shareholders' Meeting is chaired by the Chairman of the Board of Directors, and, in his absence, by the Deputy Chairman.

During the Shareholders' Meeting, the Board of Directors reports on activities carried out, referring to Directors' Reports, previously published in accordance with the law and regulations, and replying to requests for clarifications from shareholders.

A file containing a copy of the draft financial statements and consolidated financial statements, and relative reports, as well as the Directors' report on proposals concerning items on the agenda is handed out to those attending the meeting and sent to Shareholders who have taken part in previous meetings, to ensure they are given adequate information on the elements necessary to make informed decisions.

The purpose of the voting system used at the Shareholders' Meeting (remote control) is to facilitate shareholders in exercising their rights and guarantee that voting results are immediately available.

The Shareholders' Meeting has all powers established by law[45]. The Shareholders' Meeting's Regulations govern the proceedings of the Shareholders' Meeting .

[45]Pursuant to the Company Bylaws, assigning powers to the administrative body to resolve on matters that by law are assigned to the Extraordinary Shareholders' Meeting (resolutions regarding mergers and demergers in cases provided for by Articles 2505, 2505-bis and 2506-ter of the Italian Civil

Ten directors (out of a total of fifteen) intervened at the Shareholders' Meeting of 29 April 2015; the Chairman of the Compensation Committee was among them.

17. CHANGES AFTER THE END OF THE REPORTING PERIOD

No changes to the corporate governance structure took place after the end of the 2015 reporting period.

Code, the opening or closing of secondary sites, appointing directors to represent the Company, reducing share capital in the case of withdrawal of a shareholder, making amendments to the Company Bylaws to take into account legal provisions), do not diminish the powers of the Shareholders' Meeting to pass resolutions on such matters. As regards the establishment and resolutions of the Ordinary and Extraordinary Shareholders' Meetings, on first and subsequent calls, relative legal provisions apply.

ATTACHMENT A

Company Bylaws

Board of Directors

Article 17)

1. The Company is administered by a Board of Directors, consisting of five to twenty-one Directors, who may be re-elected.

2. Before appointing the Board, the Shareholders' Meeting determines the number of members of the Board and their term of office, in compliance with the time limits established by law.

3. The Board of Directors is appointed by the Shareholders' Meeting based on lists, which may contain a maximum of twenty-one candidates, each numbered consecutively.

Each candidate may only be in one list. Failure to observe this provision will make the candidate ineligible for election.

Each shareholder may not present, or contribute to present, or vote for more than one list, even through an intermediary or trust company. Shareholders belonging to the same group – namely the parent company, subsidiaries and companies subject to joint control – and shareholders that take part in a shareholders' agreement pursuant to Article 122 of Italian Legislative Decree 58/1998 relative to shares of the Company, may not present, or take part in presenting, or vote for more than one list, even through an intermediary or trust company.

Lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, represent at least 2.5% (two point five per cent) of the share capital comprising shares with voting rights in the Ordinary Shareholders' Meeting , or any different percentage established by pro tempore laws in force and which, from time to time, will be indicated in the notice convening the Shareholders' Meeting to resolve on the appointment of the Board of Directors. Ownership of the minimum amount of shares as above, required to present the lists, shall be calculated based on the shares that are registered in the shareholder's name on the day when the lists are filed at the Company. Certification proving ownership may also be presented after the list has been filed, provided this is within the deadline for the company to publish the lists.

In order to decide on directors to elect, lists that do not have a number of votes at least equal to half that required by the Company Bylaws or by pro tempore laws in force on the presentation of lists, will not be considered.

Each list shall include at least two candidates who meet the requirements for independence established by pro tempore laws in force, indicating them separately. Moreover, each list with at least three candidates shall indicate candidates of different gender, as indicated in the notice convening the meeting, in order to comply with pro tempore laws on gender balance.

The lists, which shall include the professional curricula of candidates, containing exhaustive information on the personal and professional profiles of the candidates and certifying their suitability as independent candidates pursuant to pro tempore laws in force, and signed by the shareholders that have presented the lists, shall be filed at the Company's registered office within twenty-five days prior to the date of the Shareholders' Meeting on first or single call, subject to the terms established by law for filing notices convening meetings after the first call, and made available to the public, according to pro tempore laws in force.

Without prejudice to the possibility to produce certification proving the ownership of shares according to the terms in paragraph six herein, when presenting lists, information shall be given relative to the identity of shareholders submitting the list, indicating the percentage of their total shareholding. Shareholders other than those that hold, also jointly, a controlling or relative majority shareholding shall also present a statement certifying the absence of any relationships with the latter, as provided for by law. Within the same deadline, statements shall be filed by which individual candidates accept their candidature and declare, under their own responsibility, that no reasons exist preventing them from being elected or making them incompatible as established by law, and that they meet the requirements of law and regulations for members of the Board of Directors. Additional information required by pro tempore laws in force shall also be filed, along with each list, within the above deadlines, that will be indicated in the notice convening the Shareholders' Meeting .

Any lists presented without observing the above provisions shall be intended as not presented and not included in the voting.

4. At the end of voting, the votes obtained from the lists are divided by whole consecutive numbers from one to the number of directors to be elected.

The quotients obtained in this way are attributed to the candidates of each list, following the order in the list.

The quotients attributed to the candidates of the lists are then put in a single ranking in decreasing order. Candidates with the highest quotients are elected until the total number of directors established by the Shareholders' Meeting is reached. The foregoing is without prejudice to the candidate ranking first in the second list obtaining the highest number of votes and who is not related in any way, even indirectly, to shareholders that have presented or voted for the list that ranks first by number of votes being elected. Therefore, if the aforesaid candidate has not obtained the quotient necessary to be elected, the candidate who, in the first list, obtained the lowest quotient will not be elected and the candidate in first place on the second list obtaining the highest number of votes will be elected to the Board.

5. If, after following the procedure in paragraph 4 above, the number of directors, meeting requirements for independence, established by pro tempore laws in force, has not been appointed, the following procedure will be adopted.

If the Board consists of seven or fewer members, an independent director will be appointed - to replace the non-independent director who, in the first list, obtained the lowest quotient (or the second lowest if the candidate with the lowest quotient was replaced by the minority director pursuant to paragraph 4 above); this independent director will be the first independent candidate who is not elected, ranking second in the same list. If the Board consists of more than seven members and, after following the procedure in paragraph 4 above, only one independent director has been appointed, the second independent director will be appointed - to replace the non-independent candidate who, in the first list, obtained the lowest quotient (or the second lowest if the candidate with the lowest quotient was replaced by the minority director pursuant to paragraph 4 above); this independent director will be the first independent candidate who is not elected, ranking second in the same list.

If the Board consists of more than seven members and after the procedure in paragraph 4 above, no independent director has been appointed, independent directors will be appointed (i) to replace the candidate who, in the first list, obtained the lowest quotient (or the second lowest if the candidate with the lowest quotient is replaced by the minority director pursuant to paragraph 4 above);

these directors will be the first independent candidates who are not elected ranking second in the same list and (ii) to replace the non-independent candidate elected with the lowest quotient in the second list with the highest number of votes; these directors will be the first independent candidates who are not elected ranking second in the same list; if all independent directors are from one list, the second independent director will also be appointed from this list according to the above criteria.

6. The candidate who is in first place in the list that obtained the highest number of votes shall be elected as Chairman of the Board of Directors.

7. If, in appointing Board members, several candidates have obtained the same quotient, the candidate from the list that has not yet elected any director or has elected the lower number of directors, will be elected.

If none of these lists have elected a director or have all elected the same number of directors, the candidate from these lists with the highest number of votes will be elected.

In the case of a tied vote between lists and with the same quotient, the Shareholders' Meeting will vote again in compliance with pro tempore laws in force, with the candidate obtaining the simple majority of votes being elected. 8. If, after voting, the Board does not comprise the minimum number of directors of the least represented gender established by pro tempore laws in force, the following procedure will be adopted:

a) to replace the candidate from the first list of the most represented gender with the lowest number of votes, that would have been elected pursuant to previous paragraphs (the last candidate), the candidate from the same list, of the least represented gender, with the highest number of votes, not elected pursuant to the above paragraphs, is elected;

b) if, based on the above procedure, the minimum number of directors of the least represented gender has not been reached, the replacement as of letter a) above, also applies to candidates of minority lists (provided they have at least three candidates), starting from the second list;

c) if the minimum number of directors of the least represented gender, established by law, has still not been reached, the penultimate candidate on the first list of the more represented gender will be replaced by the candidate of the least represented gender with the highest number of votes, who has still not been elected and, if necessary, this procedure will be adopted for minority lists until the minimum number of directors of the least represented gender, established by pro tempore laws in force, has been reached.

9. If only one list has been presented, the Shareholders' Meeting votes on the list and if the relative majority is obtained, candidates listed in consecutive order, up to the number established by the Shareholders' Meeting , are elected, without prejudice to compliance with requirements established by pro tempore laws in force and the Company Bylaws on the composition of the Board of Directors, and in particular on gender balance. The candidate in first place on the list shall be elected as Chairman of the Board of Directors.

10. The voting procedure with lists is only applied in the case of renewal of the entire Board of Directors.

11. In the absence of lists, and when, based on voting by lists, the number of elected candidates is still lower than the number established by the Shareholders' Meeting , the Board of Directors is appointed by the Shareholders' Meeting with the majorities established by law, so as to ensure compliance with requirements established by pro tempore laws in force and by the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance. 12. If one or more directors no longer holds office, for any reason whatsoever, directors remaining in office shall replace them by co-option, ensuring, in any case, compliance with requirements established by pro tempore laws in force and by the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance.

Directors, appointed pursuant to Article 2386 of the Italian Civil Code, are elected by the Shareholders' Meeting with the majorities established by law, so as to ensure compliance with requirements established by pro tempore laws in force and by the Company Bylaws on the composition of the Board of Directors, and in particular, concerning gender balance; directors appointed in this manner remain in office up until the term of office of other directors expires.

ATTACHMENT B

Personal and professional profiles of Directors

FEDELE CONFALONIERI *– Fedele Confalonieri was born in Milan on 6 August 1937. He graduated with a degree in Law from Milan University. He is a member of the Executive Committee and Board of Confindustria (the Italian Confederation of Industry) and of Assolombarda (the Lombardy Trade Association) and within the Federation of Radio and Television Operators is Chairman of the National Association of Television Operators. He is Board Director of the Italian daily newspaper "Il Giornale". He is also Director and Deputy Chairman of the Board of Mediaset España Comunicación S.A.*

PIER SILVIO BERLUSCONI *– Pier Silvio Berlusconi was born in Milan on 28 April 1969. He began his professional career in 1992 in the marketing department of Publitalia, moving on to the Italia 1 television network. In November 1996 he became Manager for the coordination of content and programmes of Mediaset networks. In 1999 he was appointed Deputy Director General of Content R.T.I.. He has been Deputy Chairman of the Mediaset Group since April of 2000, besides being Chairman and Chief Executive Officer of R.T.I. In April of 2015 he was appointed Chief Executive Officer of Mediaset S.p.A. He is also on the Board of Directors of the following companies: Medusa Film S.p.A., Arnoldo Mondadori Editore S.p.A., Fininvest S.p.A. and Publitalia '80 S.p.A.*

GIULIANO ADREANI *– Born in Rome on 27 August 1942. He is a member of the Board of Directors of Mediaset S.p.A., Chairman of Publitalia'80 S.p.A., Chairman of Digitalia '08 S.r.l. and of Mediamond S.p.A.. He is also a Director of RTI S.p.A., Mediaset España Comunicación S.A., Medusa Film S.p.A., and Auditel S.r.l.. In 2003 he was nominated "Cavaliere del Lavoro" (award for enterprise achievement) by the President of the Italian Republic. In February 2009 he was awarded an Honorary Degree in Communication Sciences by the University Suor Orsola Benincasa of Naples. Before joining the Mediaset Group in 1994, he worked for Sipra, the advertising agent for Italian State Television, RAI, where from 1962 to 1994 he led all commercial and creative sectors of communications, for newspapers, periodicals, radio and television, until his appointment as Director General in 1991. In 2010 he ranked as the first Italian and fifth European in a classification of CEOs of the best media groups produced by Thomson Reuters, the prestigious economic/financial information company listed on the New York Stock Exchange.*

MARINA BERLUSCONI *- Marina Berlusconi was born in Milan on 10 August 1966. She joined the company at a very young age and has always been deeply interested and involved in the management and development of the Group's economic and financial strategies. In July 1996, she was appointed Deputy Chairman of Fininvest S.p.A., a position she held until October 2005, when she was appointed Chairman of the holding company. Since February 2003 she has been the Chairman of Arnoldo Mondadori Editore S.p.A. In addition, she is director of Mediaset S.p.A. and of Mondadori France SAS.*

FRANCO BRUNI *- Born in Milan on 12 April 1948. He is full professor of International monetary theory and policy at Bocconi University; he has been a member of the Board of Trustees of the University and of the Board of Directors of the pension fund for full professors and executives since 2015. At Bocconi University, he directed the Political Economy Institute from 1994 to 2000. He is vice-president and director of the scientific committee of ISPI (Istituto per gli Studi di Politica Internazionale di Milano [Institute for Studies on International Politics of Milan]) and of the UniCredit&Universities Foundation. Nominated in the list of institutional investors, he was member of the Board of Directors of Saipem SpA (1998-2005) and of Pirelli&C (2005-2014); at Pirelli, he* *was member of the Risk Control and Corporate Governance Committee and of the Strategies Committee. For the past few years he has been member of the Management Board of NedCommunity, the association of independent directors. He is a member of the BoD of Pioneer Investment Management SpA and of Mediaset S.p.A. He is the Italian member of the European Shadow Financial Regulatory Committee. From 1994 to 2000 he was Deputy Chairman and Chairman of Suerf, Société Universitaire Européenne de Recherches Financières [European University Society of Research on Finance]. He has been visiting scholar and visiting professor at some international universities, among which New York University, Getulio Vargas in Saõ Paulo, University of British Columbia, University of South Wales, Fudan University in Shanghai. He is member of the scientific board of Rivista di Politica Economica; for a number of years he was editor and then associate editor of Giornale degli Economisti and of Annali di Economia; he writes columns for the newspaper La Stampa. He authored many national and international publications on macroeconomics, monetary economics, financial regulation, and European economy.*

PASQUALE CANNATELLI *– Pasquale Cannatelli was born in Sorianello (Vibo Valentia) on 8 September 1947. He was awarded a degree in Economics and Business from Cattolica University, Milan, and began his professional career in 1972 at Rank Xerox. In 1985 he joined Farmitalia Carlo Erba as Group Controller. He then worked for Alitalia, first as Administrative Director and then as Controller, and for Farmitalia again, where he was Director of Finance Administration and Control of the Erbamont Group. In July 1997 he became a Board Director of Mediaset S.p.A. and Central Director for Planning and Control. Since May 2003 he has been Chief Executive Officer of Fininvest S.p.A.. Ceased to hold the office of Director of Mediolanum S.p.A. on 30 December 2015. He is a director of Arnoldo Mondadori Editore S.p.A., Mediolanum S.p.A., and AC Milan S.p.A..*

MAURO CRIPPA *– Mauro Crippa was born in Rome on 26 April 1959. He is a professional journalist. He has also been a Board Director of the company Europea Editrice of "Il Giornale" since 1998, of R.T.I. S.p.A. since 1999 and of Class CNBC S.p.A. since 2000. He is also director of Mediaset S.p.A. In 1987 he was manager of the press office of Arnoldo Mondadori Editore S.p.A.. In 1994 he joined the Fininvest Group as Director of Press Relations. In 1996 he was appointed to the position of Central Communications Management and Press Relations of the Mediaset Group. Currently, he is Manager, General Information within R.T.I.*

BRUNO ERMOLLI *– Bruno Ermolli was born in Varese on 6 March 1939. He has been an entrepreneur for more than thirty years providing professional management and organisational advisory services. He lectures on courses and seminars for entrepreneurs and managers. He is often called on to work with the Prime Minister's Office as an expert in Public Management and Public Administration Organisation. From 1985 to 1989 he was Promoter and Chairman of the National Federation for the Advanced Service Industries Sector. From 1980 to 1982 he was Chairman of the National Association of Management and Organisational Consultancy Companies. In 1970 he set up, and still chairs, Sin&rgetica, a leading Italian Management Consultancy Company for: private businesses, banks, insurance companies, public entities and the public administration sector. He has been nominated "Cavaliere del Lavoro" (award for enterprise achievement) by the President of the Italian Republic. He is currently Chairman of Promos (the Special Agency of the Milan Chamber of Commerce), a member of the Board and Committee of the Chamber of Commerce of Milan, Deputy Chairman of the La Scala Theatre Foundation, and Board Director of: Mediaset S.p.A., Arnoldo Mondadori Editore S.p.A., Mondadori France SAS, Università Luigi Bocconi, Politecnico di Milano, Fondazione Milano per la Scala, FAI e Sipa Bindi S.p.A.*

***MARCO GIORDANI** – Marco Giordani was born in Milan on 30 November 1961. He was awarded a degree in Economics and Business from Bocconi University, Milan. Since 2000 he has been Chief Financial Officer of the Mediaset Group. He is Chairman of Mediaset Premium S.p.A. and Monradio S.r.l. he is also Chief Executive Officer of R.T.I., director of Mediaset S.p.A., Mediaset España Comunicación S.A., Publitalia '80 S.p.A., and Medusa Film S.p.A. From 1998 to 2000 he was with IFIL S.p.A., Investments Control department; later he was appointed director and member of the Executive Committee of LA RINASCENTE S.p.A., as well as director of S.I.B. (Società Italiana Bricolage). In 1991 he became Finance Manager of the RINASCENTE Group and Chief Financial Officer in 1997.*

***FERNANDO NAPOLITANO** - Born in Naples on 15 September 1964. He holds degrees in Economics from Federico II University in Naples and in Advanced Management from Harvard Business School in Cambridge, Massachusetts, he completed his studies with a Master in Science Management from Brooklyn Polytechnic University in New York. In 2011, he founded the "Italian Business & Investment Initiative, Why Italy Matters to the World". Since 2008, he has been Chairman of the Steering Committee of the BEST (bestprogram.it) scholarship. Since April 2015, he has been member of the Board of Directors of Mediaset S.p.A.; he is also member of the International Advisory Board of the Bologna Business School, Innogest sgr, Mind the Bridge, of the Stevens Institute of Technology, USA – Italy Council, and of the Economic Club. After working for Laben S.p.A. (Finmeccanica Group) and in the Marketing department of Procter & Gamble, he joined Booz Allen Hamilton, where, from 1990 to 2010 he held the position of Partner and Senior Vice President, then, starting in 2001, of Chief Executive Officer, and, from 2004 to 2008, of manager of the European Advisory Board. He was member: from 2001 to 2010, of the Aspen Institute, from 2002 to 2014 of the BdO of ENEL S.p.A., from 2002 to 2006 of the BdO of CIRA S.c.p.A. (Centro Italiano Ricerche Aerospaziali [Italian Centre for Aviation and Space Research]), from 2004 to 2010 of the Council on Foreign Relations in New York; from 2001 to 2005 he was appointed by the Minister of Communications as member of the Ministerial commission for transitions from analogue television to ground digital television. In 2014 he was one of the four recipients of the One to World Fulbright award in New York for the results achieved by the BEST programme. He was captain of Canottieri Napoli during the 1986-1988 season and member of the Italian national water polo team; in 1984 he was European champion under 21.*

***GINA NIERI** - Born in Lucca on 2 December 1953, she has two daughters. She earned a degree in Political Sciences from Pisa University and specialised in journalism and mass communication at Luiss University, Rome. She has been working in commercial television since 1977, firstly as General Secretary of FIEL, the first association of "free" broadcasters. She then joined FRT – the Federation of Radio and Television Operators – as Director remaining until 1990, when she joined the FININVEST GROUP as Manager for Relations with Trade Associations. Currently at MEDIASET, she holds the position of Director of Institutional and Legal Affairs and Strategic Analysis. Since June 2007 she has been Deputy Chairman of R.T.I. S.p.A., and a board member since 1999. In April 2015 she was confirmed member of the Board of Directors of Mediaset S.p.A., a position that she has held since 1998, and member of the Executive Committee. She sits in the Board of Directors of Class CNBC S.p.A. From 2000 to 2005 she was member of the Board of Directors of ALBACOM S.p.A representing Mediaset. She is member of the General Council of CONFINDUSTRIA. She is member of the President's Committee of the Master in Marketing, Digital Communication and Sales Management di PUBLITALIA. She has participated and participates in work groups at the European Commission, on matters concerning protection of minors, also on the internet, pluralism of the media, and management of the radio spectrum. On 27 December 2012 she was awarded the title*

"Commendatore dell'Ordine al Merito della Repubblica Italiana" (Commander of the Order of Merit of the Italian Republic).

***MICHELE PERINI** - Born in Milan on 12 March 1952, holds a degree in Economics and Business from Bocconi University. He is member of the Board of Directors of SAGSA S.p.A., a company operating in the office furnishing sector; among the other positions that he holds is that of member of the Board of Directors of Mediaset S.p.A.. From 2003 to 2015 he was Chairman of Fiera Milano S.p.A. From 2001 to June 2005 he was Chairman of Assolombarda, where earlier (from 1997 to 2001) he was Chairman of Small Business and where he is currently member of the Managing Council and of the Executive Board. Until June 2010 he was a member of the Executive Committee and Board of Confindustria (the Italian Confederation of Industry). He has sat on the Board of the financial daily "Il Sole 24 Ore" and of Bocconi University. He is also committed to social issues and is a member of the executive committee of Telefono Azzurro, a child protection charity.*

***ALESSANDRA PICCININO** - Born in Naples on 31 August 1962. She holds a degree in Economics and Business from the University of Naples and completed her studies with a Master in advances European studies (with specialisation in economic studies) at the College of Europe - Bruges. Between 1987 and 2010 she pursued a career in the finance area with The Dow Chemical Company, an American multinational in the chemistry sector listed in the NYSE, holding several positions in the administration, finance, and control area, in Italy and abroad. Among other positions, at Dow Chemical, she was Finance Director for southern Europe and Finance Director of the Formulated Systems business unit, with worldwide responsibility. From 2011 to 2013 she was CFO of Axitea S.p.A., a leading company in the security area in Italy. Since 2012 she has been director, chairman of the finance committee, and treasurer of the American School of Milan, an association recognised in the education sector. Since April 2015 she has been member of the Board of Directors of Mediaset SpA, a company listed in the Borsa Italiana [Italian stock exchange] in the MTA sector; she was elected in the minority list, presented by a group of companies in the management of savings and institutional investors area. In Mediaset she is also member of the Committee of Independent Directors for Transactions with Related Parties. Since November 2015 she has been member of the Board of Directors of Ansaldo STS S.p.A., a company listed in the Borsa Italiana [Italian stock exchange] in the STAR sector. In Ansaldo she is also member of the Nominations and Compensation Committee.*

***NICCOLO' QUERCI** - Niccolò Querci was born in Florence on 10 May 1961. He was awarded a degree in Law from Siena University in 1986 and a Master's in Business Communication in 1988. Since 2007 he has been Central Manager, Personnel and Organisation in the Mediaset Group and Deputy Chairman of Publitalia '80 S.p.A.; since late 2014, he has been Central Manager, Procurement. From 2006 to 2010 he was Chairman of Media Shopping S.p.A.. Since 2003 he has been Managing Director of R.T.I S.p.A. for Human Resources, General Services and Safety. Since 2001 he has been Deputy Chairman of R.T.I. S.p.A.; from 1999 to 2006 he was Director of artistic resources, productions, entertainment and sport and, until 2008, he was Manager for diversified and new business activities of the Group. From 1992 to 1999 he was Assistant and Secretarial Officer of Silvio Berlusconi, holding various organisational positions over the years. From 1989 to 1992 he was Key Account Manager and assistant Chairman and Chief Executive Officer of Publitalia '80, and Account Executive from 1987 to 1988 at P. T. Needham. He is also director of Mediaset S.p.A..*

***STEFANO SALA** - Born in Milan on 23 September 1962; he is married and has three children. He holds a degree in business management from "Luigi Bocconi" University in Milan. Director of*

Mediaset (since April 2015), Chief Executive Officer of Publitalia '80 (since April 2014), Chief Executive Officer of Digitalia '08 (since December 2012), Deputy Chairman of Mediamond (since February 2015). From December 2012 to March 2014 he was Commercial Managing Director of Publitalia '80. From January 2009 to November 2012 he held the office of and Chief Executive Officer of Groupm Italy. Between March 2006 and December 2008 he was Chairman and Chief Executive Officer of Mediaedge: Cia Italy and Executive Vice President of Groupm Italy. From January 2004 to February 2006, he was Chairman and Chief Executive Officer of Mindshare Italy; earlier, from May 2001 to December 2003, he was Managing Director of Mindshare Italy. From May 1999 to April 2001 he was Managing Director of CIA Italy; earlier, from April 1998 to April 1999, he was Sales manager for CIA Italy. From April 1996 to March 1998 he was Sales manager with Cairo Pubblicità. From March 1991 to March 1996, he worked with Telepiù Pubblicità as Sales Manager and earlier as Sales Executive.

CARLO SECCHI *- Born in Mandello del Lario (LC) on 4 February 1944. He is an Emeritus Professor of European Political Economy at Bocconi University Milan, also acting as Rector from 2000 to 2004. He was a Member of the European Parliament during the fourth legislature (1994-1999), where he was Deputy Chairman of the Economic and Monetary Commission. He was a Senator of the Italian Republic during the twelve legislature (1994-96). He is a member of governing bodies of technical/scientific Foundations and Institutes. He is Deputy Chairman of ISPI (Institute for International Political Studies of Milan), Chairman of the Italian Group of the Trilateral Commission. He is a member of the Board of Directors of the Veneranda Fabbrica del Duomo and of Mediaset S.p.A.. Currently, he is director of Italcementi S.p.A. Ceased to hold the office of Director of Mediolanum S.p.A. on 30 December 2015. In 2014 he was appointed Chairman of the Supervisory Board of Pirelli S.p.A. Since 2009 he has been European Coordinator of TEN - T priority projects (Atlantic Corridor). He is the author of books and numerous articles on international commerce and economy, economic integration and European issues.*

WANDA TERNAU *- Born in Trieste on 24 September 1960. She holds a degree in engineering from the University of Trieste, she was granted a Master of Business Administration from the Bocconi School of Administration and later a Master of Laws, Construction Law and Arbitration from the Aberdeen Business School, UK. She worked with ABB and the World Bank, on projects in the energy and infrastructures sector in Russia, Kazakhstan, Jordan, Yemen, and Egypt. Currently, she is director of Ferrovie dello Stato Italiane SpA. Visiting professor at the Luiss Business School and at Sapienza University in Rome, she is Fellow of the Chartered Institute of Arbitrators of London and qualified international arbitrator at the Kuala Lumpur Regional Centre for Arbitration.*

The companies Arnoldo Mondadori Editore S.p.A. and Mediolanum S.p.A. belong to the Fininvest Group, of which Mediaset S.p.A. is part.

ATTACHMENT C

Table 2 - Borsa Italiana format

TABLE 2: STRUCTURE OF THE BOARD OF DIRECTORS AND OF THE COMMITTEES

Board of Directors													Risk and Control Committee		Compensation Committee		Governance and Appointments Committee		Executive Committee		Committee of Independent Directors for Related-Party Transactions	
Office	Members	Year of birth	Date of first appointment *	In office since	In office until	List **	Exec.	Non exec.	Indep. per Code	Indep. per TUF	Number other offices ***	(*) (1)	(*) (2)	(**)	(*) (3)	(**)	(*) (4)	(**)	(*)	(**)	(*) (5)	(**)
Chairman	Confalonieri Fedele	06/08/1937	16/12/1994	29/04/2015	31/12/2017	M	X					10/10							8/9	P		
Deputy Chairman Chief Executive Officer	Berlusconi Pier Silvio	28/04/1969	28/07/1995	30/04/2015	31/12/2017	M	X				2	10/10							4/9	M		
Director	Adreani Giuliano	27/08/1942	29/05/1996	29/04/2015	31/12/2017	M	X					10/10							9/9	M		
Director	Berlusconi Marina	10/08/1966	28/07/1995	29/04/2015	31/12/2017	M		X			2	4/10										
Director	Bruni Franco (1)	12/04/1948	29/04/2015	29/04/2015	31/12/2017	m		X	X	X	1	7/7	6/6	M								
Director	Cannatelli Pasquale	08/09/1947	30/04/1997	29/04/2015	31/12/2017	M		X			2	7/10										
Director	Crippa Mauro	26/04/1959	28/09/1998	29/04/2015	31/12/2017	M	X					9/10										
Director	Ermolli Bruno	06/06/1939	22/02/2001	29/04/2015	31/12/2017	M		X			3	7/10			3/4	M						
Director	Giordani Marco	30/11/1961	20/03/2001	29/04/2015	31/12/2017	M	X					10/10							5/5	M		
Director	Napolitano Fernando (1)	15/09/1964	29/04/2015	29/04/2015	31/12/2017	m		X	X	X		7/7	6/6	M	3/3	M						
Director	Nieri Gina	02/12/1953	28/09/1998	29/04/2015	31/12/2017	M	X					10/10							9/9	M		
Director	Perini Michele	12/03/1952	22/03/2011	29/04/2015	31/12/2017	M		X	X	X		10/10			3/3	P	5/5	M			8/8	P
Director	Piccinino Alessandra (1)	31/08/1962	29/04/2015	29/04/2015	31/12/2017	m		X	X	X	1	7/7									5/5	M
Director	Querci Niccolò	10/05/1961	22/04/2009	29/04/2015	31/12/2017	M	X					10/10										
Director	Sala Stefano (1)	23/09/1962	29/04/2015	29/04/2015	31/12/2017	M	X					6/7										
Director	Secchi Carlo	04/02/1944	20/04/2006	29/04/2015	31/12/2017	M		X	X	X	1	9/10	10/10	P			6/6	P			8/8	M
Director	Ternau Wanda (1)	24/09/1960	29/04/2015	29/04/2015	31/12/2017	m		X	X	X	1	7/7					5/5	M				
DIRECTORS NO LONGER IN OFFICE DURING THE REPORTING PERIOD																						
Director	Colombo Paolo Andrea	12/04/1960	16/04/2003	18/04/2012	29/04/2015	M		X	X	X		2/3			1/1	M	1/1	M				
Director	Messina Alfredo	08/09/1935	22/12/1993	18/04/2012	29/04/2015	M		X	X	X		3/3	4/4	M								
Director	Ventura Attilio	06/02/1936	20/04/2006	18/04/2012	29/04/2015	M		X	X	X		3/3	4/4	M	1/1	P	1/1	P			3/3	M
Number of meetings held during the reporting period: 10					**Risk and Control Committee: 10**		**Compensation Committee: 4**		**Governance and Appointments Committee: 6**			**Executive Committee: 9**		**Committee of Independent Directors for Related-Party Transactions: 8**								
Indicate the quorum required for the presentation of lists by minorities for the appointment of one or more members (pursuant to Article 147-ter of the TUF): 1%(***)																						

NOTE

· This symbol indicates the internal control and risk management system director.

(1) The term of office of Shareholders' Meeting of 29 April 2015. Three meetings of the Board of Directors were held before said date and seven meetings of the new Board of Directors were held after said date.
The directors appointed for the first time were Franco Bruni, Fernando Napolitano, Alessandra Piccinino, Stefano Sala, and Wanda Ternau; their participation is calculated on the basis of seven meetings held during the reference period.

* The date of the first appointment of each director means the date when the director was appointed for the first time (in absolute terms) to the Board of Directors of the issuer.

** This column shows the list from where each director was taken ("M": majority list; "m": minority list; "BOD": list presented by the Board of Directors).

*** This column shows the number of offices of director or statutory auditor held by the person concerned in other companies listed on regulated markets, also outside Italy, in the financial, banking, and insurance companies all companies of a significant size. In the Corporate Governance Report, appointments are indicated in full.

(*) This column shows the participation of directors in Board meetings and Committee meetings respectively (indicate the number of meetings attended compared to the total number of those which they could have attended);

(**) This column shows the qualification of the director on the Committee: "P": Chairman "M": member.

(***) Quorum required by the Company Bylaws. For the Shareholders' Meeting of 27 April 2016, called to deliberate on the appointment of the BoD, the required quorum is 1% (Consob resolution No. 19109/2015).

(2) The term of office of the Risk and Control Committee expired with the Shareholders' Meeting of 29 April 2015. Four meetings of the Risk and Control Committee were held before said date and six meetings of the new Risk and Control Committee were held after said date.
The participation of the directors is calculated on the basis of 10 meetings for Carlo Secchi, 6 meetings for Franco Bruni and Fernando Napolitano, and 4 meetings for Alfredo Messina and Attilio Ventura.

(3) The term of office of the Compensation Committee expired with the Shareholders' Meeting of 29 April 2015. One meeting of the Compensation Committee was held before said date and three meetings of the new Compensation Committee were held after said date.
The participation of the directors is calculated on the basis of 4 meetings for Bruno Ermolli, 3 meetings for Fernando Napolitano and Michele Perini, and 1 meeting for Paolo Andrea Colombo and Attilio Ventura.

(4) The term of office of the Governance and Appointments Committee expired with the Shareholders' Meeting of 29 April 2015. One meeting of the Governance and Appointments Committee was held before said date and five meetings of the new Governance and Appointments Committee were held after said date. The participation of the directors is calculated on the basis of 6 meetings for Carlo Secchi (appointed Chairman on 30 April 2016), 5 meetings for Michele Perini and Wanda Ternau, and 1 meeting for Paolo Andrea Colombo and Attilio Ventura.

(5) The term of office of the Committee of Independent Directors for Related-Party Transactions with expired with the Shareholders' Meeting of 29 April 2015. Three meetings of the Committee of Independent Directors for Related-Party Transactions were held before said date and five meetings of the new Committee of Independent Directors for Related-Party Transactions was held after said date. The participation of the directors is calculated on the basis of 8 meetings for Carlo Secchi and Michele Perini, 5 meetings for Alessandra Piccinino, and 3 meetings for Attilio Ventura.

ATTACHMENT D

Company Bylaws

Board of Statutory Auditors

Article 28)

1. The ordinary Shareholders' Meeting elects the Board of Statutory Auditors, consisting of three regular auditors and three alternate auditors, who remain in office for three financial years until the date of the Shareholders' Meeting convened to approve the Financial Statements of the third financial year. The auditors may be re-elected.

All Statutory Auditors shall be included in the register of auditors established pursuant to law and have carried out auditing for a minimum of three years.

Statutory Auditors shall meet requirements established by laws and by regulations in force, which shall be verified by the Board of Directors.

2. Statutory Auditors are appointed based on lists presented by shareholders, with the procedure established below. The lists shall indicate at least one candidate for the position of Regular Auditor and one candidate for the position of Alternate Auditor and may contain up to a maximum of three candidates for the position of Regular Auditor and a maximum of three candidates for the position of Alternate Auditor. The candidates are listed in consecutive order.

Each list consists of two sections: One is for candidates for the position of regular Auditor and the other for candidates for the position of alternate Auditor. Each candidate may only be in one list. Failure to observe this regulation will make the candidate ineligible.

Lists which, in the section for regular auditors, have at least three candidates shall include in the first two places of the same section, and in the first two places of the section of alternate auditors, candidates of a different gender.

3. Lists may only be presented by shareholders who have voting rights and who, either alone or together with other shareholders, represent the amount of share capital indicated in the Company Bylaws to present lists for the appointment of members of the Board of Directors. Each shareholder may not present, or take part in presenting, or vote, for more than one list, even through an intermediary or trust company. Shareholders belonging to the same group – namely the parent company, subsidiaries and companies subject to joint control – and shareholders that take part in a shareholders' agreement pursuant to Article 122 of Legislative Decree 58/1998 relative to shares of the Company, may not present, or take part in presenting, or vote for, more than one list, even through an intermediary or trust company. Ownership of the minimum amount of shares required to present the lists, shall be calculated based on the shares that are registered in the shareholder's name on the day when the lists are filed at the Company.

The certification proving ownership may also be presented after the list has been filed, provided this is within the deadline for the company to publish the lists.

4. The lists, which shall include the professional curricula of candidates and be signed by the shareholders presenting them, shall be filed at the Company's registered office within twenty-five days prior to the date of the Shareholders' Meeting on first or single call, without prejudice to the terms established by law for filing notices convening meetings subsequent to meetings on first call, and made available to the public, according to pro tempore laws in force. Without prejudice to the possibility to produce certification proving the ownership of shares according to the terms in paragraph three herein, when presenting lists, (i) information shall be given relative to the identity of shareholders submitting the list, indicating the percentage of their total shareholding, (ii) curricula of all candidates shall be submitted containing exhaustive information on their personal and professional profiles and (iii) additional information, required by pro tempore laws in force shall be provided, indicated in the notice convening the Shareholders' Meeting . Shareholders other than those that hold, also jointly, a controlling or relative majority shareholding shall also present a statement certifying the absence of any relationships with the latter, as provided for by law. Within the same deadline, statements shall be filed by which individual candidates accept their candidature and declare, under their own responsibility, that no reasons exist preventing them from being elected or making them incompatible as established by law, and comply with limits on the number of positions held as of the section above, and that they meet the requirements of laws, regulations and the Company Bylaws for members of the Board of Statutory Auditors, and the list of administration and control positions they hold in other companies.

5. Persons who hold a number of administration and control positions that exceeds limits established by pro tempore laws in force may not be elected as Statutory Auditors.

6. Lists presented without observing the above provisions shall be intended as not presented and not included in the voting.

7. Statutory Auditors are elected as follows:

a) from the list that obtained the highest number of votes, two regular auditors and two alternate auditors are selected, based on the consecutive order in which they appear in sections of the list;

b) from the second list which obtained the highest number of votes in the Shareholders' Meeting , of lists presented and voted by shareholders who are not related to reference shareholders, pursuant to Article 148, paragraph 2 of the TUF, the other regular auditor and other alternate auditor are selected, based on the consecutive order in which they appear in sections of the list.

If several lists have obtained the same number of votes, a ballot will be voted between these lists, in compliance with pro tempore laws in force, with the candidates from the list obtaining the simple majority of votes being elected.

8. The candidate in first place in the section of candidates for the position of regular auditor, elected pursuant to paragraph 7. b) above shall be appointed as Chairman of the Board of Statutory Auditors.

9. If only one list is presented, the Shareholders' Meeting votes on it. If the list obtains the relative majority, the three candidates in consecutive order in the relative section will be elected as regular auditors, and the three candidates in consecutive order in the relative section will be elected as alternate auditors; the Board of Statutory Auditors is chaired by the person ranking first in the section of candidates to this position in the presented listed.

In the event of the death, resignation or end of the term of office of a regular auditor, the alternate auditor elected in first place will take over, provided this replacement ensures a gender balance. Otherwise, the auditor elected in second place will be appointed. If the Chairman steps down from office, the Board of Statutory Auditors chooses and appoints a new Chairman from its members, who shall remain in office until the first subsequent Shareholders' Meeting, which shall make appointments to make up the numbers of the Board of Statutory Auditors.

10. Where no lists exist, the Board of Statutory Auditors and its Chairman are appointed by the Shareholders' Meeting with relative majorities established by law and in compliance with pro tempore laws in force, also concerning gender balance.

11. If a number of lists are presented, and in the case of the death, resignation or end of the term of office of a regular auditor, the alternate auditor from the same list elected in first place will take over, provided this replacement ensures a gender balance. Otherwise, the auditor elected in second place will be appointed.

The following procedure is adopted by the Shareholders' Meeting to appoint auditors to make up the numbers of the Board of Statutory Auditors: if auditors elected from the majority list are to be replaced, the appointment takes place with a relative majority vote, without any list restrictions in compliance with pro tempore laws in force, also concerning gender balance; when, instead, auditors from the minority list have to be appointed, appointment is by relative majority vote, selecting candidates from the list in which the auditor to replace was included, or, subordinate to this, candidates of any other minority lists, in compliance with pro tempore laws in force, also concerning gender balance.

If there are no candidates from minority lists, the appointment takes place voting for one or more lists, comprising a number of candidates no greater than the number to be elected, presented before the date of the Shareholders' Meeting , and in compliance with provisions in this article for appointing the Board of Statutory Auditors, without prejudice to the fact that lists by reference shareholders or shareholders related to them, as defined by laws and regulations in force, may not be presented (and if presented will be void). Candidates in the list with the highest number of votes will be elected.

12. The Shareholders' Meeting determines the fees of auditors, in addition to expenses incurred for carrying out their duties.

13. The powers and the duties of the Statutory Auditors are established by law.

ATTACHMENT E

Table 3 –Borsa Italiana format

TABLE 3: STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Board of Statutory Auditors									
Office	**Members**	**Year of birth**	**Date of first appointment ***	**In office since**	**In office until**	**List ****	**Independence per Civil Code**	**Participation in Board meetings *****	**Number of other appointments ******
Chairman	Lonardo Mauro	16/04/1969	20/04/2011	29/04/2014	31/12/2016	m	X	22/24	12
Regular auditor	Francesca Meneghel	02/12/1961	29/04/2014	29/04/2014	31/12/2016	M	X	21/24	11
Regular auditor	Ezio Maria Simonelli	12/02/1958	29/04/2014	29/04/2014	31/12/2016	M	X	22/24	16
Alternate auditor	Gatto Massimo	27/06/1963	20/04/2011	29/04/2014	31/12/2016	m	X		3
Alternate auditor	Minutillo Flavia Daunia	24/05/1971	20/04/2011	29/04/2014	31/12/2016	M	X		12
Alternate auditor	Riccardo Perotta	21/04/1949	19/01/1996	29/04/2014	31/12/2016	M	X		6
Number of meetings held during the reporting year: 24									
Indicate the quorum required for the presentation of lists by minorities for the appointment of one or more members (pursuant to Article 148-*ter* of the TUF): 2.5%(*)									

NOTE

* The date of the first appointment of each auditor means the date when the auditor was appointed for the first time (in absolute terms) to the Board of Statutory Auditors of the issuer.

** This column shows the list from where each auditor was taken ("M": majority list; "m"; minority list).

*** This column shows the percentage of the participation of auditors in meetings of the Board of Statutory Auditors (indicate the number of meetings attended compared to the total number of those which they could have attended).

****This column shows the number of offices as director or statutory auditor held by the person concerned pursuant to article 148 *bis* of the TUF.

(*)At the Shareholders' Meeting held to appoint the Board of Statutory Auditors on 29 April 2014, the participation rate of 2.5% identified by Consob (resolution No.18775/2014) pursuant to art. 144-quater of the Issuers Regulation was 1%

ATTACHMENT F

PERSONAL AND PROFESSIONAL PROFILES OF THE BOARD OF STATUTORY AUDITORS

***MAURO LONARDO** – Mauro Lonardo was born in Rome on 16 April 1969. He holds a degree in Economics and Business from Sapienza University, Rome. He has been a certified public accountant and registered auditor since 1999. Performs professional activity as partner of Studio RSM - Lauri Lombardi Lonardo Carlizzi. Is member of several boards of statutory auditors and supervisory bodies pursuant to Legislative Decree 231/2001, among which Ama S.p.A., Neep AS Roma Holding S.p.A., Roma Multiservizi S.p.A., Intec Telecom Systems S.p.A., Rino Pratesi S.p.A., Rino Immobiliare S.p.A., Ep Sistemi S.p.A., Unicompany S.p.A.. He has been Control and Analysis Manager of the Group of the Municipality of Rome for local authority-run infrastructure and service companies. Is lecturer for the training school of the College of Chartered Accountants of Rome.*

***EZIO MARIA SIMONELLI** – Born in Macerata on 12 February 1958. He holds a degree in Economics and Business from Perugia University. He has been a certified public accountant since 1982, he is an auditor and freelance journalist. By appointment of the Ministry of Foreign Affairs on 6 March 2013 he took up the position of Honorary Consul of Canada in Milan. He is Managing Partner of Simonelli Associati, a Legal/Tax Advisory Practice. He is Chairman of the Board of Statutory Auditors of Marr S.p.A., Alba Leasing S.p.A., and Alisarda S.p.A. and regular auditor of the joint stock company Mediaset S.p.A., Sea – Esercizi Aeroportuali, Cerved Information Solutions S.p.A., and Cerved Group S.p.A. He is an adjuster of the Lega Nazionale Professionisti [National League].*

***FRANCESCA MENEGHEL** - Born in Treviso on 2 December 1961. She holds a degree in Business Economics from Bocconi University Milan.* She has been a certified public accountant since 1993 and is a registered auditor. *She practices the profession of chartered accountant and has acquired experience in the industrial, commercial, banking, financial, and advertising sectors. She is Chairman of the Board of Statutory Auditors of A2A Calore & Servizi S.r.l. and of Avon Cosmetics S.r.l.; Regular auditor of Mediaset S.p.A., Duemme SGR S.p.A., Geox S.p.A.(listed), Lir S.r.l., Immobiliare Idra S.p.A., Mediolanum Comunicazione S.p.A., Mediolanum Fiduciaria S.p.A., Mediolanum Gestione Fondi SGR S.p.A., Mondadori Pubblicità S.p.A., Plurigas S.p.A. under liquidation, and Videodue S.r.l.*

***MASSIMO GATTO** – Massimo Gatto was born in Rome on 27 June 1963. He holds a degree in Economics and Business from Sapienza University, Rome. He has been a certified public accountant since 1995 and a registered auditor since 1999. He is official receiver for creditor arrangements at the Court of Rome. He is a Property Officer and Court Expert registered with the Court of Rome. He is an Independent Technical Expert for leading banks. He is Chairman of the Board of Statutory Auditors of SNAM S.p.A., regular auditor of FINTECNA S.p.A, of Collegamenti INTEGRATI VELOCI – C.I.V. S.p.A., Metro B1 a l.r., RI.MA.TI a r.l. and of the Associazione Nazionale per l'Enciclopedia della Banca e della Borsa [National Association for the Encyclopaedia of Banks and Stock Exchanges].*

***FLAVIA DAUNIA MINUTILLO** – Flavia Daunia Minutillo was born in Milan on 24 May 1971. She holds a degree in Economics and Business from Cattolica University, Milan. She has been a Certified Public Accountant since 1996 and a registered auditor since 1999. Since 1998 she has been in the Boards of Statutory Auditors, Supervisory Boards, and Oversight Bodies of leading companies, including banks and securitisation, factoring, trust, financial, brokerage, and asset management companies. She is also alternate auditor of Mediaset S.p.A.*

***RICCARDO PEROTTA** – Born on 21 April 1949. He was awarded a degree in Economics and Business from Bocconi University, Milan. He is a certified public accountant and auditor. He is Associate Professor of Methodologies and Quantitative Determinations for Businesses (Accounting and Financial Statements) at Bocconi University, where he is responsible for teaching courses on Financial Statements and extraordinary operations. He has been a certified public accountant in Milan since 1975, where he mainly provides management, business and tax advisory services for companies, with a particular focus on extraordinary financial operations. He is regular auditor of Boing S.p.A., Savio Macchine Tessile S.p.A., and Viscolube S.r.l.; he is also Chairman of the Board of Statutory Auditors of Jeckerson S.p.A. and director of Parmalat S.p.A. and Value Partners Management Consulting S.p.A.. He is also director of Mediaset S.p.A..*

For the Board of Directors

The Chairman