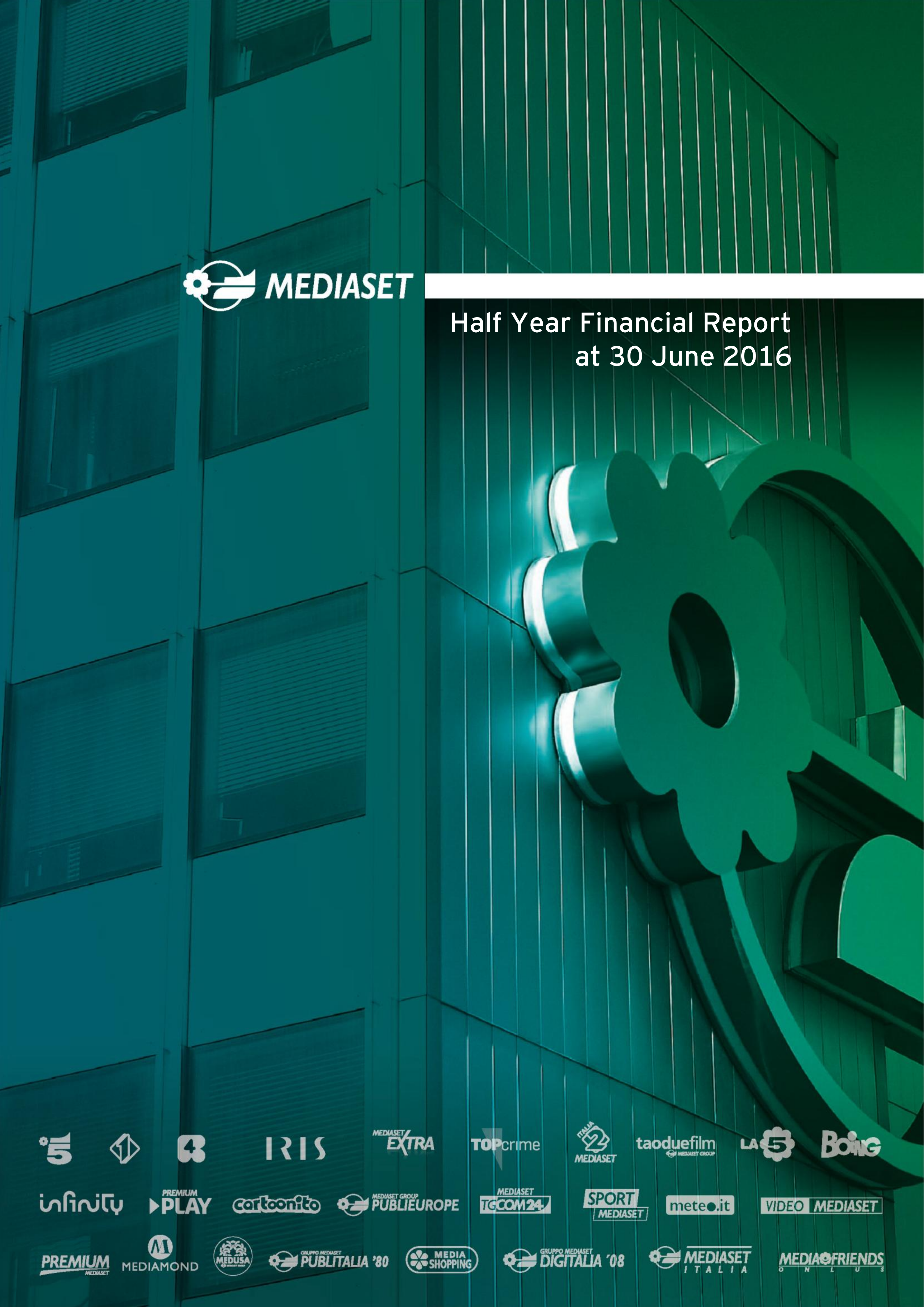


Half Year Financial Report at 30 June 2016

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

INDEX

CORPORATE BODIES

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	**EY S.p.A.** (formerly Reconta Ernst & Young S.p.A.)

MEDIASET GROUP: FINANCIAL HIGHLIGHTS

MAIN INCOME STATEMENT DATA

FY 2015			1H 2016		1H 2015	
mio €	%		mio €	%	mio €	%
3,524.8	***100.0%***	**Total net Revenues**	**1,870.6**	***100.0%***	**1,721.1**	***100.0%***
2,554.2	*72.5%*	Italy	1,349.7	*72.2%*	1,243.7	*72.3%*
971.9	*27.6%*	Spain	521.6	*27.9%*	478.5	*27.8%*
231.4	***100.0%***	**EBIT**	**97.3**	***100.0%***	**137.0**	***100.0%***
26.8	*11.6%*	Italy	(52.8)	*-54.2%*	26.5	*19.4%*
205.2	*88.7%*	Spain	150.1	*154.2%*	111.0	*81.0%*
197.2		**EBT**	**56.0**	**-**	**129.4**	**-**
4.0		**Net Result**	**(27.8)**	**-**	**24.2**	**-**

MAIN BALANCE SHEET AND FINANCIAL DATA

FY 2015		1H 2016		1H 2015	
mio €		mio €		mio €	
3,807.1	**Net Invested Capital**	**3,723.6**	**-**	**3,073.6**	**-**
2,947.8	**Total Net Shareholders' Equity**	**2,764.5**	**-**	**3,073.6**	**-**
2,293.9	Net Group shareholders' Equity	2,190.2	-	2,363.7	-
653.8	Minorities Shareholders' Equity	574.3	-	709.9	-
(859.4)	**Net Financial Position**	**(959.1)**	**-**	**-**	**-**
332.7	**Cash Flow from ordinary operations (free cash flow)**	**152.8**	**-**	**283.1**	**-**
741.8	**Investiments**	**507.8**	**-**	**450.3**	**-**
22.7	**Dividens paid by the Parent Company**	**22.7**	**-**	**22.7**	**-**
44.2	**Dividens paid by Subsidiares**	**83.4**	**-**	**44.2**	**-**

PERSONNEL

FY 2015			1H 2016		1H 2015	
	%			%		%
5,484	***100.0%***	**Mediaset Group Personnel (headcount)**	**5,491**	***100.0%***	**5,584**	***100.0%***
4,210	*76.8%*	Italy	4,210	*76.7%*	4,314	*77.3%*
1,274	*23.2%*	Spain	1,281	*23.3%*	1,270	*22.7%*

MAIN INDICATORS

FY 2015		1H 2016	1H 2015
6.6%	**EBIT/Net Revenues**	**5.2%**	**8.0%**
1.0%	Italy	*-3.9%*	*2.1%*
21.1%	Spain	*28.8%*	*23.2%*
5.6%	**EBT/Net Revenues**	**3.0%**	**7.5%**
0.1%	**Net Profit/Net Revenues**	**-1.5%**	**1.4%**
0.00	**EPS (euro per share)**	(0.02)	0.02
0.02	**Diluted EPS (euro per share)**	(0.02)	0.02

INTRODUCTION

This Half-year Financial Report, prepared pursuant to Art. 154-ter of Italian Legislative Decree no. 58/1998, includes the Management Interim Statement, the Half-yearly condensed consolidated financial statements and the Certification pursuant to Article 154-bis of Italian Legislative Decree no. 58/98.

The half-yearly condensed consolidated financial statements are prepared in accordance with International Accounting Standards (IAS/IFRS) applicable under EC Regulation no. 1606/2002 of the European Parliament and of the Council dated 19 July 2002 and in particular IAS 34 – Interim Financial Reporting, as well as the regulations issued to implement Article 9 of Italian Legislative Decree no. 38/2005.

The presentation of the reclassified consolidated financial statements and of the statutory financial statements provided in this Management Interim Statement corresponds to the presentation adopted for the annual financial statements.

The notes have been prepared in accordance with the content prescribed by IAS 34 - Interim Financial Reporting, also taking into account the provisions issued by Consob Communication No. 6064293 dated 28 July 2006. As such, the information disclosed in this report is not comparable to that of complete financial statements prepared in accordance with IAS 1.

MANAGEMENT INTERIM STATEMENT AT 30 JUNE 2016

Significant events in the first half of the year

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

As previously reported in the consolidated financial statements at 31 December 2015, by ruling of **11 February 2016**, the Court of Rome, upholding the appeal lodged by Mediaset, 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 6.0 million), plus statutory interest. The Italian Ministry of Economic Development has not challenged the ruling of the court, and as such, the amount awarded by the ruling may be considered collectible. Accordingly, a demand for payment of the amount due has been forwarded to the competent ministerial office.

Contribution fees for digital terrestrial television broadcasting user rights

Regarding the calculation of contribution fees for digital television broadcasting user rights due from the subsidiary Elettronica Industriale S.p.A. commencing as of 2016 and for the years 2014 and 2015, notification from the Ministry is still pending. As previously reported in the consolidated financial statements for 2015, the 2016 Stability Law (Italian Law 208/2015) provides that the contribution fees due from national network broadcasters is to be determined by decree of the Italian Ministry of Economic Development by 28 February 2016.

As concerns the calculation of contribution fees due from Elettronica Industriale S.p.A. for the year 2013, in its ruling of **15 February 2016**, the Lazio Regional Administrative Court upheld the appeal lodged by Mediaset, thereby cancelling AGCOM ruling 568/13/CONS and all subsequent actions taken, including the demand for payment of additional fees over and above the contribution fees paid served by the Ministry. By notice dated 20 May 2015 and again on 4 June 2015, the Italian Ministry of Economic Development demanded payment of additional fees over and above the contribution fees paid under AGCOM ruling 568/13 of October 2013.

Radio broadcasting operations

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 **15 April 2016**, the Italian Antitrust Authority authorised the deal to create a new radio broadcasting hub with a number of measures agreed by Mediaset. As part of the deal, on 15 September 2015, RTI S.p.A. subscribed a reserved rights issue through which it acquired shares with voting rights amounting to 19% of the share capital and shares without voting rights, convertible into ordinary shares amounting to 50% of the share capital of RB1, the holding company of the radio broadcasting operations of the Finelco Group (Radio105, Virgin Radio and RMC – Radio Monte Carlo). Following the Authority's authorisation of the deal, RTI S.p.A. exercised the conversion option attaching to the shares, effective as of 1 July 2016, representing the acquisition date for the recognition of the controlling interest and the line-by-line consolidation of the operations by Mediaset. On **8 June 2016,** RTI S.p.A. acquired an additional equity interest in RB1 S.p.A. equal to 3.1% of the share capital, bringing its total shareholding in the company at 30 June 2016 to 72.1%. *RadioMonitor* data for the first half of 2016 shows that the broadcasters belonging to the Mediaset broadcasting hub (R101, Radio 105, Virgin Radio and the partnership with RadioMontecarlo) together make up the country's biggest national radio network, with an audience share of 17% per average quarter hour, the measurement unit of greatest interest to advertisers.

Mediaset–Mediamond Yahoo Agreement

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. This partnership, effective as of the second quarter of 2016, will allow Mediamond (the Mediaset Group's online advertising agency) to position itself in the Audiweb ranking right behind Google and Facebook, and reach 21.2 million people on a monthly basis and over 5.3 million daily. 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.

Mediaset–Vivendi Agreement

On **8 April 2016**, Mediaset and Vivendi signed an agreement to create a strategic alliance between the two European Groups by joining together their positions of national leadership to seize growth opportunities in the new global media playing field. The partnership agreement between the two European groups provided for an even exchange of 3.5% of the equity of the parent companies, supporting a fully shared vision of capturing new opportunities across the international competitive landscape: a rapidly evolving scenario characterised by increasingly global video content, the emergence of U.S. OTT players and the increasingly transnational structure of pay TV players.

The European alliance between Mediaset and Vivendi involves three innovative projects that are meant to play an important role in the media sector:

- A new European major player for content creation. In the new competitive environment, Mediaset and Vivendi will develop a content production project on an international scale. The content will be designed and produced by a new structure adopting standards and language aligned with the global market and enhanced by distribution through the television networks of the two groups in Italy, France and Spain.
- The first pan-European on-demand streaming content platform. The online properties of the two groups in Italy, France, Spain and Germany are intended to converge into a single project able to ensure robust technological development, increasingly evolved customer experience and a wider offer of premium films and TV series. Thanks to the strength of the union of the two groups, the aim of the new platform will also be to distribute dedicated original productions. The new project also forecasts expansion in countries where the two companies are not currently present.
- The inclusion of Mediaset Premium in a large international pay TV network. Mediaset Premium will become part of the Vivendi Group, enriching a global pay TV network that is already established in France, Poland, Africa, Central America and the Far East with its strategic presence in the vast Italian market. Simultaneously, Mediaset will continue to strengthen its activities as a broadcaster of TV channels and on demand content for Premium across all platforms.

The key economic and financial points of the alliance are:

- Mediaset will transfer to Vivendi existing treasury Mediaset shares, corresponding to 3.50% of the company's share capital. In exchange, Mediaset will receive a number of existing or newly issued Vivendi shares, equal to 0.54% of Vivendi's share capital; At the same time
- RTI will transfer to Vivendi 100% of the share capital of Mediaset Premium and, in exchange, RTI will receive a number of existing or newly issued Vivendi shares, equal to 2.96% of Vivendi's share capital.

Upon completion of the transactions described above, Mediaset and RTI will own overall 3.5% of the share capital of Vivendi, while Vivendi will own 100% of Mediaset Premium and 3.5% of the share capital of Mediaset.

On the basis of average stock market closing prices in the three months prior to the signing of the agreement, Mediaset's treasury shares are to be transferred at an implicit price of EUR 3.32, receiving in exchange Vivendi shares worth EUR 18.65, with each of the two packets of shares having a value of EUR 137.4 million. On the basis of this unitary valuation of the shares comprising the 2.92% of Vivendi share capital received, 100% of Mediaset Premium was valued at EUR 756 million, including net cash at closing of EUR 120 million.

The values at which the above transactions were agreed are supported by a fairness opinion issued by JP Morgan and Crediti Suisse.

Consequently, the sale of the Telefonica stake will have to respect the rights foreseen in Mediaset Premium's Company Bylaws.

As of the execution date of the agreement, Mediaset – through the subsidiary RTI – holds 88.889% of the share capital of Mediaset Premium, while the remaining 11.111% is owned by Telefonica.

In line with standard practice, the agreement also includes:

- adjustment clauses for the number of Vivendi and Mediaset shares involved in the exchange if any extraordinary operations are concluded in the period between the date of the signing of the agreement and the date of closing, expected by 30 September 2016;
- resolution and/or indemnity clauses in the event that representations and warranties made in the Agreement prove to be false within set dates.

The agreement also provides for the establishment, as of the closing date, of a three-year lock-up agreement between Vivendi, Mediaset and RTI on the Mediaset and Vivendi shares exchanged and a stability pact between Vivendi and Fininvest, governing the purchase of Mediaset shares by Vivendi and Fininvest. Purchases must be conducted in compliance with current rules and without these purchases giving rise to any mandatory takeover bid. In particular, Vivendi will not buy, either directly or indirectly, shares in Mediaset in the first year after the Closing date. In the second and third year after the Closing date, Vivendi will not be permitted, either directly or indirectly, to purchase shares in Mediaset that would lead to the ownership of a stake totalling more than 5% of the share capital of Mediaset. Notwithstanding the above limits for Vivendi, Fininvest shall be free to purchase, either directly or indirectly, shares in Mediaset in line with the limits set out in applicable regulations on mandatory takeover bids.

Subject to the necessary authorisations by the relevant European authorities, the Agreement was to be finalised by 30 September.

However, as reported in the section "*Events after 30 June 2016*", on 25 July 2016 Vivendi notified Mediaset of an alternative deal proposal and its intention not to proceed with the commitments undertaken with the signing of the 8 April agreement.

AGCM Proceeding concerning the sale of Serie A 2015–2018 television broadcasting rights

By order no. 25462 of 13 May 2015, the Italian Antitrust Authority (AGCM) approved the commencement of Proceedings against Lega Nazione Professionisti Serie A, Infront Italy S.r.l., Sky Italia S.r.l., RTI – Reti Televisione Italiane S.p.A. and Mediaset Premium S.p.A. for violation of Article 101, paragraph 1, of the Treaty on the Functioning of the European Union (TFEU), in relation to the tender, held in 2014, to award television broadcasting rights for the Serie A soccer championship for the three years 2015–2018.

On **20 April 2016**, the Authority concluded the proceedings by fining RTI and Mediaset Premium EUR 51,419,247.25.

The other parties to the proceedings received fines as follows: Sky: EUR 4 million; Infront: EUR 9 million; Lega Nazionale Professionisti: EUR 1.9 million.

On **30 May 2016** and in a subsequent appeal on 4 July, RTI and Mediaset Premium challenged the ruling in the Lazio Regional Administrative Court, which on 6 July set the hearing date for the appeal for 9 November 2016.

On the basis of the opinions received from its lawyers, the company believes that it has valid grounds in fact and in law to have the decision overturned by the appeals court and therefore has not allocated any additional provisions for risks as at 30 June.

On **30 June 2016** an agreement was made with Intesa SanPaolo for a new, four-year committed credit facility of EUR 250 million, of which EUR 150 million in the form of a bullet loan at a fixed rate of 1.08% and EUR 100 million in the form of a floating-rate revolving facility.

EI Towers

In the first half of the year, the Group continued its campaign to acquire small tower business operators and land where transmission towers are located. In particular, on **31 May,** EI Towers S.p.A. acquired Fortress Italia S.r.l., which operates 26 towers used primarily for radio broadcasting, and on **10 June** Towertel S.p.A. acquired Sa Oghe T.C. S.r.l., which operates 26 towers used by mobile telephone service providers. The cost of the acquisitions has been provisionally estimated at EUR 5.7 million, net of liabilities provisionally estimated at EUR 2.2 million. Both acquisition agreements provide for price adjustments, to be made within 60 days of the closing date.

Other acquisitions and lease agreements on land and rooftops on which towers are located were also made over the period, for a total value of EUR 6.5 million.

On **31 May,** the company EIT Radio S.r.l. was established, owned entirely by EI Towers S.p.A., as a specialist provider of hosting and related services for radio broadcasters. Companies operating in the sector that are acquired in the future will be merged into the new company.

Mediaset España

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 the share capital, for a total disbursement of EUR 132.6 million, of which EUR 91.4 million was incurred during the first quarter of 2016. As a result of these purchases, the Group's stake in Mediaset España increased from 48.76% at 31 December 2015 to 50.21%. On **13 April 2016**, the Shareholders' Meeting of Mediaset España Comunicación S.A. approved the resolution to reduce the share capital for an amount equal to EUR 14.7 million by cancelling 29,457,794 treasury shares in portfolio.

On **21 April 2016**, the Mediaset España Group launched **Be Mad TV**, a new HD channel (assigned following the successful outcome of the October 2015 tender) for viewers aged 16-44, adding to the already rich and varied generalist and thematic channels of the Group.

Medium/long-term incentive plan

On **21 June 2016**, the Board of Directors of Mediaset designated the beneficiaries of the medium/long-term incentive and retention plan for 2015–2017, approved by shareholders on 29 April 2015, assigning the option rights due to them for the year 2016. The option rights were quantified according to the criteria provided in the Plan Regulations, 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.

Ad4Ventures

During the first half of the year, the Group made equity investments of EUR 3.8 million as part of the AD4Venture initiative. In particular, on **4 February 2016**, RTI S.p.A. and Advertisement 4Adventures SLU (Mediaset España Group) acquired 7.7% and 6.7% respectively of the share capital of Job Digital Network SL.

Group Performance and Highlights

Television audience figures

In **Italy**, total audience over the 24-hour period averaged **10.472 million viewers** in the first half of 2016.

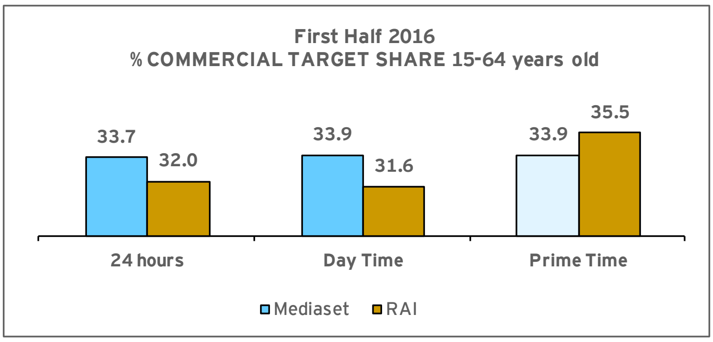
Auditel statistics show that Mediaset networks as a whole, including both free-to-air and pay television (Premium Calcio) channels broadcast over the digital terrestrial network, obtained an audience share of 31.9% over the 24-hour period, 32.1% in the Day Time slot and 31.9% in Prime Time.

The table below shows the breakdown of audience share by network for the reporting period.

(Source: Auditel)

	Individuals			Commercial Target		
	24 hours	Prime Time	Day Time	24 hours	Prime Time	Day Time
	16.0%	15.5%	16.3%	16.5%	16.8%	16.7%
	5.2%	5.5%	5.2%	7.0%	7.0%	7.1%
	4.3%	4.4%	4.3%	3.4%	3.4%	3.4%
TOTAL GENERALIST NETWORKS	25.5%	25.4%	25.8%	26.9%	27.2%	27.2%
TOTAL MULTI CHANNEL AND PREMIUM CALCIO	6.4%	6.5%	6.3%	6.8%	6.7%	6.7%
MEDIASET	31.9%	31.9%	32.1%	33.7%	33.9%	33.9%

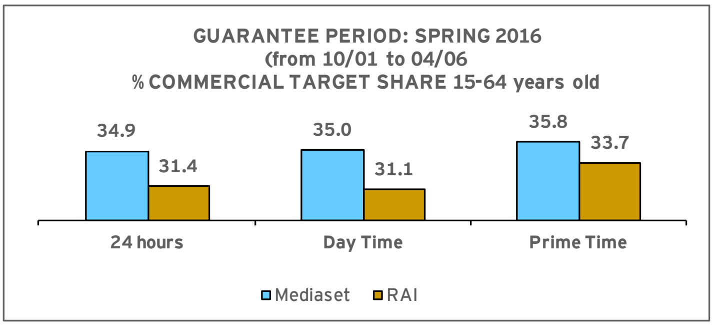
The Group remains the market leader with the commercial target audience for the three general interest channels in both the 24-hour period and the Day Time slot. Notably, Canale 5 is ranked first and Italia 1 is third in all time slots with the 15–64 year-old viewer target.



Mediaset's general interest channels held an audience share in the spring season of 26.3% over the 24-hour period, 26.5% in the Day Time slot and 26.8% in Prime Time. Considering the contribution of the

Group's digital channels, total audience share over the 24-hour period came to 32.8% of all viewers, 32.9% in the Day Time slot and 33.6% in Prime Time.

A positive contribution also came from the Multichannel Free and Pay networks, which added more than six points of audience share for overall viewers and seven points for the commercial target audience.



In **Spain**, Mediaset España Group's free-to-air networks at 30 June 2016 included Telecinco and Cuatro and the thematic channels Factoría de Ficción, Boing, Divinity, Energy and, as of April, the HD channel Be Mad TV. In terms of audience figures, Mediaset España consolidated its leadership position in the period. In particular, Mediaset España Group's **average audience share** over the 24-hour period in the half-year under review was **30.5%** of *all viewers* and 31.9% of the *commercial target audience*. Telecinco was also the audience leader with a 15.1% share of all viewers over the 24-hour period, and 14.4% of the commercial target audience.

Mediaset España also consolidated its web leadership position also in the half-year under review, in terms of unique visitors and page views.

The audience share breakdown for Mediaset España Group's general interest and thematic channels is reported below.

Audience Share Mediaset España 1H 2016	Individuals			Commercial Target		
	24 hours	Prime Time	Day Time 7:00-2:00	24 ore	Prime Time	Day Time
	15.1%	16.2%	14.6%	14.4%	14.9%	14.1%
	6.7%	5.9%	7.0%	7.7%	7.4%	7.9%
TOTAL GENERALIST NETWORKS	21.8%	22.1%	21.6%	22.1%	22.3%	22.1%
TOTAL MULTI CHANNEL	8.7%	8.1%	9.0%	9.8%	8.6%	10.4%
MEDIASET españa.	30.5%	30.3%	30.6%	31.9%	30.9%	32.5%

Main financial results

As reported in the section *Events after 30 June 2016*, given the interruption of the deal for the sale of Mediaset Premium, which eliminates the likelihood of the sale being realised within twelve months, the financial results of the company have been consolidated and recognised in this Half Year Report as "*Continuing operations*", as they were in the interim and annual reports for 2015. In the *Management Interim Statement at 31 March*, the company's results were instead stated separately, as on the basis of agreements entered into by Mediaset and Vivendi on 8 April 2016 the company was classified in accordance with IFRS 5 under "*Assets held for sale*".

In the first half of the year, core revenues in all the Group's main business areas showed growth, consolidating a trend seen in the first quarter of the year, in spite of the persistently high volatility of financial markets and the extreme complexity of world geopolitics.

In Italy, although domestic demand remains weak and expectations for its growth low, Mediaset's advertising revenues grew year-over-year for a fourth consecutive quarter. In Spain, advertising revenues earned by Mediaset España also continued to post growth, despite political uncertainty in the country.

Despite the positive revenue figures, as expected, the Group's consolidated financial results were adversely affected, compared to the same period of the previous year, by higher costs incurred as of the third quarter of 2015 for the acquisition of television broadcasting rights for the 2015–2016 season of soccer competitions (including exclusive three-year broadcasting rights for the UEFA Champions League). The availability of such content is fundamental to support growth in the customer base.

Key consolidated financial figures for the half-year compared to the corresponding period of the previous year are provided below.

Consolidated net revenues rose sharply to **EUR 1,870.6 million** (+8.7% versus EUR 1,721.1 million for the same period of 2015);

EBITDA rose to **EUR 714.2 million**, compared to EUR 667.1 million for the first half of 2015.

EBIT amounted to **EUR 97.3 million**, compared to EUR 137.0 million for the corresponding period of the previous year. Operating profitability was recorded at **5.2%**, versus 8.0% in 2015;

Income from continuing operations, before tax and minority interests fell to **EUR 56.0 million** from EUR 129.4 million at 30 June 2015; the figure was driven down in the first half of the year by charges connected with the early repayment of loans and the lower contribution of investees, which in the first half of 2015 was boosted by the significant gains realised on the sale of assets by Mediaset España.

Net earnings attributable to the Group amounted to **EUR -27.8 million**, compared to consolidated net earnings of EUR 24.2 million for the corresponding period of 2015.

Consolidated **net financial debt** rose from EUR 859.4 million at 31 December 2015 to **EUR 959.1 million** at 30 June 2016. The change over the reporting period was driven by investments totalling EUR 91.4 million in the first quarter of the year, made to increase the controlling stake held in Mediaset España through a share buyback plan implemented by the company, and dividend payouts by Mediaset S.p.A. and Mediaset España totalling EUR 106.1 million. Free cash flow from Italian and Spanish operations amounted to **EUR 152.8 million**.

Breaking down income results by geographical area:

In **Italy**:

- In the first half of 2016 **consolidated net revenues** from the Group's Italian operations rose to **EUR 1,349.7 million**, from the EUR 1,243.7 million recorded for the same period of the previous year.
- **Advertising revenues** in the half year continued the positive trend posted in recent quarters, driven by growing demand primarily in the television and radio segments. ***Gross advertising revenues*** during in the reporting period for media held under concessions by the Group (relating to free-to-air and pay television channels and the amount of sub-concessions on websites due to it) increased by ***3.7%*** compared to 2015. In the same period of 2015, Group advertising revenues posted a decrease of 0.8%. Growth in revenues was strongest in the second quarter of the year, posting an increase of 4.6% over the corresponding period of 2015. According to the latest figures released by Nielsen, in the first five months of the year, Mediaset's advertising revenues grew by 4.5% compared to the same period of 2015, against overall growth in the advertising market of 2.7%.
- **Revenues** from **Pay TV operations**, consisting of subscriptions, prepaid card sales and revenues from the sale of on-demand "Infinity" content, rose by 16.2% to **EUR 308.5 million**, compared to EUR 265.4 million for the first half of 2015, driven by strong growth in subscriptions and average revenues, thanks to the higher value of Mediaset Premium content as of 1 July 2015. At 30 June 2016, the customer base of Mediaset Premium was substantially stable compared to 31 December 2015.
- **Other revenues from integrated television operations** rose to **EUR 110.8 million**, from EUR 85.6 million for the same period of the previous year, driven primarily by the blockbuster success of Italian films distributed by the subsidiary Medusa Film, such as *Quo Vado* (produced by the subsidiary Taodue), which broke the Italian box-office record with over EUR 65 million in takings, and *Perfetti sconosciuti*.
- **EI Towers** revenues from non-Group customers totalled **EUR 34.9 million**, up from EUR 29.5 million for the corresponding period of 2015; growth in revenues was driven by new corporate acquisitions starting from the second half of last year.
- **EBIT** from Italian operations was negative for the period at **EUR -52.8 million** (EUR 26.5 million at 30 June 2015). The earnings figure was affected by higher costs for broadcasting rights to sports events for the 2015–2016 season, which kicked off in the third quarter of 2015.

In **Spain**:

- At the close of the first half of 2016, **consolidated net revenues** for the Mediaset España Group amounted to **EUR 521.6 million**, posting an increase of 9% over the same period of the previous year.
- **Gross television advertising revenues** rose to **EUR 508.0 million**, showing a 7.3% increase over the same period of the previous year. Mediaset España confirmed its leadership position on the TV advertising market, with a 43.6% share. According to the latest figures released by Infoadex, total advertising investments on the Spanish market rose by 4.7%, and the television advertising segment during the reporting period increased by 8.4% compared to the same period of the previous year. This means that the TV advertising market accounts for 53.3% of Spain's advertising market as a whole, again according to Infoadex figures.
- **Total costs** amounted to **EUR 371.5 million** in the first half of 2016, showing an increase of **1.1%** compared to the first half of the previous year; higher costs were driven in the first half by broadcasting rights to the UEFA Euro 2016 championship, for which the Mediaset España Group purchased a packet of rights for 23 matches. Over the past five years, optimisation policies have resulted in a cumulative half-year reduction of operating costs of EUR 139.9 million (-27.6%), without affecting the quality of the television product offered.
- As a result, **EBIT** rose to **EUR 150.1 million**, from EUR 111.0 million for the corresponding period of 2015, with an operating profitability of **28.8%** compared to 23.2% for the first half of 2015.

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 presentation of the income statement, balance sheet and cash flow figures shown below corresponds to the presentation adopted in the Report on Operations accompanying the Annual Consolidated Financial Statements. As such, the figures are restated with respect to the financial statements attached, 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, Consob Communication no. 0092543 of 3 December 2015 and ESMA Guidance 2015/1415 concerning alternative performance measures (or non-GAAP measures).

The performance figures provided refer to progressive totals at the end of the first half and second quarter of 2016 and 2015; balance sheet figures are stated at 30 June 2016 and at 31 December 2015.

As previously reported, given the interruption of the deal for the sale of Mediaset Premium, which eliminates the likelihood of the sale being realised within twelve months, the financial results of the company have been consolidated and recognised in this Half Year Report as "*Continuing operations*", as they were in the interim and annual reports for 2015. In the *Management Interim statement at 31 March*, the company's results were instead stated separately, as on the basis of agreements entered into by Mediaset and Vivendi on 8 April 2016 the company was classified in accordance with IFRS 5 under "*Assets held for sale*".

Finally, please note that income statement figures for the first half of 2015 have been restated to include retroactively the effects of the purchase price allocation process for assets and liabilities acquired through the acquisition of the company NewTelTowers S.p.A. by the EI Towers Group. As a result, the restated figures for the first half of 2015 show higher amortisation and depreciation for the period, by approximately EUR 0.5 million, and lower net earnings attributable to the Group, by EUR 0.1 million.

Group Performance

The consolidated income statement reported below shows the intermediate aggregates making up *earnings before interest, taxes, depreciation and amortisation* (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*	**IH 2016**	**IH 2015**	**2nd Quarter 2016**	**2nd Quarter 2015**
Total consolidated net revenues	**1,870.6**	**1,721.1**	**958.6**	**892.3**
Personnel expenses	269.0	269.8	132.6	135.7
Purchases, services, other costs	887.3	784.2	474.0	396.2
Operating costs	**1,156.4**	**1,054.0**	**606.6**	**531.9**
EBITDA	**714.2**	**667.1**	**352.0**	**360.4**
Rights amortization	549.2	464.7	242.4	235.6
Other amortization and depreciation	67.8	65.4	34.3	33.4
Amortization and depreciation	**616.9**	**530.1**	**276.7**	**269.0**
EBIT	**97.3**	**137.0**	**75.3**	**91.3**
Financial income/(losses)	(43.0)	(23.2)	(34.9)	(10.1)
Income/(expenses) from equity investments	1.7	15.6	2.0	10.9
EBT	**56.0**	**129.4**	**42.3**	**92.1**
Income taxes	(23.1)	(40.9)	(16.8)	(29.8)
Net profit from continuing operations	**32.9**	**88.5**	**25.5**	**62.3**
Net profit from discontinued operations	-	-	-	-
Minority interests in net profit	(60.7)	(64.4)	(35.3)	(38.7)
Group net result	**(27.8)**	**24.2**	**(9.8)**	**23.6**

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

MEDIASET GROUP	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Total consolidated net revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Costi operativi	61.8%	61.2%	63.3%	59.6%
EBITDA	**38.2%**	**38.8%**	**36.7%**	**40.4%**
Amortization and depreciation	33.0%	30.8%	28.9%	30.1%
EBIT	**5.2%**	**8.0%**	**7.9%**	**10.2%**
EBT	**3.0%**	**7.5%**	**4.4%**	**10.3%**
Group net result	**-1.5%**	**1.4%**	**-1.0%**	**2.6%**
Tax rate (EBT %)	41.3%	31.6%	39.8%	32.4%

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.

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*	**IH 2016**	**IH 2015**	**2nd Quarter 2016**	**2nd Quarter 2015**
Total consolidated net revenues	**1,349.7**	**1,243.7**	**667.7**	**635.1**
Personnel expenses	217.1	218.6	105.5	110.4
Purchases, services, other costs	670.8	560.9	346.2	283.0
Operating costs	**887.9**	**779.5**	**451.7**	**393.5**
EBITDA	**461.8**	**464.2**	**216.1**	**241.7**
Rights amortization	456.7	380.8	195.8	189.2
Other amortization and depreciation	57.9	56.8	29.6	29.4
Amortization and depreciation	**514.6**	**437.6**	**225.4**	**218.7**
EBIT	**(52.8)**	**26.5**	**(9.4)**	**23.0**
Financial income/(losses)	(42.6)	(23.5)	(35.1)	(9.8)
Income/(expenses) from equity investments	0.8	(0.6)	-	(0.4)
EBT	**(94.6)**	**2.4**	**(44.4)**	**12.8**
Income taxes	10.0	(11.1)	2.1	(11.3)
Net profit from continuing operations	**(84.7)**	**(8.6)**	**(42.3)**	**1.5**
Net profit from discontinued operations	-	-	-	-
Minority interests in net profit	(2.2)	(12.1)	(1.7)	(6.1)
Group net result	**(86.9)**	**(20.8)**	**(44.0)**	**(4.6)**

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

ITALY	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Total consolidated net revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Costi operativi	65.8%	62.7%	67.6%	62.0%
EBITDA	**34.2%**	**37.3%**	**32.4%**	**38.0%**
Amortization and depreciation	38.1%	35.2%	33.8%	34.4%
EBIT	**-3.9%**	**2.1%**	**-1.4%**	**3.6%**
EBT	**-7.0%**	**0.2%**	**-6.7%**	**2.0%**
Group net result	**-6.4%**	**-1.7%**	**-6.6%**	**-0.7%**
Tax rate (EBT %)	n.s.	n.s.	n.s.	n.s.

Below we report the performance of the Group's Italian operations broken down by business segment.

- **Integrated Television Operations**, including free-to-air and pay television broadcasting and accessory operations consisting of Web publishing, teleshopping, publishing, licensing and merchandising, movie production and distribution as well as the radio business operations relating to the company R101 which has been acquired in the latest month of September.
- **EI Towers**, including hosting, maintenance and management operations in relation to radio, television and wireless telecommunications networks run by the listed company EI Towers S.p.A..

The two abridged statements that follow report revenues and EBIT for the ***business segments*** identified.

REVENUES Business segments breakdown	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Integrated Television Operations	1,314.8	1,214.2	650.3	620.1
EI Towers	125.1	119.5	62.5	60.1
Eliminations	(90.2)	(90.0)	(45.1)	(45.0)
Total	**1,349.7**	**1,243.7**	**667.7**	**635.1**

OPERATING RESULT Business segments breakdown	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Integrated Television Operations	(91.7)	(7.7)	(26.7)	6.0
EI Towes	38.9	34.3	17.4	17.1
Total	**(52.8)**	**26.5**	**(9.4)**	**23.0**

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

Integrated Television Operations	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Gross advertising revenues	1,048.8	1,011.0	550.8	526.4
Agency discounts	(153.3)	(147.9)	(80.5)	(77.0)
Total net advertising revenues	**895.5**	**863.2**	**470.2**	**449.4**
Revenues from subscriptions/pre-paid cards	308.5	265.4	149.2	128.9
Other revenues	110.8	85.6	30.9	41.8
Total Revenues	**1,314.8**	**1,214.2**	**650.3**	**620.1**
Personnel expenses	195.2	195.8	94.4	98.7
Operating costs	627.3	518.8	323.2	262.1
TV and movie rights amortisation	456.7	380.8	195.8	189.2
Other amortisation and write-downs	38.6	38.1	19.3	20.0
Inter-segment costs	88.6	88.4	44.3	44.2
Total Costs	**1,406.5**	**1,221.9**	**677.1**	**614.2**
Operating Result	**(91.7)**	**(7.7)**	**(26.7)**	**6.0**
% on total revenues	n.s.	n.s.	n.s.	1.0%

As reported earlier, strong growth was seen over the reporting period in all components of core revenues from television broadcasting operations when compared to the same period of the previous year. The item "*other revenues*" includes for the half-year fees earned by Monradio, the parent of the radio broadcaster Radio 101, from advertising services provided under exclusive licence by the associate Mediamond, equal to EUR 4.5 million for the half year.

EBIT from television broadcasting operations was affected in the reporting period by higher operating costs and the amortisation of television broadcasting rights in relation to the effective commencement in the second half of 2015 of new three-year agreements (2015–2018) which assign to the Group exclusive broadcasting rights on all platforms to the UEFA Champions League (whereas in the first half of 2015 the Group only held free-to-air broadcasting rights for one weekly match) and live broadcasting rights to the Serie A championship matches of major Italian clubs.

(values in EUR million)

EI Towers	**IH 2016**	**IH 2015**	**2nd Quarter 2016**	**2nd Quarter 2015**
Revenues toward third parties	**34.9**	**29.5**	**17.4**	**15.0**
Intersegment revenues	90.2	90.0	45.1	45.0
Total revenues	**125.1**	**119.5**	**62.5**	**60.1**
Personnel expenses	**21.9**	**22.8**	**11.1**	**11.8**
Operating costs	43.5	42.1	22.9	20.9
Amortization and depreciation	19.3	18.7	10.3	9.4
Inter-segment costs	1.6	1.6	0.8	0.9
Total Costs	**86.3**	**85.2**	**45.1**	**43.0**
Operating Result	**38.9**	**34.3**	**17.4**	**17.1**
% on total revenues	31.1%	28.7%	27.8%	28.4%

The EI Towers Group posted growth for the half year in its EBIT, which rose to EUR 38.9 million, with operating profitability rising to 31.1%. Specifically, revenues rose to EUR 5.6 million, originated primarily from infrastructure user agreements and the provision of services to wireless telecommunications providers acquired through corporate acquisitions in the second half of 2015. Inter-segment revenues, relating to hosting, assistance, maintenance and logistics services, broadcasting infrastructure use and engineering services provided to the subsidiary Elettronica Industriale remained stable at EUR 90.2 million.

Growth in operating costs, which was nevertheless contained, was primarily driven by the addition of new companies within the scope of consolidation. During the period, EUR 2.3 million in accessory costs (EUR 2.4 million in the first half of 2015) were recognised in relation to new corporate acquisitions.

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*	**IH 2016**	**IH 2015**	**2nd Quarter 2016**	**2nd Quarter 2015**
Total consolidated net revenues	**521.6**	**478.5**	**290.8**	**257.8**
Personnel expenses	51.9	51.2	27.1	25.3
Purchases, services, other costs	217.1	223.8	127.8	113.2
Operating costs	**269.0**	**275.0**	**154.9**	**138.5**
EBITDA	**252.6**	**203.5**	**135.9**	**119.3**
Rights amortization	92.6	84.0	46.7	46.5
Other amortization and depreciation	9.9	8.6	4.7	4.0
Amortization and depreciation	**102.4**	**92.5**	**51.4**	**50.5**
EBIT	**150.1**	**111.0**	**84.6**	**68.9**
Financial income/(losses)	(0.4)	0.3	0.1	(0.3)
Income/(expenses) from equity investments	1.0	16.2	1.8	11.3
EBT	**150.7**	**127.5**	**86.5**	**79.8**
Income taxes	(33.1)	(29.9)	(19.0)	(18.5)
Net profit from continuing operations	**117.6**	**97.6**	**67.5**	**61.3**
Net profit from discontinued operations	-	-	-	-
Minority interests in net profit	0.2	0.2	0.1	0.1
Group net result	**117.7**	**97.8**	**67.6**	**61.5**

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

SPAIN	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Total consolidated net revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Operating costs	51.6%	57.5%	53.3%	53.7%
EBITDA	**48.4%**	**42.5%**	**46.7%**	**46.3%**
Amortization and depreciation	19.6%	19.3%	17.7%	19.6%
EBIT	**28.8%**	**23.2%**	**29.1%**	**26.7%**
EBT	**28.9%**	**26.6%**	**29.7%**	**31.0%**
Group net result	**22.6%**	**20.4%**	**23.2%**	**23.8%**
Tax rate (EBT %)	22.0%	23.4%	21.9%	23.2%

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

(values in EUR million)

SPAIN *Consolidated Revenues*	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Gross advertising revenues	**508.0**	**473.2**	**285.7**	**256.7**
Agency discounts	(18.9)	(19.3)	(10.7)	(10.4)
Net advertising revenues	**489.1**	**454.0**	**275.0**	**246.2**
Other revenues	32.5	24.6	15.8	11.6
Total net consolidated revenues	**521.6**	**478.5**	**290.8**	**257.8**

The increase reported in item **Other revenues** mainly refers to revenues from the distribution of movie co-productions and revenues from gambling and merchandising.

Total costs for the Mediaset España Group in the first half of 2016 rose by EUR 3.9 million over the figure for the first half of the previous year. The increase was relatively small considering that the half-year period included most of the costs relating to the broadcasting of major matches from the UEFA EURO 2016 championship.

At 30 June 2016, **EBIT** from Spanish operations totalled **EUR 150.1 million**, an increase on the EUR 111.0 million posted for the first half of 2015, with operating profitability recorded at 1.9%.

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

	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Financial (income)/losses	**(43.0)**	**(23.2)**	**(34.9)**	**(10.1)**

The change in financial expenses in the first half of 2016, compared to the same period of the previous year, was driven primarily by the early repayment of credit facilities and costs relating to hedging transactions connected with the Mediaset Premium –Vivendi deal.

	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
Result from equity investments	**1.7**	**15.6**	**2.0**	**10.9**

The change in *Income (expenses) from equity investments* was mainly due to the income recognised in the first half of 2015 of EUR 10 million in proceeds received by Mediaset España under the price adjustment relating to the sale of the 22% equity interest held in Digital Plus (DTS) to Telefonica and the EUR 5.4 million gain realised by Mediaset España from the sale of its equity interest in the company Grupo Yamm Comida a Domicilio S.L..

	IH 2016	IH 2015	2nd Quarter 2016	2nd Quarter 2015
EBT	**56.0**	**129.4**	**42.3**	**92.1**
Income taxes	(23.1)	(40.9)	(16.8)	(29.8)
Tax Rate (%)	29.2%	31.7%	31.4%	32.5%
Net profit from discontinued operations	-	-	-	-
Minority interests in net result	(60.7)	(64.4)	(35.3)	(38.7)
Group Net Result	**(27.8)**	**24.2**	**(9.8)**	**23.6**

Earnings for the reporting period are stated net of income **taxes**. Please note that in Spain the ordinary tax rate dropped in 2016 to 25% (28% in 2015).

Minority interests refer to the share of consolidated earnings attributable to Mediaset España (49.8%), EI Towers (60%), Mediaset Premium S.p.A. (11.1%) and Monradio S.r.l. (20%).

Statement of 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* less *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*.

(values in EUR million)

Balance Sheet Summary	**30/06/2016**	**31/12/2015**
TV and movie rights	2,129.5	2,205.9
Goodwill	980.8	975.1
Other tangible and intangible non current assets	1,141.8	1,166.5
Equity investments and other financial assets	101.5	105.7
Net working capital and other assets/(liabilities)	(536.5)	(556.8)
Post-employment benefit plans	(93.4)	(89.1)
Net invested capital	**3,723.6**	**3,807.1**
Group shareholders' equity	2,190.2	2,293.9
Minority interests	574.3	653.8
Total Shareholders' equity	**2,764.5**	**2,947.8**
Net financial position	**959.1**	**859.4**

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	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
TV and movie rights	1,901.9	2,017.9	228.7	189.0
Goodwill	329.5	323.9	288.1	288.1
Other tangible and intangible non current assets	871.5	890.9	270.3	275.5
Equity investments and other financial assets	1,025.7	1,028.7	28.6	29.7
Net working capital and other assets/(liabilities)	(585.9)	(652.3)	49.0	95.1
Post-employment benefit plans	(93.4)	(89.1)	-	-
Net invested capital	**3,449.2**	**3,520.0**	**864.7**	**877.5**
Group shareholders' equity	2,309.5	2,358.3	922.2	1,061.7
Minority interests	115.2	109.9	8.0	8.2
Total Shareholders' equity	**2,424.7**	**2,468.2**	**930.2**	**1,069.9**
Net financial position	**1,024.5**	**1,051.8**	**(65.4)**	**(192.4)**

In the table below, the Group's summary balance sheet at 30 June 2016 is broken down 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
TV and movie rights	1,901.9	228.7	(1.1)	2,129.5
Goodwill	329.5	288.1	363.2	980.8
Other tangible and intangible non current assets	871.5	270.3	-	1,141.8
Equity investments and other financial assets	1,025.7	28.6	(952.7)	101.5
Net working capital and other assets/(liabilities)	(585.9)	49.0	0.3	(536.5)
Post-employment benefit plans	(93.4)	-	-	(93.4)
Net invested capital	**3,449.2**	**864.7**	**(590.4)**	**3,723.6**
Group shareholders' equity	2,309.5	922.2	(1,041.4)	2,190.2
Minority interests	115.2	8.0	451.1	574.3
Total Shareholders' equity	**2,424.7**	**930.2**	**(590.4)**	**2,764.5**
Net financial position	**1,024.5**	**(65.4)**	**-**	**959.1**

The tables below show a summary consolidated **cash flow statement**, broken down by geographical area, 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 Group's ability to meet its financial obligations.

(values in EUR million)

	Mediaset Group	
Cash Flow Statement as at 30 June	**2016**	**2015**
Net Financial Position at the beginning of the year	**(859.4)**	**(861.3)**
Free Cash Flow	**152.8**	**283.1**
Cash Flow from operating activities (*)	677.6	646.3
Investments in fixed assets	(507.8)	(450.3)
Disposals of fixed assets	2.1	0.2
Changes in net working capitaland other current assets/liabilities	(19.0)	86.9
Change in the consolidation perimeter	(20.2)	(6.8)
Own share's sell/buyback	(91.4)	(71.6)
Equity investments/Invesment in other financial assets	(37.0)	93.0
Cashed-in dividends	2.2	2.2
Dividends paid	(106.1)	(66.9)
Financial Surplus/(Deficit)	**(99.7)**	**233.0**
Net Financial Position at the end of the period	**(959.1)**	**(628.2)**

(*): 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

Cash Flow Statement (geographical breakdown) as at 30 June	Italy 2016	Italy 2015	Spain 2016	Spain 2015
Net Financial Position at the beginning of the year	**(1,051.8)**	**(1,127.0)**	**192.4**	**265.7**
Free Cash Flow	**21.4**	**189.3**	**131.5**	**93.8**
Cash Flow from operating activities (*)	451.5	435.6	241.7	211.3
Investments in fixed assets	(371.3)	(327.6)	(136.6)	(123.2)
Disposals of fixed assets	1.5	0.1	0.6	0.1
Changes in net working capitaland other current assets/liabilities	(60.2)	81.2	25.8	5.6
Change in the consolidation perimeter	(20.2)	(6.8)	-	-
Own share's sell/buyback	-	-	(91.4)	(71.6)
Equity investments/Invesment in other financial assets	(35.7)	90.4	(1.3)	2.7
Cashed-in dividends	84.5	22.4	1.7	1.8
Dividends paid	(22.7)	(41.3)	(167.4)	(47.5)
Financial Surplus/(Deficit)	**27.3**	**253.9**	**(127.0)**	**(20.9)**
Net Financial Position at the end of the period	**(1,024.5)**	**(873.0)**	**65.4**	**244.8**

(*): 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 152.8 million**. Free cash flow from Italian operations recorded a positive EUR 21.4 million compared to EUR 189.3 million for the first half of 2015. The change was driven by higher expenditure on sports broadcasting rights in relation to the effective commencement of agreements for new seasons and the adverse trend in working capital, connected with the performance of advertising revenues in the two periods.

The table below shows the **increase of fixed assets** reported in the cash flow statement, broken down by geographical area.

Increased in fixed assets First Half	Italy 2016	Italy 2015	Spain 2016	Spain 2015
Investments in TV and movie rights	(341.1)	(286.6)	(132.8)	(119.8)
Changes in advances on TV rights	2.4	(16.4)	1.3	0.6
TV and movie rights: investments and advances	**(338.7)**	**(303.1)**	**(131.5)**	**(119.1)**
Investments in other fixed assets	(32.6)	(24.5)	(5.1)	(4.1)
Total investments in fixed assets	**(371.3)**	**(327.6)**	**(136.6)**	**(123.2)**

The negative cash flow of EUR 20.2 million connected with the item **Changes in the scope of consolidation** was driven primarily by outflows for expenses incurred by the EI Towers Group for corporate acquisitions in the telecommunications tower sector during the period under investigation and the previous year.

The item **Purchase/sale of treasury shares** relates to the payment of EUR 91.4 million for the purchase of treasury shares by the subsidiary Mediaset España.

Investments/other financial assets for the first half of 2016 mainly includes EUR 33 million paid for the purchase of financial instruments designated as hedges in relation to the Mediaset Premium – Vivendi deal and investments/disinvestments made as part of the *Ad4Ventures* business, as detailed in Note 5.2. In the first half of 2015, the item mainly consisted of proceeds totalling EUR 100 million from the sale of an 11.1% equity interest in the subsidiary Mediaset Premium S.p.A..

Dividends paid in 2016 refer to dividends paid out by Mediaset S.p.A. for a total of EUR 22.7 million and by the subsidiary Mediaset España for a total of EUR 83.4 million.

Group headcount

At 30 June 2016, the Mediaset Group headcount came to **5,491 employees** (5,584 at 30 June 2015 and 5,484 at 31 December 2015).

The following tables show the change in the workforce for the reporting period, broken down by employment grade for the two geographical areas of operation.

Number of employees (including temporary staff) as at 30 June	**ITALY**		**SPAIN**	
	2016	**2015**	**2016**	**2015**
Managers	282	284	117	119
Journalists	357	348	142	142
Middle managers	831	840	79	83
Office workers	2,729	2,795	920	902
Industry workers	11	47	23	24
Total	**4,210**	**4,314**	**1,281**	**1,270**

Average workforce (including temporary staff) 1H	**ITALY**		**SPAIN**	
	2016	**2015**	**2016**	**2015**
Managers	283	289	118	120
Journalists	338	328	142	143
Middle managers	838	847	80	81
Office workers	2,747	2,836	919	897
Industry workers	21	44	23	24
Total	**4,227**	**4,345**	**1,282**	**1,265**

Related-party transactions

Transactions conducted with related parties do not qualify as "atypical" or "unusual", and are part of the normal course of business of the Group companies. Such transactions are conducted at arm's length, considering the nature of the goods and services provided. Detailed information on the impact on Group performance, financial position and cash flow of transactions conducted with holding companies, associates, joint ventures and affiliates is provided in Note 8, together with the disclosures required by the Consob Communication of 29 July 2006.

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.

Events after 30 June 2016

On **1 July 2016**, Mediaset exercised conversion option held on 50% of the share capital of RB1, the holding company of the Finelco Group, thus acquiring control of the holding. Following the conversion and the purchase of additional interests in RB1 S.p.A. directly from the Hazan family during the second quarter of the year, Mediaset holds 72.12% of the share capital of RB1 S.p.A.. Agreements currently in place provide for RTI S.p.A. to acquire the residual equity interests held by the Hazan family in RB1 S.p.A..

The acquisition of the controlling interest in RB1, together with the acquisition in the autumn of 2015 of R101, a radio broadcaster undergoing a radical new makeover, will enable the creation of "RadioMediaset", Italy's biggest radio broadcasting hub by audience share and advertising revenues, bringing together the Group's radio stations R101, Radio 105 and Virgin Radio and the partnership with Radio Monte Carlo. The sale of advertising space on RadioMediaset is licensed exclusively to the advertising agency Mediamond – owned 50% by Mediaset and 50% by Mondadori – which presently has a total of eight broadcasters in its portfolio: R101, Radio 105, Virgin Radio, Radio Monte Carlo, Radio Italia, Radio KissKiss, Radio Subasio, and Radio Norba.

On **25 July 2016**, Vivendi notified Mediaset of an alternative proposal to the arrangements made in the agreement signed on 8 April 2016. The proposal changes the industrial interests at the basis of the agreement, significantly affecting the ownership structure of Mediaset.

In the proposal, Vivendi confirmed its interest in exchanging 3.5% of Vivendi shares for 3.5% of Mediaset shares, but offers to purchase only 20% of Mediaset premium shares and bring its equity interest in Mediaset up to approximately 15% over three years through a convertible bond issue.

The notification received from Vivendi does not address the issue of the injunction served by Mediaset demanding performance of contractual obligations, which to date have yet to be fulfilled – first and foremost the obligation to promptly notify the EU Competition Commission of its acquisition of control of Mediaset Premium.

Moreover, on 25 July, the Chief Executive Officer of Vivendi verbally informed Mediaset that Vivendi does not intend to honour the agreement made.

The notification from Vivendi was entirely unexpected and not agreed in advance by Mediaset. It represents a clear breach of the commitments undertaken by Vivendi in the agreement signed on 8 April of this year, an agreement negotiated at length and finalised with the approval of all the competent boards of the parties.

On **28 July**, the Board of Directors of Mediaset resolved to reject the alternative Vivendi proposal, judged to be unacceptable as it is incompatible with the binding agreement signed previously. Accordingly, the Board gave directors power of attorney to pursue all suitable action to enforce performance of the agreement by Vivendi and, in the event of inaction by the latter, to seek civil and criminal remedies to protect the interests of the company.

Risks and uncertainties for the remaining part of the year

In carrying on its business, the Group is structurally exposed to risks and uncertainties primarily connected with the general economic context and competition in the sectors and markets in which it operates.

In the forthcoming quarter, economic trends will continue to be one of the key sources of uncertainty for the Group's business. In particular, there is the potential impact of Brexit on economic growth in the Euro zone, although the ECB has stated that it is prepared to combat such impacts by stepping up and/or extending its expansive monetary policy stance through its quantitative easing programme.

The television advertising market in Italy in the first half of the year posted much stronger growth than most key macroeconomic indicators and GDP. The trend is expected to continue throughout the second half of the year, although most probably at a lower rate. Another persistent source of uncertainty for advertising revenues in Italy continues to be the extreme aggressiveness of our main competitors, for which the Group will continue to adopt a strategy focused on defending its profitability, expanding its television broadcast offering and developing new content initiatives designed to create a more complementary range of content across its free-to-air networks, linear and on-demand pay television services, and web and radio services.

In relation to Pay TV, the turnaround in negotiations with the Vivendi Group with respect to the binding agreement signed by the parties on 8 April will not affect the Group's commitment in the second half of the year to pursuing the growth targets it has set for the customer base and revenues, based on the exclusive content it offers and the growing appeal of the Italian clubs that have qualified for the forthcoming season of the UEFA Champions League.

In Spain, positive economic growth is expected to continue over the next quarter, underpinning growth in advertising investment, despite the political uncertainty that persists in the country.

As usual, the consolidated annual results will be subject to impairment testing of goodwill and other company assets; these measurement processes will be conducted in full when preparing the draft financial statements at December 31, when the information contained in the updated multiannual plans of the respective Cash Generating Units will also be available. At the date of this half year report, consideration of the main external and internal factors has not, in any case, led to the revision of the measurements arising from the plans approved while preparing the last consolidated financial statements.

Forecast for the year

In Italy, the trend in advertising revenues for the Group is expected to remain positive also in the third quarter, despite the impact in July and August of important international sports events (the finals of the European Football Championship in the first half of July and the Olympic Games in August) broadcast by our main competitors. In September, advertising sales are expected to benefit positively from the launch of the new autumn television season, which will feature a renewed and further reinforced offer by Mediaset.

The consolidated results in the second half of the year are expected to show television costs more in line than in the same period of 2015 due to the continued offer of the Mediaset Premium sports content, as well as benefitting from a further increase in characteristic revenues for pay-TV services and the positive contribution of the results generated by Mediaset España. These positive factors could be negatively impacted both by delays in decisions regarding the operations of Mediaset Premium - caused by the interim management due to the respect of the terms of the contract with Vivendi - and by commercial and operational decisions by Vivendi not foreseen in the original budget of Mediaset Premium. From the beginning of July also the companies belonging to the RB1/Finelco Group will be fully consolidated, though this is not expected to have a significant effect on the Group's margins in the second half of the year.

for the Board of Directors
the Chairman

Mediaset Group

Interim Consolidated Financial Statements and Explanatory Notes

MEDIASET GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)

ASSETS	Notes	30/06/2016	31/12/2015
Non current assets			
Property, plant and equipment	5.1	452.7	461.4
Television and movie rights	5.1	2,129.5	2,205.9
Goodwill	5.1	980.8	975.1
Other intangible assets	5.1	689.1	705.0
Investments in associates and joint venture	5.2	55.7	61.8
Other financial assets	5.2	45.8	44.6
Deferred tax assets	5.3	420.6	409.4
TOTAL NON CURRENT ASSETS		**4,774.1**	**4,863.2**
Current assets			
Inventories		30.4	39.7
Trade receivables	5.4	1,287.1	1,407.1
Tax receivables	5.5	51.1	55.7
Other receivables and current assets		278.2	311.3
Current financial assets	5.9	95.3	67.8
Cash and cash equivalents	5.9	256.5	351.6
TOTAL CURRENT ASSETS		**1,998.7**	**2,233.2**
Non current assets held for sale		-	-
TOTAL ASSETS		**6,772.8**	**7,096.4**

MEDIASET GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30/06/2016	31/12/2015
Share capital and reserves			
Share capital		614.2	614.2
Share premium reserve		275.2	275.2
Treasury shares		(416.7)	(416.7)
Other reserves	5.6	828.0	834.3
Valuation reserve	5.7	(39.7)	(19.3)
Retained earnings		956.9	1,002.1
Net profit for the period		(27.8)	4.0
Group Shareholders' Equity		**2,190.2**	**2,293.9**
Minority interests in net profit		60.7	106.6
Minority interests in share capital, reserves and retained earnings		513.6	547.3
Minority interests		**574.3**	**653.9**
TOTAL SHAREHOLDERS' EQUITY		**2,764.5**	**2,947.8**
Non current liabilities			
Post-employment benefit plans		93.4	89.1
Deferred tax liabilities	5.3	66.8	68.9
Financial liabilities and payables	5.9	601.2	1,108.1
Provisions for non current risks and charges	5.8	59.0	59.8
TOTAL NON CURRENT LIABILITIES		**820.5**	**1,326.0**
Current liabilities			
Financial payables	5.9	360.6	93.9
Trade and other payables		2,195.7	2,368.9
Provisions for current risks and charges	5.8	31.4	57.1
Current tax liabilities		13.4	1.2
Other financial liabilities	5.9	345.3	70.7
Other current liabilities		241.5	230.8
TOTAL CURRENT LIABILITIES		**3,187.8**	**2,822.7**
Liabilities related to non current assets held for sale		-	-
TOTAL LIABILITIES		**4,008.2**	**4,148.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**6,772.8**	**7,096.4**

MEDIASET GROUP

INTERIM CONSOLIDATED INCOME STATEMENT

(EUR million)

STATEMENT OF INCOME	Notes	1H 2016	1H 2015
Sales of goods and services		1,852.3	1,704.6
Other revenues and income		18.3	16.5
TOTAL NET CONSOLIDATED REVENUES		**1,870.6**	**1,721.1**
Personnel expenses		269.0	269.8
Purchases, services, other costs		887.3	784.2
Amortisation, depreciation and write-downs		616.9	530.1
Impairment losses and (reversal) of impairment on fixed assets		-	-
TOTAL COSTS		**1,773.3**	**1,584.1**
EBIT		**97.3**	**137.0**
Financial income/(expenses)	**5.10**	(43.0)	(23.2)
Income/(expenses) from equity investments		1.7	15.6
EBT		**56.0**	**129.4**
Income taxes	**5.11**	**23.1**	40.9
NET PROFIT FROM CONTINUING OPERATIONS		**32.9**	**88.5**
Net Gains/(Losses) from discontinued operations		-	-
NET PROFIT FOR THE PERIOD		**32.9**	**88.5**
Attributable to:			
- Equity shareholders of the parent company		(27.8)	24.2
- Minority Interests		60.7	**64.4**
Earnings per share	**5.12**	(0.2)	0.02
- Basic		(0.2)	0.02
- Diluted		-	-

MEDIASET GROUP

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR million)

	Notes	1H 2016	1H 2015
PROFIT OR (LOSS) FOR THE PERIOD		**32.9**	**88.5**
OTHER COMPREHENSIVE INCOME RECYCLED TO PROFIT AND LOSS		**(12.5)**	**(25.3)**
Changes arising from translating the financial statement of foreign operations		-	-
Effective portion of gains and losses on hedging instruments (cash flow hedge)	5.7	(16.2)	(29.5)
Gains and losses on available-for-sale financial assets	5.6	-	(5.4)
Other gains and losses of associates valued by equity method	5.6	(0.1)	-
Other gains and losses		-	-
Tax effects		3.8	9.6
OTHER COMPREHENSIVE INCOME NOT RECYCLED TO PROFIT AND LOSS		**(6.0)**	**3.2**
Changes in revaluation surplus		-	-
Actuarial gains and losses on defined benefit plans	5.7	(7.7)	4.5
Other gains and losses of associate valued by equity method	5.6	(0.2)	-
Other gains and losses		-	-
Tax effects		1.8	(1.2)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX EFFECTS (B)		**(18.6)**	**(22.1)**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**14.3**	**66.5**
attributable to: - oweners of parent		(45.9)	3.9
- non controlling interests		60.2	62.6

MEDIASET GROUP

INTERIM CONSOLIDATED CASH FLOWS STATEMENT

(EUR million)

	Notes	1H 2016	1H 2015
CASH FLOW FROM OPERATING ACTIVITIES:			
Operating profit		97.3	137.0
+ Depreciation and amortisation		616.9	530.1
+ Other provisions and non-cash movements		7.9	8.9
+ Change in trade receivables		120.0	41.4
+ Change in trade payables		104.7	133.9
+ Change in other assets and liabilities		(3.2)	(67.6)
- Interests (paid)/received		(1.7)	(0.9)
- Income tax paid		(20.8)	(18.9)
Net cash flow from operating activities [A]		**921.2**	**764.0**
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds from the sale of fixed assets		2.1	0.2
Proceeds from the sale of equity investments		-	10.8
Interests (paid)/received		-	0.3
Purchases in television rights		(473.9)	(405.8)
Changes in advances for television rights		3.7	(15.8)
Purchases of other fixed assets		(37.7)	(28.6)
Equity investments		(3.0)	(8.8)
Changes in payables for investing activities		(277.9)	(51.7)
Proceeds/(Payments) for hedging derivatives		(30.4)	41.5
Changes in other financial assets		(25.5)	15.7
Dividends received		2.1	2.2
Business Combinations net of cash acquired	6.1	(15.4)	(6.8)
Changes in consolidation area	6.2	-	100.0
Net cash flow from investing activities [B]		**(856.0)**	**(346.7)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Change in treasury shares	6.3	(91.4)	(71.6)
Changes in financial liabilities		58.2	(209.4)
Corporate bond		-	-
Dividends paid		(106.0)	(66.9)
Changes in other financial assets/liabilities		(0.3)	2.1
Interests (paid)/received		(20.7)	(48.0)
Net cash flow from financing activities [C]		**(160.3)**	**(393.8)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]		**(95.1)**	**23.5**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]		**351.6**	**457.3**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]		**256.5**	**480.8**

MEDIASET GROUP

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR million)

	Share capital	Share premium reserve	Legal reserve and other reserves	Company's treasury shares	Valuation reserve	Retained earnings/(accumulate losses)	Profit/(loss) for the period	Total Group shareholders'equity	Total shareholder Equity attribtable to minority interests	TOTAL SHARE HOLDERS' EQUITY
Balance at 1/01/2015	**614.2**	**275.2**	**755.4**	**(416.7)**	**(4.0)**	**1,074.9**	**23.7**	**2,322.8**	**722.7**	**3,045.6**
Business Combinations	-	-	-	-	-	23.7	(23.7)	-	-	-
Allocation of the parent company's 2015 net profit	-	-	(2.1)	-	-	(20.6)	-	(22.7)	(44.2)	(66.9)
Dividends paid by the parent company	-	-	-	-	-	-	-	-	-	-
(Purchase)/sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Profits/(losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Changes in controlling stake on subsidiaries	-	-	82.9	-	(0.2)	(21.9)	-	60.8	(30.1)	30.7
Business Combinations	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(1.1)	-	(1.1)	(1.1)	(2.2)
Comprehensive income/(loss)	-	-	(1.8)	-	(18.5)	-	24.3	4.0	62.8	66.8
Balance at 30/06/2015	**614.2**	**275.2**	**834.4**	**(416.7)**	**(22.7)**	**1,055.0**	**24.3**	**2,363.8**	**710.1**	**3,073.9**
Final 2015 Purchase Price Allocation							**(0.1)**	**(0.1)**	**(0.2)**	**(0.3)**
Final balance at 30/06/2015	**614.2**	**275.2**	**834.4**	**(416.7)**	**(22.7)**	**1,055.0**	**24.2**	**2,363.7**	**709.9**	**3,073.6**
Balance at 1/01/2016	**614.2**	**275.2**	**834.3**	**(416.7)**	**(19.3)**	**1,002.1**	**4.0**	**2,293.9**	**653.8**	**2,947.8**
Business Combinations	-	-	-	-	-	4.0	(4.0)	-	-	-
Allocation of the parent company's 2015 net profit	-	-	-	-	-	(22.7)	-	(22.7)	(83.3)	(106.0)
Dividends paid by the parent company	-	-	-	-	(2.5)	3.2	-	0.7	-	0.7
(Purchase)/sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Profits/(losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Changes in controlling stake on subsidiaries	-	-	-	-	-	(29.7)	-	(29.7)	(60.0)	(89.8)
Business Combinations	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	(6.0)	-	-	-	-	(6.0)	3.7	(2.3)
Comprehensive income/(loss)	-	-	(0.3)	-	(17.9)	-	(27.8)	(45.9)	60.2	14.3
Balance at 30/06/2016	**614.2**	**275.2**	**828.0**	**(416.7)**	**(39.7)**	**956.9**	**(27.8)**	**2,190.2**	**574.3**	**2,764.5**

EXPLANATORY NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS AT 30 JUNE 2016

1. Basis of preparation

These half-yearly condensed consolidated financial statements, prepared in accordance with IAS 34 – Interim Financial Reporting – are based on the same accounting standards and measurement criteria adopted in preparing the consolidated financial statements at 31 December 2015, to which reference is made, except for the adoption of new standards, amendments and interpretations effective from 1 January 2016 and for some complex measurement processes, including the impairment tests designed to ascertain any impairment of fixed assets. In the absence of indicators, events, or circumstances such as to change the measurements previously made, these tests are generally carried out when preparing the annual financial statements, when the information is available for this process to be completed in a comprehensive manner. However, in relation to Pay TV assets, the directors conducted tests on key performance indicators in relation to assumptions made in the latest business plan approved; the tests did not result in a revision of assessments based on plans approved during the preparation of the last consolidated financial statements.

Finally, actuarial valuations needed to determine *employee benefits provisions* are normally drawn up on a semi-annual basis.

These half-yearly condensed consolidated financial statements do not contain all information and disclosures required for the annual financial statements and should therefore be read in conjunction with the Consolidated Financial Statements at 31 December 2015.

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, costs, assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date.

Income taxes for the period were recognised based on the best estimate of the weighted average tax rate expected for the entire year.

The consolidated interim results of the Mediaset Group are affected by the seasonal nature of advertising revenues, traditionally more concentrated in the first half of the year.

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

In addition, the comparative amounts in the income statement and balance sheet at 30 June 2015 were restated to reflect the purchase price allocation process for the assets and liabilities recorded as a result of the acquisition of NewTelTowers S.p.A. by the EI Towers Group at 31 December 2015. In particular, these effects resulted in an increase of EUR 0.5 million in amortisation to take account of the amortisation of the assets allocated to customer relations, net of the relative tax effect, with a lower impact on the Group of EUR 0.1 million.

These half-yearly condensed consolidated financial statements have been subject to limited audit by the independent auditors EY S.p.A. (formerly Reconta Ernst & Young S.p.A.).

2. New accounting standards, amendments and interpretations effective from 1 January 2016

From 1 January 2016, the following accounting standards and/or amendments and interpretations of previous standards in force have become applicable.

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 25 September 2014, the IASB published the document "Annual Improvements to IFRSs: 2012-2014 Cycle", which partially supplements the existing standards. The amendments introduced must be applied for annual periods beginning as of 1 January 2016 or later.

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.

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 amendments introduced must be applied for annual periods beginning as of 1 January 2016 or later.

The document introduces amendments to the following standards:

- 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.

3. Key information relating to the scope of consolidation

The main changes in the scope of consolidation during the period under review are summarised below.

With regard to the subsidiaries, associate and joint control companies, we note that:

- on **16 March 2016**, the subsidiary RTI S.p.A. subscribed an increase in the capital of **Blasteem S.r.l.**, thereby raising its equity interest in the company from 28% to 40%;
- on **31 March 2016**, the subsidiary Publiespaña S.A. acquired 50% of the share capital of **Aunia Publicitad Interactiva S.L.U.**, a company operating in the online advertising sector. This investment was consolidated using the equity method;
- on **31 May 2016**, the subsidiary EI Towers S.p.A. created the new company **EIT Radio S.r.l.** , specialised in the management of radio broadcasting infrastructure;
- on **31 May 2016**, the subsidiary EI Towers S.p.A. acquired 100% of the share capital of **Fortress Italia S.r.l.**, a company that manages 26 transmission towers primarily hosting radio broadcasters;
- on **8 June 2016**, the subsidiary RTI S.p.A. acquired 3.12% of the share capital of the company **RB1 S.p.A.** , thereby raising its equity interest in the company from 69% to 72.12%;

- on **10 June 2016**, the subsidiary Towertel S.p.A. acquired 100% of the share capital of **SA OGHE T.C. S.r.l.**, a company that manages 26 transmission towers hosting mobile telephone service providers;

On **20 February 2016**, the share buyback plan approved by the Board of Directors of Mediaset España on 28 October 2015 was brought to term; the plan targeted 14,232,590 shares, equal to 3.89% of the share capital. On 13 April 2016, the shareholders of Mediaset España passed a resolution approving the reduction of the share capital by EUR 14.7 million through the cancellation of 29,457,794 million shares, representing 8.04% of the share capital. As a result of the reduction of the shares, the Group's stake in Mediaset España increased from 48.76% at 31 December 2015 to 50.2% at 30 June 2016.

With reference to the minority interests held as part of the *AD4Venture* programme, on **4 February 2016**, RTI S.p.A. and Advertisement 4Adventures SLU (Mediaset España Group) acquired 7.7% and 6.7% respectively of the share capital of Job Digital Network SL.

In addition, we report that on **11 May 2016**, the subsidiary RTI S.p.A. subscribed an increase in the capital of the company Westwing Group Gmbh.

Finally, on **30 May 2016**, the subsidiary RTI S.p.A. sold its 7.81% equity interest in the company Farman New Co S.r.l.

4. Business combinations

As reported in the section *Key information relating to the scope of consolidation*, the EI Towers Group completed its acquisition on 31 May of 100% of the share capital of the company Fortress Italia S.r.l., which operates 26 towers used primarily for radio broadcasting; subsequently, on June 10, the group acquired the company Sa Oghe T.C. S.r.l., which operates 26 towers hosting mobile telephone service providers.

The transactions constitute 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 half-yearly condensed 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 asset	**Book values recorded in the acquired company at the acquisition date**
Tangible and Intangible assets	1.1
Other assets/(liabilities)	(1.0)
Total net asset acquired	**0.1**
Total acquisition cost	5.7
Goodwill	**5.6**

5. Comments on the main changes in assets, liabilities, revenues and expenses

5.1 Tangible and intangible fixed assets, Television and movie broadcasting rights

	Property, plant and equipment	Television and movie rights	Goodwill	Other intangible assets	TOTAL
Balance at 31/12/2015	**461.4**	**2,205.9**	**975.1**	**705.0**	**4,347.4**
Changes in the consolidation area	1.1	-	5.6	0.0	6.7
Additions	28.7	404.6	-	74.5	507.8
Other changes	0.4	68.8	-	(71.6)	(2.3)
Disposals	(0.7)	(0.6)	-	(0.8)	(2.1)
Amortisation, depreciation and write-downs	(38.2)	(549.2)	-	(18.1)	(605.5)
Balance at 30/06/2016	**452.7**	**2,129.5**	**980.8**	**689.1**	**4,252.1**

The main changes with respect to the figures shown in the consolidated financial statements at 31 December 2015 are summarised below:

- increases in **television and movie broadcasting rights** totalled EUR 473.8 million, of which EUR 404.6 million consisted of purchases in the period and EUR 69.2 million consisted of the capitalisation of advances paid in previous periods to suppliers (recognised as "Assets in progress and advances" at 31 December 2015).
- increases in **property, plant and equipment** totalled EUR 29.1 million, of which EUR 6.8 million consisted of CAM WIFI purchases, EUR 3.0 million referred to the digitalisation of television studios, EUR 3.8 million consisted of technical investments in transmission network equipment and the purchase of land and towers and EUR 3.7 million consisted of EI Towers Group investments for the implementation of the national multiplex for the Cairo Communication Group.
- increases in **other intangible assets** totalled EUR 74.4 million and referred primarily to increases in assets in progress and advances on future purchases of broadcasting rights and increases to customer relations, following the acquisition by the EI Towers Group of leases on land and towers. As reported earlier in relation to broadcasting rights, *Other changes* include decreases totalling EUR 69.2 million, relating to the capitalisation of advances paid in previous periods to suppliers.
- increase of EUR 5.6 million in **Goodwill**, referring to the provisional allocation of the difference between the price paid and the net carrying amount of assets acquired with the acquisition of the companies Fortress S.r.l. and Sa Oghe T.C. S.r.l., as required by IFRS 3.

With respect to impairment assessment processes, the audit carried out on 30 June both compared to the management performance of Cash Generating Units for the period and key external indicators did not highlight facts that would have led to a change in the estimate of recoverable values made during the preparation of the Consolidated Financial Statements at 31 December 2015. With respect to external indicators in particular, it should be noted that the market capitalisation of Mediaset, Mediaset España and EI Towers at 30 June 2016 was greater than the carrying amount of the relevant assets and that the value of the financial parameters assumed when determining the discount rate were lower than those used when preparing the Financial Statements at 31 December 2015.

5.2 Investments in associates and joint ventures and other financial assets

	Equity investments in associates and joint venture	Investments in other companies	Receivables and other financial assets	Total equity investments and other financial assets
Balance at 31/12/2015	**61.8**	**26.9**	**17.7**	**106.4**
Additions	3.0	3.8	0.2	7.0
Disposals	-	-	(1.7)	(1.7)
Write-ups /(Write-offs)	(0.2)	-	-	(0.2)
Other changes	(9.0)	-	(1.2)	(10.2)
Balance at 30/06/2016	**55.7**	**30.8**	**15.0**	**101.5**

With respect to the item Equity investments in associates and joint ventures, period increases refer to:

- the purchase, for a total of EUR 2.5 million, of 3.12% of the share capital of RB1 S.p.A., raising the equity interest held from 69% to 72.12%;
- the subscription, for a total of EUR 0.5 million, by the subsidiary RTI S.p.A. of an increase in the share capital of Blasteem S.r.l., raising the equity interest held from 28% to 40%.

The item Other changes includes dividends paid by associates and joint ventures and the effects of the measurement at equity of components charged directly to the shareholders' equity of the investee.

Increases in the item *Investments in other companies* were driven by equity investments made under the *AD4Venture* programme, as reported in the section "*Key information relating to the scope of consolidation*", for a total of EUR 3.8 million.

The main changes in the item *Receivables and other financial assets* relate to the reclassification to the item *Other receivables and current assets* of the current portion of receivables due within one year from the associate Boing S.p.A..

5.3 Deferred Tax Assets and Liabilities

The increase in *Deferred tax assets* of EUR 11.2 million mainly relates to uses generated by the temporary mismatch of the tax and financial values of assets and liabilities and the recognition of deferred tax assets totalling EUR 32.8 million generated during the period by the transfer of tax losses at 30 June from companies scoped in for Italian tax consolidation purposes. At 30 June 2016, based on the estimate of deferred and current taxes for the period in accordance with IAS 34, deferred tax assets relative to tax losses carried forward for an unlimited period for IRES tax purposes amounted to EUR 107.2 million. These amounts were recoverable within the time horizon of the Group's latest business plans approved.

The decrease in *Deferred tax liabilities* of EUR 2.1 million mainly relates to uses generated by the temporary mismatch of the tax and financial values of assets and liabilities.

5.4 Trade receivables

	30/06/2016	31/12/2015
Receivables from customers	1,251.9	1,370.2
Receivables from related parties	35.2	36.8
Total	**1,287.1**	**1,407.1**

The item receivables from customers includes receivables from Sky Italia S.r.l., amounting to EUR 444.9 million (EUR 544.6 million at 31 December 2015), relating to the sub-license of the D package of broadcasting rights to 132 matches of the Serie A League Championship for the 2015–2018 seasons.

The breakdown of receivables from related parties is reported in Note 7 (*Related-Party Transactions*).

5.5 Tax credits

This item, amounting to EUR 51.1 million (EUR 55.7 million at 31 December 2015) 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. The item includes EUR 9.4 million of tax credits relating to the subsidiary Mediaset España.

5.6 Other reserves

	30/06/2016	31/12/2015
Legal reserve	122.8	122.8
Equity investment evaluation reserve	(6.2)	-
Consolidation reserve	(79.1)	(79.1)
Reserves for minority transaction	466.2	466.2
Other reserves	324.3	324.3
TOTALE	**828.0**	**834.3**

The change in the item *Reserves from measurement at equity* consists of components charged directly to the shareholders' equity of the investee for equity investments valued with the equity method.

5.7 Valuation reserves

The table below shows the changes occurred during the period.

	Cash flow hedge reserve	Stock option and incentive plans	Actuarial Gains/(Losses)	Total valuation reserves
Balance at 31/12/2015	**(0.1)**	**4.7**	**(23.9)**	**(19.3)**
Increase/(decrease)	(1.1)	0.7	(7.0)	(7.4)
Through Profit and Loss account	4.3	-	-	4.3
Opening balance adjustment of the hedged item	(0.1)	-	-	(0.1)
Fair value adjustments	(19.5)	-	-	(19.5)
Deferred tax effects	3.8	-	1.7	5.5
Other changes	-	(3.2)	-	(3.2)
Balance at 30/06/2016	**(12.6)**	2.2	**(29.2)**	**(39.7)**

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. Transfers to the income statement include EUR -0.6 million relating to derivative instruments designated as hedges against foreign exchange risk and EUR 4.9 million relating to the effects of interest rate hedges.

The **Reserve for stock option plans and incentive plans** at 30 June 2016 consists 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 period includes 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 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.

5.8 Risk provisions and contingent liabilities

Key updates are provided below on the lawsuits pending and contingent liabilities associated with them, which were reported in the financial statements at 31 December 2015.

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. The ruling of the appeals court has been challenged in the Court of Cassation.

In the first half of the year, the subsidiary Publitalia ’80 reached a settlement with the Italian Revenue Agency over a dispute regarding agency arrangements for the years 2007 to 2013. The settlement agreement was made on the basis of an acceptance of assessment, which entailed the payment of taxes, fines and interest totalling EUR 12.4 million, drawing on provisions of EUR 6.5 million allocated at 31 December 2015.

In relation to the appeal lodged with the Spanish Antitrust Authority (CNMC) concerning the Telecinco/Cuatro deal, reported in the financial statements at 31 December 2015, on **12 May 2016** the CNMC handed down a new decision that reduced the fine imposed on Mediaset España to EUR 1.7 million. A new appeal has been lodged against the decision with the Spanish National Court (Audiencia Nacional) to have the fine reduced to an amount more proportionate to the infringement committed. Therefore, since the company believed that the risk was unfounded, it decided not to allocate any specific provisions for it.

5.9 Net Financial Position

Below is a breakdown of the ***consolidated net financial position*** as required by Consob communication no. 6064293 dated 28 July 2006; the Group's current and non-current financial debt is detailed separately in the table.

For a breakdown of changes in the net financial position over the period, see the section on the Group's balance sheet and financial structure in the Management Interim Statement.

	30/06/2016	31/12/2015
Cash in hand and cash equivalents	0.1	0.1
Bank and postal deposits	256.4	351.5
Securities and other current financial assets	20.1	14.2
Total liquidity	**276.6**	**365.8**
Current financial receivables	**63.5**	**41.6**
Due to banks	(360.6)	(91.3)
Current portion of non current debt	(325.9)	(45.4)
Other current payables and financial liabilities	(15.4)	(24.6)
Current Net Financial Position	**(701.9)**	**(161.4)**
Posizione finanziaria netta corrente	**(361.8)**	**246.0**
Due to banks	(0.5)	(198.0)
Corporate bond	(590.1)	(895.7)
Other non current payables and financial liabilities	(6.6)	(11.7)
Non current financial debt	**(597.2)**	**(1,105.4)**
Net Financial Position	**(959.1)**	**(859.4)**

The item **Bank and postal deposits** includes EUR 104.7 million for the EI Towers Group and EUR 84.6 million for the Mediaset España Group.

Securities and other current financial assets consist of bonds held by the subsidiary Mediaset Investments S.a.r.l. amounting to EUR 10.0 million (EUR 10.2 million at 31 December 2015) and the fair value of foreign exchange derivatives for the amount exceeding the change in payables in currency hedged.

Current financial receivables include EUR 21.7 million (EUR 21.7 million at 31 December 2015) in government subsidies for movie productions made by Medusa Film and Taodue, which had been approved but not paid at the reporting date; EUR 22.3 million (EUR 19.7 million at 31 December 2015) in relation to current accounts managed by the parent Mediaset S.p.A. on behalf of associates and joint ventures; EUR 19.0 million in financial receivables due from associates; and EUR 0.4 million in financial receivables held by the Mediaset España Group.

Current Financial payables due to banks refer to short term credit lines.

The change in the first half of EUR 269.3 million refers to the greater use of this type of financing.

Current amounts of non-current financial debt primarily consist of current amounts of corporate bonds, equal to EUR 325.9 million (EUR 40.8 million at 31 December 2015). The change was due to the reclassification of 7-year corporate bonds issued by the Mediaset Group in 2010, which mature on 1 February 2017.

Other current payables and financial liabilities mainly include current accounts managed by the parent Mediaset S.p.A. on behalf of associates and joint ventures totalling EUR 6.7 million (EUR 14.6 million at 31 December 2015), amounts owed to factoring companies totalling EUR 1.5 million (EUR 3.7 million at 31 December 2015), and loans totalling EUR 3.7 million received to finance film development, distribution and production operations (EUR 4.7 million at 31 December 2015).

Non Current Financial payables due to banks refers to the portion of committed credit facilities (revolving) maturing beyond 12 months and relating to Mediaset S.p.A.. The change was due to the early repayment of a credit facility.

The item **Corporate bond** refers to the non-current portion of corporate bonds issued by the Mediaset Group, as set out below:

- bonds issued by Mediaset S.p.A. on 23 October 2013 for a total nominal amount of EUR 375.0 million, whose amortised cost (including the current portion) amounted to EUR 380.7 million;
- and the bonds issued by the subsidiary EI Towers S.p.A. on 26 April 2013 for a total nominal amount of EUR 230.0 million, whose amortised cost (including the current portion) amounted to EUR 229.7 million.

Other non-current financial payables and liabilities primarily include loans to finance movie production, development and distribution operations for a total of EUR 1.0 million (EUR 1.0 million at 31 December 2015) and loans held by the subsidiary Mediaset España for a total of EUR 5.4 million.

5.10 Financial income and expenses

	1H 2016	1H 2015
Interests on financial assets	1.6	2.0
Interests on financial liabilities	(24.5)	(24.0)
Other financial income/(losses)	(29.2)	(6.4)
Foreign exchange gains/(losses)	9.1	5.2
Total financial income/(losses)	**(43.0)**	**(23.2)**

The item *Interest expense on financial liabilities* includes the interest expense for the first half on corporate bonds issued by the Mediaset Group and the EI Towers Group totalling EUR 22.6 million (EUR 22.5 million at 30 June 2015).

The item *Other financial income/(charges)* primarily includes financial expenses resulting from the early repayment of credit facilities during the first half of 2016 and costs connected with the hedging of the Mediaset Premium – Vivendi transaction.

The change in the item *Foreign exchange gains/(losses)* mainly relates to the ineffective part of the hedges (which is recognised through profit or loss) on long-term volume deal agreements.

5.11 Taxes for the period

	1H 2016	1H 2015
IRES and IRAP tax expenses	(14.4)	1.3
Tax expenses (foreign companies)	13.2	10.1
Deferred tax expense	24.4	29.5
Total	**23.1**	**40.9**

The item *IRES and IRAP taxes* includes costs relative to estimated IRAP tax for the half year amounting to EUR 4.5 million, estimated IRES tax for the EI Towers Group, and income of EUR 32.8 million resulting from a negative consolidated taxable base in the period for IRES purposes for Mediaset Group companies that are part of the Italian tax consolidation scheme, with a corresponding amount being recognised in the balance sheet as deferred tax assets.

The item *deferred tax assets and liabilities* comprises the main financial movements for the period for the posting and/or use generated by the impact of the progress of temporary mismatch of the tax and financial values of assets and liabilities.

The *taxes of foreign companies* primarily include charges for current taxes recognised by companies of the Mediaset España Group.

5.12 Profit/loss per share

The calculation of basic and diluted earnings per share is based on the following data:

	1H 2016	1H 2015
Net result for the period (millions of euro)	(27.8)	24.3
Weighted average number of ordinary shares (without own shares)	1,136,402,064	1,136,402,064
Basic EPS	**(0.02)**	**0.02**
Weighted average number of ordinary shares for the diluted EPS computation	1,136,402,064	1,136,402,064
Diluted EPS	**(0.02)**	**0.02**

The figure for earnings per share is calculated using the ratio of the Group's net result 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.

6. Cash flow statement

6.1 Business combinations net of cash and cash equivalents acquired

The item, for the first half of 2016, shows the impact on cash and cash equivalents for the period of expenditure for the acquisition by the EI Towers Group of the companies Fortress Italia S.r.l and SA OGHE T.C. S.r.l.. In the first half of 2015 the item showed the impact on cash and cash equivalents for the period of expenditure incurred to complete the acquisition of NewTelTower S.p.A. (formerly Hightel S.p.A.), and the payment of advances for the acquisition of the company Tecnorad Italia S.p.A.

6.2 Changes in stakes in subsidiaries

The amount for the first half of 2015 relates to the proceeds from the sale of the 11.11% equity interest of the subsidiary Mediaset Premium S.p.A..

6.3 Change in treasury Shares

The amount refers to outflows of EUR 91.4 million for the buyback of treasury shares by Mediaset España as part of the share buyback programme approved by the Board of Directors of the Company (EUR 71.6 million in the first half of 2015).

7. 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 *Management Interim Statement*, are the same as the *geographical areas* (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. In relation to Spain, which corresponds to the Mediaset España Group, no relevant activities 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, at 30 June 2016 and 2015 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, which owns 75% of it) and the loan granted to Mediacinco Cartera S.L. by Mediaset Investment S.a.r.l., which amounted to EUR 10.2 million at 30 June 2016.

Non-monetary costs relate to the provisions for risks and charges.

1H 2016	ITALY	SPAIN	Eliminations/ Adjustments	MEDIASET GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	1,349.2	521.4	-	1,870.6
Inter-segment revenues	0.6	0.1	(0.7)	-
Consolidated net revenues	**1,349.7**	**521.6**	**(0.7)**	**1,870.6**
%	*72.2%*	*27.9%*	-	***100.0%***
EBIT	**(52.8)**	**150.1**	**(0.0)**	**97.3**
%	*-54.2%*	*154.2%*	-	***100.0%***
Financial income/(losses)	(42.6)	(0.4)	-	(43.0)
Income/(expenses) from equity investments valued with the equity method	0.6	(1.4)	-	(0.8)
Income/(expenses) from other e	0.1	2.4	-	2.5
EBT	**(94.6)**	**150.7**	**(0.0)**	**56.0**
Income taxes	10.0	(33.1)	-	(23.1)
NET PROFIT FROM CONTINUING OPERATIONS	**(84.7)**	**117.6**	**(0.0)**	**32.9**
Net Gains/(Losses) from discontinued operations	-	-	-	-
NET PROFIT FOR THE PERIOD	**(84.7)**	**117.6**	**(0.0)**	**32.9**
Attributable to:				
- Equity shareholders of the parent company	(86.9)	117.7	(58.7)	(27.8)
- Minority Interests	2.2	(0.2)	58.7	60.7
OTHER INFORMATION				
Assets	6,104.9	1,269.6	(601.7)	6,772.8
Liabilities	3,680.2	339.4	(11.3)	4,008.2
Investments in tangible and intangible non current assets	1.5	0.2	(0.0)	1.7
Amortization	514.6	102.4	(0.1)	616.9
Other non monetary expenses	(6.1)	(0.0)	-	(6.2)

(*) Includes the change in "Advances for the purchase of broadcasting rights"

1H 2015	ITALY	SPAIN	Eliminations/ Adjustments	MEDIASET GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	1,243.7	477.4	-	1,721.1
Inter-segment revenues	-	1.1	(1.1)	-
Consolidated net revenues	**1,243.7**	**478.5**	**(1.1)**	**1,721.1**
%	*72.3%*	*27.8%*	-	***100.0%***
EBIT	**26.5**	**111.0**	**(0.5)**	**137.0**
%	*19.4%*	*81.0%*	-	***100.0%***
Financial income/(losses)	(23.5)	0.3	-	(23.2)
Income/(expenses) from equity i	(0.7)	0.7	-	(0.0)
Income/(expenses) from other e	0.1	15.6	-	15.7
EBT	**2.4**	**127.5**	**(0.5)**	**129.4**
Income taxes	(11.1)	(29.9)	-	(40.9)
NET PROFIT FROM CONTINUING OPERATIONS	**(8.6)**	**97.6**	**(0.5)**	**88.5**
Net Gains/(Losses) from discontinued operations	-	-	-	-
NET PROFIT FOR THE PERIOD	**(8.6)**	**97.6**	**(0.5)**	**88.5**
Attributable to:				
- Equity shareholders of the parent company	(20.8)	97.8	(52.9)	24.2
- Minority Interests	12.1	(0.2)	52.5	64.4
OTHER INFORMATION				
Assets	6,566.8	1,489.3	(604.5)	7,451.6
Liabilities	4,067.3	324.2	(13.9)	4,377.6
Investments in tangible and intangible non current assets	327.6	123.2	(0.5)	450.3
Amortization	437.2	92.5	(0.1)	529.6
Other non monetary expenses	5.9	4.8	-	10.6

(*) Includes the change in "Advances for the purchase of broadcasting rights"

Italy: Operating segments

Operating segments have been reported in the Management Interim Statement, where details on performance for the period can be found.

Income Statement Summary 1H 2016	**INTEGRATED TELEVISION OPERATIONS**	**EI TOWERS**	**Eliminations/ Adjustments**	**GEOGRAPHICAL SEGMENT ITALY**
Revenues from external customers	1,314.8	34.9	-	1,349.7
Inter-segment revenues	-	90.2	(90.2)	-
Consolidated net revenues	**1,314.8**	**125.1**	**(90.2)**	**1,349.7**
%	*97.4%*	*9.3%*	*-6.7%*	***100.0%***
Operating costs from thrid parties	(822.6)	(65.3)	-	(887.9)
Inter-segment operating costs	(88.6)	(1.6)	90.2	-
Total Operating Costs	**(911.1)**	**(67.0)**	**90.2**	**(887.9)**
Amortisation, depreciation and write-downs	(495.3)	(19.3)	-	(514.6)
EBIT	**(91.7)**	**38.9**	**0.0**	**(52.8)**

Income Statement Summary 1H 2015	**INTEGRATED TELEVISION OPERATIONS**	**EI TOWERS**	**Eliminations/ Adjustments**	**GEOGRAPHICAL SEGMENT ITALY**
Revenues from external customers	1,214.2	29.5	-	1,243.7
Inter-segment revenues	-	90.0	(90.0)	-
Consolidated net revenues	**1,214.2**	**119.5**	**(90.0)**	**1,243.7**
%	*97.6%*	*9.6%*	*-7.2%*	***100.0%***
Operating costs from thrid parties	(714.6)	(64.9)	-	(779.5)
Inter-segment operating costs	(88.4)	(1.6)	90.0	-
Total Operating Costs	**(803.0)**	**(66.5)**	**90.0**	**(779.5)**
Amortisation, depreciation and write-downs	(418.9)	(18.7)	-	(437.2)
EBIT	**(7.8)**	**34.3**	**-**	**26.5**

Operating Assets and Investments 30th June 2016	INTEGRATED TELEVISION OPERATIONS	EI TOWERS	Eliminations/ Adjustments	GEOGRAPHICAL SEGMENT ITALY
Television rights	1,901.9	-	-	1,901.9
Other tangible and intangible non current assets	565.6	307.0	(1.2)	871.5
Goodwill	142.8	521.8	(335.1)	329.5
Trade receivables	1,073.4	37.3	-	1,110.8
Inventories	22.4	3.1	-	25.5
Operating assets	**3,706.1**	**869.2**	**(336.3)**	**4,239.1**
Investments in television rights (*)	341.1	-	-	341.1
Other investments	18.6	14.0	-	32.6
Investments in tangible and intangible assets	**359.7**	**14.0**	**-**	**373.7**

(*) Does not include the change in "Advances for the purchase of broadcasting rights"

Operating Assets and Investments 30th June 2015	INTEGRATED TELEVISION OPERATIONS	EI TOWERS	Eliminations/ Adjustments	GEOGRAPHICAL SEGMENT ITALY
Television rights	2,274.1	-	-	2,274.1
Other tangible and intangible non current assets	517.3	283.2	(1.2)	799.3
Goodwill	142.8	476.2	(335.1)	283.9
Trade receivables	1,280.7	31.4	-	1,312.1
Inventories	28.5	2.5	-	30.9
Operating assets	**4,243.3**	**793.3**	**(336.3)**	**4,700.2**
Investments in television rights (*)	286.6	-	-	286.6
Other investments	16.6	7.9	-	24.5
Investments in tangible and intangible assets	**303.2**	**7.9**	**-**	**311.1**

(*) Does not include 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 2016-2018 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 the development of the *Mediaset Premium* subscription-based pay-TV platform;
- for EI Towers, land, buildings, towers and equipment related to television broadcasting and mobile telephone networks.

8. 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 counterparties of these transactions (identified in accordance with IAS 24 and grouped by type of relation):

	Revenues	Operating costs	Financial income/ (charge)	Trade receivables	Trade payables	Other receivables/ (payables)
CONTROLLING ENTITY						
Fininvest S.p.A.	0.1	2.4	-	0.1	0.0	0.2
AFFILIATED ENTITIES						
A.C. Milan S.p.A.*	0.1	0.1	-	0.1	8.4	0.0
Alba Servizi Aerotrasporti S.p.A.	0.0	0.3	-	0.2	0.3	-
Arnoldo Mondadori Editore S.p.A.*	3.5	0.2	-	2.3	7.0	(0.0)
Fininvest Gestione Servizi S.p.A.	0.0	0.0	-	0.0	0.0	0.0
Isim S.p.A.	-	-	-	-	-	-
Mediobanca S.p.A.	-	0.0	(6.6)	0.0	-	0.0
Mediolanum S.p.A.*	2.4	-	-	0.8	0.0	-
Trefinance S.A.*	-	0.0	-	-	-	-
Altre consociate	0.0	0.5	-	0.0	-	-
Total Affiliated	**6.0**	**1.3**	**(6.6)**	**3.4**	**15.7**	**0.0**
JOINT CONTROLLED AND ASSOCIATES ENTITIES						
Furia de Titanes II A.I.E.	-	-	-	-	-	-
Auditel S.p.A.	-	3.0	-	-	-	-
Blasteem S.r.l.	-	0.0	-	-	0.0	-
Boing S.p.A.	4.8	16.1	0.1	3.9	10.2	(0.1)
Emissions Digitals Catalunya SA	0.7	3.9	-	0.8	1.8	-
Fascino Produzione Gestione Teatro S.r.l.	-	29.0	(0.0)	0.3	29.2	(0.2)
La Fabbrica De la Tele SL	-	12.2	-	0.0	7.2	-
Mediamond S.p.A.	19.2	4.2	0.3	22.3	4.7	22.4
MegaMedia Televisión SL	0.1	3.1	-	0.1	1.0	-
Nessma Lux S.A.**	-	-	0.1	0.0	-	1.9
Pegaso Television INC**	-	-	(0.0)	2.0	-	4.0
Produciones Mandarina SL	0.0	3.4	-	0.0	2.1	-
RB1 S.p.A.**	0.3	(0.0)	0.0	0.4	0.0	19.0
Supersport Televisión SL	0.9	5.5	-	0.5	2.0	-
Titanus Elios S.p.A.	-	2.2	-	0.0	0.0	4.9
Tivù S.r.l.	1.5	0.6	-	1.2	0.5	0.5
Total Joint controlled and affiliates entities	**27.6**	**83.1**	**0.4**	**31.4**	**58.8**	**52.4**
KEY STRATEGIC MANAGERS (***)	**-**	**0.3**	**-**	**-**	**0.4**	**0.1**
PENSION FUND (Mediafonf)	**-**	**-**	**-**	**-**	**-**	**(1.0)**
OTHER RELATED PARTIES******	**-**	**0.0**	**-**	**0.0**	**-**	**-**
TOTAL RELATED PARTIES	**33.7**	**87.2**	**(6.2)**	**34.9**	**74.9**	**51.8**

* 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 main impacts on the consolidated cash flows generated by related-party transactions involved outflows for the acquisition of rights regarding the company Milan A.C. of EUR 20.0 million and outflows for the payment of dividends to the holding company Fininvest S.p.A. of EUR 8.2 million. During the half year, dividends were also received from associates and joint ventures for a total of EUR 2.1 million.

9. Personal guarantees given and commitments

The total value of guarantees received, primarily bank guarantees, in relation to receivables due from third-party counterparties is EUR 22.7 million, of which EUR 17.2 million relating to the Mediaset España Group.

In addition, bank guarantees in favour of third party companies were issued for a total amount of EUR 72.1 million, of which EUR 61.5 million were issued by the Mediaset España Group (EUR 76.8 million at 31 December 2015).

The main commitments of the Mediaset Group can be summarised as follows:

- commitments for the acquisition of television and movie broadcasting rights, totalling EUR 1,232.3 million (EUR 1,437.6 million at 31 December 2015). These future commitments relate mainly to volume deal contracts of the Mediaset Group with some of the leading American TV producers.
- commitments for content and program rental contracts totalling EUR 451.8 million (EUR 588.4 million at 31 December 2015), of which EUR 15.0 million was due to associates. This item mainly includes commitments for the purchase of exclusive broadcasting rights on all platforms for the UEFA Champions League for the years 2016–2018;
- commitments for artistic projects, television productions and press agency contracts of approximately EUR 68.1 million;
- commitments for digital broadcasting capacity services, totalling EUR 214.3 million;
- contractual commitments for the use of satellite capacity, amounting to EUR 63.6 million;
- commitments for the purchase of new equipment, works and supplies for the companies' head offices, multi-year rents and leases, the supply of EDP services and commitments to trade associations for the use of intellectual property rights totalling EUR 277.6 million.

10. Movements resulting from atypical and/or unusual transactions

Pursuant to Consob Communication no. DEM/6064296 of 28 July 2006 it is hereby stated that in the first half of 2016 no atypical and/or unusual transactions were carried out by the Group as defined by the above Communication.

for the Board of Directors
the Chairman

LIST OF THE EQUITY INVESTMENTS IN THE CONSOLIDATED ACCOUNTING STATEMENTS AT 30 JUNE 2016

(values in € million)

Companies consolidated on a line-by-line basis	**Registered Office**	**Currency**	**Share Capital**	**% held by the Group (*)**
Mediaset S.p.A.	Milan	euro	614.2	0.00%
Publitalia '80 S.p.A.	Milan	euro	52.0	100.00%
Digitalia '08 S.r.l.	Milan	euro	10.3	100.00%
Promoservice Italia S.r.l.	Milan	euro	6.7	100.00%
Publieurope Ltd.	London	GBP	5.0	100.00%
R.T.I. S.p.A.	Rome	euro	500.0	100.00%
Videotime S.p.A.	Milan	euro	52.0	99.17%
Elettronica Industriale S.p.A.	Lissone (MB)	euro	363.2	100.00%
E.I. Towers S.p.A.	Lissone (MB)	euro	2.8	40.00%
Fortress Italia S.r.l.	Genova	euro	0.0	40.00%
Nettrotter S.r.l.	Lissone (MB)	euro	0.1	38.00%
EIT Radio S.r.l.	Lissone (MB)	euro	0.1	40.00%
Towertel S.p.A.	Lissone (MB)	euro	22.0	40.00%
New TelTowers S.p.A.	Rome	euro	0.2	40.00%
SA OGHE T.C. S.r.l.	Quartu Sant'Elena (CA)	euro	0.0	40.00%
Medusa Film S.p.A.	Rome	euro	120.0	100.00%
Monradio S.r.l.	Milan	euro	6.1	80.00%
Taodue S.r.l.	Rome	euro	0.1	100.00%
Media4Commerce S.p.A.	Milan	euro	11.7	100.00%
Mediaset Premium S.p.A.	Milan	euro	30.0	88.89%
Mediaset Investment S.a.r.l.	Luxembourg	euro	50.5	100.00%
Mediaset España Comunicaciòn S.A.	Madrid	euro	168.4	50.20%
Publiespaña S.A.U	Madrid	euro	0.6	50.20%
Publimedia Gestion S.A.U.	Madrid	euro	0.1	50.20%
Integracion Transmedia S.A.U.	Madrid	euro	0.1	50.20%
Netsonic S.L	Barcelona	euro	0.0	35.07%
Grupo Editorial Tele 5 S.A.U.	Madrid	euro	0.1	50.20%
Telecinco Cinema S.A.U.	Madrid	euro	0.2	50.20%
Conecta 5 Telecinco S.A.U.	Madrid	euro	0.1	50.20%
Mediacinco Cartera S.L.	Madrid	euro	0.1	62.65%
Premiere Megaplex S.A.	Madrid	euro	0.2	50.20%
Sogecable Editorial S.L.U.	Madrid	euro	0.0	50.20%
Advertisement 4 Adventure, SLU (former Sogecable Media S.L.U.)	Madrid	euro	0.0	50.20%

Associates and joint ventures	**Registered Office**	**Currency**	**Share Capital**	**% held by the Group (*)**
Agrupacion de interés Economico Furia de Titanes II A.I.E.	Santa Cruz de Tenerife	euro	0.0	17.07%
Auditel S.r.l.	Milan	euro	0.3	26.67%
Aunia Publicitad Interactiva SLU	Madrid	euro	0.0	25.10%
Blasteem S.r.l.	Turin	euro	0.0	40.00%
Boing S.p.A.	Milan	euro	10.0	51.00%
Deporvillage S.L.	Barcelona	euro	0.2	12.08%
Emissions Digital Catalunya S.A.	Barcelona	euro	3.3	20.08%
Fascino Produzione Gestione Teatro S.r.l.	Rome	euro	0.0	50.00%
La Fabrica De La Tele S.L.	Madrid	euro	0.0	15.06%
Mediamond S.p.A.	Milan	euro	1.5	50.00%
Megamedia Television S.L.	Madrid	euro	0.1	15.06%
Nessma S.A.	Luxembourg	euro	11.3	34.12%
Nessma Broadcast S.a.r.l.	Tunis	dinaro	1.0	20.06%
Pegaso Television INC	Miami (Florida)	USD	83.3	21.94%
Producciones Mandarina S.L.	Madrid	euro	0.0	15.06%
RBI (Finelco Group holding)	Milan	euro	0.5	72.12%
Titanus Elios S.p.A.	Rome	euro	5.0	29.75%
Tivù S.r.l.	Rome	euro	1.0	48.16%
Supersport Media S.L.	Madrid	euro	0.1	15.06%

(*) Group's stake calculated not considering parent companies' own shares

(values in € million)

Equity investments held as "Available for sale"	Registered Office	Currency	Share Capital	% held by the Group (*)
Aprok Imagen S.L. (winding-up)	Madrid	euro	0.3	1.53%
Aranova Freedom S.C.aR.L	Bologna	euro	0.0	13.34%
Ares Film S.r.l.	Rome	euro	0.1	5.00%
Audiradio S.r.l. (winding-up)	Milan	euro	0.0	2.00%
ByHours Travel S.L.	Madrid	euro	0.0	3.38%
Cinecittà Digital Factory S.r.l.	Rome	euro	6.0	15.00%
Class CNBC S.p.A.	Milan	euro	0.6	10.90%
Club Dab Italia Società Consortile per Azioni	Milan	euro	0.0	10.00%
Grattacielo S.r.l.	Milan	euro	0.1	10.00%
Innovacon y Desarrollo Nuevos	Madrid	euro	0.0	3.82%
Isalud Health Services	Barcelona	euro	0.0	1.29%
Job Digital Networks SL	Barcelona	euro	0.0	11.04%
Kirch Media GmbH & Co. Kommanditgesellschaft auf Aktien	Unterföhring (Germany)	euro	55.3	2.28%
Private Griffe	Milan	euro	0.2	14.10%
Radio e Reti S.r.l.	Milan	euro	1.0	10.00%
Romeintv S.p.A. (winding-up)	Rome	euro	0.8	9.68%
Sportsnet Media Limited	George Town (Grand Cayman)	USD	0.1	12.00%
Springlane Gmbh	Dusseldorf	euro	0.1	8.74%
Tavolo Editori Radio S.r.l.	Milan	euro	0.0	3.44%
Westwing Group Gmbh (former Jade 1290 Gmbh)	Munich	euro	0.1	2.61%
Wimdu Gmbh	Berlin	euro	0.1	4.48%

(*) Group’s stake calculated not considering parent companies’ own shares

Mediaset Group

Statement concerning the
Condensed Half-Year Financial Statements
in compliance with Art. 154-bis of
Italian Law Decree 58/98

Statement concerning the Condensed Half-Year Financial Statements in Compliance with Art. 154-bis of Italian Law Decree 58/98

1. The undersigned, Mr. Fedele Confalonieri, Chairman of the Board of Directors, and Mr. Luca Marconcini, Senior Executive Manager, responsible for the drafting of the corporate accounting documentation, of the company Mediaset S.p.A., also in compliance with the provisions set out in Art. 154-bis, par. 3 and 4 of Italian Law Decree No.58 of 24 February 1998, hereby declare:

   • the adequacy in relation to the Group's characteristics and

   • the effective application

   of the administrative and accounting procedures for the drafting of a condensed financial statements for the first half of 2016.

2. The valuation of the adequacy of the administrative and accounting procedures for the drafting of the condensed financial statements as at 30 June 2016 was carried out based on the standards and criteria defined by Mediaset S.p.A. consistently with the *Internal Control – Integrated Framework* model issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, which groups together a set of general principles of reference for internal control generally accepted at the international level.

3. We also hereby declare that:

3.1 the condensed half-year financial statements:

   a) have been drafted in compliance with the applicable international accounting principles acknowledged at the EU level pursuant to EC regulation No. 1606/2002 of the EU Parliament and Council of 19 July 2002 and, in particular, IAS 34 – *Interim Financial Reporting,* as well as the provisions set out for the implementation of Art. 9 of Italian Law Decree No. 38/2005;

   b) reflect the accounting books and entries;

   c) provide a true and fair description of the financial position and results of operations of the Company and the businesses included in the consolidation area;

3.2 the half-year report on operations includes references to relevant events that have occurred in the first half of the year, their impact on the condensed half year financial statements and a description of the main risks and uncertainties for the remaining six months of the fiscal year under investigation as well as information on the relevant operations with related parties.

Date: 28th July 2016

For the Board of Directors
The Chairman

(Fedele Confalonieri)

The Senior Executive Manager responsible
for the drafting of corporate accounting
documents
(Luca Marconcini)

Mediaset Group

Auditors' review report on the interim condensed consolidated financial statements

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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Mediaset S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the interim consolidated statement of financial position as of June 30, 2016, the interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim consolidated cash flows statement, the interim consolidated statement of changes in equity for the period then ended and the related explanatory notes of Mediaset S.p.A. and its subsidiaries (the Mediaset Group). The Directors of Mediaset S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Mediaset Group as of June 30, 2016 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Milan, August 3, 2016

EY S.p.A.
Signed by: Luca Pellizzoni, Partner

This report has been translated into the English language solely for the convenience of international readers

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