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Testo del comunicato

Vedi allegato.

PRESS RELEASE

Mediaset Board of Directors Meeting 19 April 2017

MEDIASET'S BOARD OF DIRECTORS APPROVES 2016 RESULTS

Consolidated Results

Net revenues: rose to €3,667.0 million

Negative impact of Vivendi's contractual violations: -€341.3 million

EBIT: -€189.2 million

Net result: -€294.5 million

Early evidence of the effects of the plan to improve EBIT at €468 million in 2020

The Board of Directors of Mediaset, which met today under the chairmanship of Fedele Confalonieri, examined and approved the Group's Consolidated Annual Report for the year ended 31 December 2016 as well as the Annual Report of the parent company Mediaset S.p.A.

Before examining the results of 2016 – a year that beyond the ongoing instability of the macroeconomic situation was radically impacted by the serious damage caused to Group's Italian business by Vivendi's contractual violations - the Board has carefully verified the updates of development plans for the future of the company. Actions outlined in the "Mediaset 2020" plan, presented to the market 18 January 2017.
The objectives of the plan forecast growth to 2020 in Mediaset's national advertising market share from 37.4% to 39.0% and an improvement in EBIT from media activities in Italy of €468 million. The achievement of these financial targets was today confirmed, both in terms of time and scale. And it is already possible to predict a return to profit in 2017.

With regard to the 2016 results, the Board began by closely examining the evolution of the ongoing legal proceedings against Vivendi, proceedings aimed at enforcing the binding agreement concluded on 8 April 2016 and the payment of damages. In fact, at the end of July 2016, Vivendi's refusal to respect the terms of the final contract with Mediaset had a direct and negative impact on the year. An impact that, despite rigorous management of the Italian business, the Group has not been able to counter. The 2016 results were therefore affected by these unforeseen and extraordinary, that were entirely beyond the company's control.

In particular, there were a series of extraordinary one-off charges - resulting from commitments made following the signing of the contract with Vivendi and the necessary subsequent writedowns – amounting to **€269.3 million** at the EBIT level. To this item was also added unexpected liabilities related to the unforeseen continuance of the Pay-TV business in the fourth quarter of 2016. A business that - also due to the operational uncertainty suffered from April to October 2016 - generated an additional loss of **€72.0 million**. The sum of these non-recurring items attributable to infringements by Vivendi resulted in total extraordinary expenses for the year of **€341.3 million**.

Having contextualised the anomalous economic and financial circumstances of the last financial year, what follows are the key highlights for 2016 that were approved today by the Board of Directors.

- **Net revenues** amounted to **€3,667.0 million**, an increase on the €3,524.8 million of 2015 (+€142.2 million).
  In particular, revenues in Italy rose to **€2,675.9 million**, compared with €2,554.2 million during the previous year (+4.8%). There was a comparable increase in Spain, where the figure was in **€992.0 million**, compared to €971.9 million in 2015 (+2.1%).
  Also advertising revenues were positive in both countries. In Spain gross advertising revenues came to **€962.9 million**, compared to €933.3 million in the previous year. In Italy, despite major international sports events broadcast by the main competitor during the summer months, TV advertising revenues grew to **€2,058.3 million**, compared with €2,002.8 million in 2015 (+2.8%).
  Also in Italy, advertising revenues from the new radio area amounted to **€28.6 million** (in the three months of business in 2015 the total was €2.2 million) while pay.TV subscription revenues grew by **10.9%** to **€619.8 million**, compared to the €558.8 million of 2015.
  In this regard, it should be noted that the growth in Premium revenues proceeded at a sustained pace (+16.7%) in the first six months without the issues surrounding the turbulence caused by the Vivendi affair that in the second half led to a slowdown. In particular, in the third quarter (July-August-September), which is generally the peak season for the sale of subscriptions related to the exclusive offer of sports events such as the Italian Serie A and the Champions League, growth was limited to +5.8%.

- Consolidated **EBIT** recorded a loss of **€189.2 million**, compared with a profit of €230,7 million in 2015. In Italy, EBIT was **-€413.6 million**, compared with +€26.1 million the previous year. While in Spain, the figure was positive at **€224.4 million**, a marked increase on the €205.2 million of 2015. On a comparable basis, i.e. adjusted to take account of non-recurring expenses such as writedowns and the costs of the Vivendi case, there was a positive consolidated EBIT result of **€132.8 million**.

- **Consolidation of RadioMediaset.** It should be noted that, from the third quarter of 2016, the companies of Gruppo RadioMediaset (formerly Gruppo Finelco), consolidated on a net equity basis until 30 June, have been fully consolidated.

- The **net consolidated result** for the year was therefore a loss of **€294.5 million**, compared with a profit of €3.8 million in 2015, a result, as indicated, attributable to the impact of the Vivendi story. A story which only affects the Italian business (with a net loss of €**380,1 million**, compared with a net loss of €74.6 million in the previous year). In Spain, meanwhile, the situation is positive with a net profit of **€171.0 million**, up from the €166.2 million of 2015.

- **Net financial debt** rose to **€1,162.4 million**, compared with €859.4 million as of 31 December 2015. The change was due to the financial impact, amounting to €75.3 million, for the completion of the aforementioned acquisition of the Gruppo RadioMediaset (formerly Gruppo Finelco), the investment of €107.0 million to increase the controlling stakes in Mediaset España and EI Towers, effected by means of share buy-backs and the expenditure of €55.2 million in connection with the M&A activities of Gruppo EI Towers. Finally, there was a total outlay of €106.1 million related to the distribution of dividends by Mediaset S.p.A and Mediaset España.

- **TV ratings.** The Mediaset channels confirmed their net leadership in the commercial target both in Italy and Spain Italia.
  In Italy, Mediaset is the leader in the 15-64 year age range with a **share of 33.4%** in the **24 hours**, with **Canale 5** Italy's most popular channel across the whole day **(16.0%)** and in prime time **(16.1%)**.

In Spain, the Mediaset España channels maintained their absolute leadership in the **24 hours** with a **30.2% share**. **Telecinco** confirmed its position as Spain's most popular channel, both across the **entire day (14.4%)** and in **prime time (15.4%)**.

RESULTS OF THE PARENT COMPANY MEDIASET S.P.A.

Also the parent company Mediaset S.p.A. was affected by the extraordinary charges generated by the Vivendi case and ended 2016 with a net loss of -€151.0 million compared with a net profit of €50.4 million in 2015.

FORECAST FOR THE FULL YEAR

The trend in total advertising revenues in the first quarter of the current year remained positive in both countries. This trend is expected to continue for the remainder of the year, despite an economic climate that also in 2017 is likely to be characterised by estimates of growth that will remain moderate in both Italy and Spain.
The main lines of action outlined by the guidelines of "Mediaset 2020" plan will be initiated during the year and the positive impact of the consolidation of the radio industry activities will be confirmed. Moreover, trends in costs and the depreciation of media activities in Italy will reflect the impact of writedowns and provisions made during the preparation of the consolidated financial statements for 2016. The combination of these factors is expected to lead to the achievement, both in the first quarter and year on year, of positive results both in terms of EBIT and net profit.

The executive responsible for the preparation of the Mediaset S.p.A. accounts, Luca Marconcini, declares that, as per para. 2 art. 154-bis, of the Single Finance Bill, that the accounting information contained in this press release corresponds to that contained in the company's books.

REMUNERATION REPORT

The Board of Directors has approved the Remuneration Report pursuant to Art. 123-ter of the Consolidated Law on Finance and the implementation provisions issued by Consob.
At the forthcoming Annual General Meeting the Board will recommend the approval of the first section of the report, outlining the company's policy on the remuneration of directors and executives with strategic responsibilities, in compliance with the provisions of Art. 123-ter of the Consolidated Law on Finance.

Cologno Monzese, 19 April 2017

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Highlights from the consolidated income statement

in €m

	2016	2015
Consolidated net revenues	**3,667.0**	**3,524.8**
Labour costs	540.2	520.5
Procurement, services and other costs	1,954.8	1,638.4
Operating costs	**2,495.0**	**2,158.9**
Gross operating profit (EBITDA)	**1,171.9**	**1,365.9**
Amortisation of rights	1,220.4	997.3
Other amortisation and depreciations	140.7	137.9
Total amortisation and depreciations	**1,361.1**	**1,135.1**
Operating profit (EBIT)	**(189.2)**	**230.7**
Financial income /(charges)	(87.7)	(49.3)
Income/(charges) from investments	2.4	15.0
Profit before taxation	**(274.4)**	**196.5**
Income taxes	47.9	(86.4)
Net profit from operations	**(226.5)**	**110.1**
Net result from discontinued operations	-	-
Minority interest (profit)/loss	(68.0)	(106.3)
Profit/Loss for the Mediaset Group	**(294.5)**	**3.8**

Highlights from the consolidated balance sheet

in €m

	31/12/2016	31/12/2015
Television and film rights	1,629.7	2,205.9
Goodwill	964.7	938.4
Other tangible/intangible assets	1,296.4	1,216.8
Financial assets	92.7	105.7
Net working capital & other assets/liabilities	(193.6)	(570.9)
Severance indemnity reserve	(91.8)	(89.1)
Net invested capital	**3,698.3**	**3,806.8**
Net Group assets	1,947.7	2,293.8
Shareholders' equity and minority interest	588.2	653.6
Net assets	**2,535.9**	**2,947.4**
Net financial debt	**1,162.4**	**859.4**

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