

# Interim Financial Report as at 30<sup>th</sup> September 2017



**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](http://www.mediaset.it)

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# CORPORATE BOARDS

## Board of Directors

### **Chairman**

Fedele Confalonieri

### **Deputy Chairman and Chief Executive Officer**

Pier Silvio Berlusconi

### **Directors**

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 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*)

Stefano Sarubbi (*Alternate Auditor*)

Flavia Daunia Minutillo (*Alternate Auditor*)

Riccardo Perotta (*Alternate Auditor*)

## Independent Auditors

### **Deloitte & Touche S.p.A.**

## MEDIASET GROUP: HIGHLIGHTS

### MAIN INCOME STATEMENT DATA

FY 2016			9M 2017		9M 2016	
mio €	%		mio €	%	mio €	%
<b>3,667.0</b>	<b>100%</b>	<b>Total net Revenues</b>	<b>2,532.8</b>	<b>100%</b>	<b>2,563.9</b>	<b>100%</b>
2,675.9	73%	Italy	1,832.2	72%	1,853.0	72%
992.0	27%	Spain	701.3	28%	711.7	28%
<b>(189.2)</b>		<b>EBIT*</b>	<b>194.7</b>		<b>29.5</b>	
(413.6)		Italy	9.4		(141.2)	
224.4		Spain	185.2		170.7	
<b>(294.5)</b>		<b>Net Result*</b>	<b>35.9</b>		<b>(118.0)</b>	

### MAIN BALANCE SHEET AND FINANCIAL DATA

31/12/2016		30/09/2017	30/09/2016
mio €		mio €	mio €
<b>3,630.3</b>	<b>Net Invested Capital*</b>	<b>3,706.6</b>	<b>3,809.9</b>
<b>2,535.9</b>	<b>Total Net Shareholders' Equity*</b>	<b>2,310.8</b>	<b>2,686.7</b>
1,947.7	Net Group shareholders' Equity	1,869.4	2,098.4
588.2	Minorities Shareholders' Equity	441.4	588.3
<b>1,162.4</b>	<b>Net Financial Position</b>	<b>1,395.8</b>	<b>1,123.2</b>
	Debt/(Liquidity)		

### PERSONNEL \*\*

FY 2016		9M 2017		9M 2016	
			%		%
<b>5,519</b>	<b>Mediaset Group Personnel</b>	<b>5,575</b>	<b>100%</b>	<b>5,650</b>	<b>100%</b>
	(headcount)				
4,245	Italy	4,294	77%	4,383	78%
1,274	Spain	1,281	23%	1,267	22%

(\*) Nine-month 2016 figures have been restated for comparative purposes, in accordance with §49 of IFRS 3.

(\*\*) The figure includes temporary and permanent employees.

## Introduction

Legislative Decree no. 25 of 15 February 2016, implementing Directive 2013/50/EU containing amendments to Directive 2004/109/EC on the disclosures for listed issuers (the Transparency Directive), removed the obligation to publish management interim statements established in Article 154-ter, paragraph 5 of Legislative Decree 58/1998. This decree also gave Consob the authority to establish additional disclosure obligations to the annual and half-yearly financial reports. By Resolution no. 19770 of 26 October 2016, Consob (in accordance with the regulatory authorisation contained in the decree) made amendments to the Issuer Regulations regarding the additional interim financial disclosures applicable from 2 January 2017.

To ensure the continuity and regularity of information on the consolidated quarterly operating and financial performance, the Board of Directors of the Mediaset Group publishes additional financial disclosures as at 31 March and 30 September.

These additional interim financial disclosures contain, in continuity with the voluntary report published in 2016, a form and content considered to give the most suitable description, in relation to the factors taken into consideration by investors when making decisions, of the performance and financial position of the Group as a whole and in its key business segments and illustration of significant events and transactions in the reporting period.

This Report has been prepared in compliance with International Accounting and Financial Reporting Standards (IAS/IFRS), as applicable under Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002, in force at the reporting date, in continuity with the accounting policies and measurement and estimation criteria applied in the preparation of the Consolidated Financial Statements at 31 December 2016, to which readers are referred.

The information disclosed in this Report is not comparable to that of complete financial statements prepared in accordance with IAS 1.

The presentation of the income statement and balance sheet figures shown below corresponds to the content of the Report on Operations accompanying the annual Consolidated Financial Statements. As such the figures are presented in condensed form and restated to show the intermediate aggregates considered most significant for understanding the performance of the Group and of the individual business units. The description of the criteria adopted during their preparation and the annotations referring the reader to the relevant statutory financial statement items in the Half-Yearly and the Annual Financial Statements are contained in the Consolidated Financial Statements at 31 December 2016.

The income statement and cash flow figures provided in this Report show progressive aggregates for the first nine months and third-quarter figures for 2017 and 2016. Balance sheet figures are stated as at 30 September 2017 and at 31 December 2016.

This Quarterly Report has not been audited.

## Significant third-quarter events and transactions

On **25 July**, Publitalia 80 and Publiespana S.A. set up the joint venture AdTech Ventures S.p.A. The company will hold a 33.3% interest in the innovative joint venture European Broadcaster Exchange (EBX), set up with equal interests held by TF1 (France) and ProSiebenSat1 (Germany) to satisfy the growing demand for brand safety and for high-quality pan-European video campaigns broadcast on a wide scale. EBX's activities will focus primarily on programmatic video campaigns requiring the automated management of databases for the sale and purchase of digital advertising space.

EBX will be based in London, where major media agencies specialised in planning pan-European campaigns are located. The agreement has been authorised by the Directorate-General for Competition of the European Commission. The strategic alliance between broadcasters of the calibre of Mediaset Italy, Mediaset España, ProSiebenSat.1 and TF1 will enable an audience of over 250 million people to be reached, forming the critical mass needed to take on the global web giants. Moreover, the joint innovation strategy will open up new opportunities for investors, as the programmatic video advertising market is growing fast, currently at a level of 45% per year in Western Europe alone. The open model adopted gives other European media groups the option to join EBX in the future.

On **31 July**, RadioMediaset S.p.A., after obtaining the necessary authorisations, acquired the companies Radio Subasio Srl and Radio Aut Srl, which control the regional broadcasters Radio Subasio, the leading broadcaster in central Italy by coverage and audience share, Radio Subasio+ and Radio Suby. The acquisition became effective as of 1 July and was closed at a purchase price of EUR 25 million (which may be raised by a maximum of EUR 5 million over the next few years, if set performance targets are reached). The deal further strengthens the geographical coverage and broadcast offering of RadioMediaset's radio broadcasting business, which is underpinned by the national broadcasters Radio105, Virgin and R101. The acquisitions qualify as business combinations and, in accordance with IFRS 3, the purchase price paid will be allocated onto the net assets acquired. At the date of this Report, the purchase price was temporarily allocated to goodwill for a total of EUR 24.9 million. Within twelve months from the acquisition date, the purchase price paid will be analysed to assess the fair value of the net assets acquired. If the assessment identifies property, plant and equipment and intangible assets with a definite useful life, the temporary amounts recognised upon acquisition will be adjusted and the adjustments applied retrospectively at the acquisition date. The transaction, including the net cash and cash equivalents of the companies acquired, had a negative impact on the consolidated net financial position at the acquisition date of EUR 22.9 million.

On **28 August**, Mediaset España S.A. concluded the share buy-back plan approved by the Shareholders' Meeting on 27 April 2017 with the purchase of 9,282,275 shares, equal to 2.756% of the share capital, for a total outlay of EUR 100 million. As a result of the buy-back plan, the equity interest held by the Group in Mediaset España rose to 51.63% from 50.5% at 30 June 2017.

On **13 September**, AGCOM took note of the plan submitted by Vivendi in compliance with the decision challenged. The plan sets forth conditions for the identification of an independent entity for the transfer of ownership of the Mediaset shares exceeding one-tenth of the total voting rights that can be exercised at the shareholders' meeting of the company.

In the **third quarter**, the subsidiary El Towers S.p.A. continued with its share buy-back plan, in implementation of the decisions adopted by the Shareholders' Meeting on 20 April 2017 and the Board of Directors on 4 May 2017. A total of 233,132 shares, equal to 0.82% of the share capital, were



repurchased over the period, for a total outlay of EUR 11.7 million in the quarter. As a result of the purchases, the number of treasury shares held in portfolio at **30 September 2017** totalled 1,174,914, equal to 4.16% of the share capital. As a result of the buy-back plan, the equity interest held by the Group in EI Towers rose to 41.74% from 41.4% at 30 June 2017.

Over the same period, EI Towers made various acquisitions of surface rights to land and rooftops bearing television towers, equity investments and business units, for a total outlay in the quarter of EUR 8.0 million.

On **27 September**, the Board of Directors of the subsidiary EI Towers approved an unsecured bank loan for a total amount of EUR 270 million, earmarked to reimburse outstanding Eurobonds and support operations. The loan agreement was signed on 30 October.

## Group performances and financial results

### Television audience

In **Italy**, total audience over the 24-hour period in the first 9 months of 2017 amounted to an average 9.619 million individuals.

Auditel statistics show that Mediaset networks as a whole, including both free-to-air and pay television (Premium Calcio) channels, obtained an audience share of 31.2% over the 24-hour period, 31.3% in the Day Time slot and 31.5% in Prime Time.

Mediaset confirmed its leadership over the first 9 months of 2017 with the commercial target audience (15-64 years) over the 24-hour period (32.9%) and in the Day Time slot (33.1%). In particular, Canale 5 was the number one network in all time slots with the commercial target, while Italia 1 was the third most-watched network over the 24-hour period and in Day Time.

The audience share of Mediaset networks with the commercial target audience in the autumn ratings season (starting 10 September 2017) reached 25.1% in the 24-hour period, 25.3% in the Day Time slot and 26.0% in Prime Time. Considering the contribution of semi-generalist and pay television channels, total audience share over the 24-hour period came to 33.8%, 34.0% in the Day Time slot and 34.4% in Prime Time.

In **Spain**, the Mediaset España Group maintained its leadership in terms of audience figures with a total audience share of 29.1% over the 24-hour period, and a 30.6% share of the commercial target audience. In the Prime Time slot, the Mediaset España Group achieved a 28.7% share of the total audience and 29.4% of the commercial target audience. In the first quarter of 2017, Telecinco achieved a 13.6% share over the 24-hour period, with an average share of 12.5% of the commercial target audience.

## Main financial results

The consolidated financial position at 30 September 2017 includes the line-by-line consolidation of assets acquired through the acquisition of the companies Radio Subasio and Radio Aut, effective as of 1 August 2017.

In addition, income statement data for the first nine months of 2016 have been restated to retrospectively reflect the effects of the purchase price allocation process on assets and liabilities recognised at 31 December 2016 and acquired through business combinations concluded last year. As a result of the allocation of the purchase price paid for the transactions onto assets with a definite useful life, the restated figures for the first nine months of 2016 show an additional EUR 3.1 million in amortisation and depreciation (EUR 2.0 million relating to acquisitions made by El Towers and EUR 1.1 million relating to the acquisition of Radiomediasset Group on 1 July 2016), with net earnings attributable to the Group lowered by EUR 1.3 million compared to the figure stated in the Management Interim Statement at 30 September 2016.

Key performance figures for the period are presented below. Although third quarter results were affected by the seasonal low structurally associated with the period when compared to the first six months, in line with forecasts, the figures continued to show a decisive improvement in margins and in free cash flow compared to 2016, driven by positive growth in advertising revenues in both geographical areas, despite the absence of any particular signs of market recovery over the nine months, and a significant reduction in operating costs.

- **Consolidated net revenues** amounted to EUR **2,532.8 million**, compared to EUR 2,563.9 million in 2016, when revenues besides benefited from the exceptional box-office success of the Italian films distributed by Medusa Film in the first quarter of last year.
- **EBITDA** amounted to EUR **957.9 million**, compared to EUR 892.9 million, with an EBITDA margin of 37.8% compared to 34.8% for the same period of 2016;
- **EBIT** rose to EUR **194.7 million**, compared to EUR 29.5 million for the same period of 2016. Operating profitability came to 7.7%, compared to 1.2% in 2016;
- **Net income from continuing operations, before taxes and minority interests**, rose to EUR **179.3 million**, compared to EUR -49.3 million for the same period of 2016. The figure was driven by a significant drop in financial expenses, which in the same period of 2016 included a one-off charge of EUR 41.7 million in connection with the Vivendi agreement and following the repayment at the start of February 2017 of the EUR 300 million corporate bond issued by Mediaset S.p.A. in 2010.
- **Net earnings attributable to the Group** showed a profit of EUR **35.9 million**, compared to a net loss of EUR 118.0 million for the same period of 2016.
- Consolidated **net financial debt** at 30 September 2017 amounted to EUR **1,395.8 million**, compared to EUR 1,162.4 million at 31 December 2016. **Free cash flow** for the period amounted to EUR **151.0 million**, showing a marked improvement on the EUR 69.3 million figure posted for the first nine months of 2016. Over the reporting period, a total of EUR 75.3 million was invested in business combinations, equity investments and other strategic assets, while Mediaset España and El Towers spent a total of EUR 139.5 million on purchases under their respective share buy-back plans and EUR 175.6 million on the distribution of dividends.

Breaking down income results by geographical area:

**In Italy:**

- In the first nine months of 2017, **consolidated net revenues** from the Group's Italy operations amounted to EUR **1,832.2 million**, compared to the EUR 1,853.0 million posted for the same period of last year.
- **Gross advertising revenues** from all media under concession, including revenues from free-to-air and pay television channels and revenue shares from web sites and radio broadcasters owned by the Group and managed under concession by Mediamond, amounted to EUR **1,423.3 million**, showing an increase of **0.8%** over the same period of 2016. The latest Nielsen figures show that in the first eight months of the year, the overall advertising market dropped by 4% compared to the same period of 2016.
- **Core Pay TV revenues**, consisting of subscription sales, prepaid cards and the Infinity on-demand service, amounted to EUR **441.0 million**, compared to EUR 457.4 million for the first nine months of 2016.
- **Other revenues from integrated television operations** amounted to EUR **112.0 million** compared to EUR 135.8 million for the same period of the previous year, which had benefited from the success of the Italian films distributed by Medusa Film (*Quo Vado* produced by the subsidiary Taodue and *Perfetti sconosciuti*).
- **EI Towers** revenues amounted to EUR **196.8 million**, up by 4.7% on the EUR 188.0 million posted in 2016, largely due to acquisitions made over the period.
- **Total operating costs** for Italy operations (including personnel costs, purchases, services and other expenses, and amortisation, depreciation and write-downs of television broadcasting rights and other fixed assets) amounted to EUR **1,822.8 million**, showing a drop of EUR 171.4 million (-8.6%), of which EUR 124.7 million was connected with the impact on costs for the period of write-downs of the residual value of pay TV sports broadcasting rights recognised in the consolidated financial statements at 31 December 2016. Excluding changes in the scope of consolidation, mainly in relation to the radio broadcasting companies acquired in the second half of 2016 onwards, operating costs related to integrated television operations showed a decisive drop of -3.3% on the figure posted for the same period of last year.
- Total **EBIT** from Italy operations amounted to a positive EUR **9.4 million**, compared to EUR -141.2 million at 30 September 2016.

**In Spain:**

- **Consolidated net revenues** for Mediaset España Group amounted to EUR **701.3 million**, showing a drop of 1.5% compared to the same period of last year.
- **Gross television advertising revenues** amounted to EUR **689.2 million**, showing a slight drop of 0.5% compared to the figure for the same period of last year. The latest Infoadex statistics show that television advertising investments over the nine-month period rose by 0.8%. Again according to Infoadex, Mediaset España in the period had a television market share 43.3%.

- **Total costs** amounted to EUR **516.1 million**, showing a drop of 4.6% compared to the same period of last year, thanks to a constant cost control process. Mediaset España continued progressively to reduce its operating costs compared to the first nine months of last year, when the figure was affected by the broadcast of EURO 2016 European Championship matches. Since 2010, a cumulative drop of EUR 200.6 million (-28.2%) in operating costs for the nine-month period has been achieved, without undermining the quality level of the television offering and while broadening the range of the offering, through 2 additional channels, compared to 2010.
- Thanks to these performance figures, **EBIT** reached EUR **185.2 million**, up from EUR 170.7 million for the same period of 2016, raising operating profitability to **26.4%** compared to 24.0% for the first nine months of 2016.

**Subsequent events and business developments after 30<sup>th</sup> September 2017**

In the last part of the year, the trend in the Group's advertising revenues is expected to make possible to maintain a positive trend compared with the previous year and to gain market shares both in the tv and in the total market.

On the basis of these expectations, and the results already achieved at the end of the first nine months, the objective remains that of achieving positive results in terms of both consolidated operating and net profit at the end of the financial year.



*Consolidated accounting tables  
and business segments information*

(values in EUR million)

<b>MEDIASET GROUP</b> <i>Income Statement</i>	<b>9M</b>		<b>3rd Quarter</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Total consolidated net revenues</b>	<b>2,532.8</b>	<b>2,563.9</b>	<b>687.1</b>	<b>693.3</b>
Personnel expenses	391.5	390.6	120.9	121.6
Purchases, services, other costs	1,183.4	1,280.4	352.6	393.1
<b>Operating costs</b>	<b>1,574.9</b>	<b>1,671.0</b>	<b>473.5</b>	<b>514.7</b>
<b>EBITDA</b>	<b>957.9</b>	<b>892.9</b>	<b>213.6</b>	<b>178.7</b>
TV and movie rights amortization	663.4	764.0	195.9	214.8
Other amortization and depreciation	99.8	99.4	35.7	30.4
<b>Amortization and depreciation</b>	<b>763.2</b>	<b>863.4</b>	<b>231.6</b>	<b>245.2</b>
<b>EBIT</b>	<b>194.7</b>	<b>29.5</b>	<b>(18.0)</b>	<b>(66.5)</b>
Financial income/(losses)	(17.9)	(74.1)	(7.3)	(31.1)
Income/(expenses) from equity investments	2.4	(4.8)	0.1	(6.5)
<b>EBT</b>	<b>179.3</b>	<b>(49.3)</b>	<b>(25.3)</b>	<b>(104.1)</b>
Income taxes	(50.1)	2.0	4.7	24.7
<b>Net result from continuing operations</b>	<b>129.2</b>	<b>(47.3)</b>	<b>(20.6)</b>	<b>(79.3)</b>
Net profit from discontinued operations	-	-	-	-
Minority interests in net (profit)/loss	(93.3)	(70.7)	(18.3)	(10.5)
<b>Group net result</b>	<b>35.9</b>	<b>(118.0)</b>	<b>(38.9)</b>	<b>(89.8)</b>

Nine-month 2016 figures have been restated for comparative purposes, in accordance with paragraph 49 of IFRS 3.

(values in EUR million)

<b>MEDIASET GROUP</b> <i>Balance Sheet Summary</i>	<b>#####</b> <b>###</b>	<b>#####</b> <b>###</b>
TV and movie rights	1,481.3	1,629.7
Goodwill	997.5	964.7
Other tangible and intangible non current assets	1,239.9	1,296.4
Equity investments and other financial assets	112.4	92.7
Net working capital and other assets/(liabilities)	(36.1)	(193.6)
Post-employment benefit plans	(88.5)	(91.8)
<b>Net invested capital</b>	<b>3,706.6</b>	<b>3,698.3</b>
Group shareholders' equity	1,869.4	1,947.7
Minority interests	441.4	588.2
<b>Total Shareholders' equity</b>	<b>2,310.8</b>	<b>2,535.9</b>
<b>Net financial position</b>		
Debt/(Liquidity)	<b>1,395.8</b>	<b>1,162.4</b>



(values in EUR million)

ITALY Income Statement	9M		3 <sup>rd</sup> Quarter	
	2017	2016	2017	2016
<b>Consolidated net revenues</b>	<b>1,832.2</b>	<b>1,853.0</b>	<b>494.4</b>	<b>503.3</b>
Personnel expenses	313.9	312.6	95.8	95.5
Purchases, services, other costs	867.6	963.5	250.0	292.7
<b>Operating costs</b>	<b>1,181.6</b>	<b>1,276.2</b>	<b>345.8</b>	<b>388.3</b>
<b>EBITDA</b>	<b>650.6</b>	<b>576.8</b>	<b>148.6</b>	<b>115.0</b>
TV and movie rights amortization	554.9	632.3	161.7	175.6
Other amortization and depreciation	86.3	85.7	31.0	26.5
<b>Amortization and depreciation</b>	<b>641.2</b>	<b>718.0</b>	<b>192.7</b>	<b>202.1</b>
<b>EBIT</b>	<b>9.4</b>	<b>(141.2)</b>	<b>(44.1)</b>	<b>(87.1)</b>
Financial income/(losses)	(16.7)	(73.4)	(7.0)	(30.8)
Income/(expenses) from equity investments	0.9	(3.1)	(0.3)	(3.9)
<b>EBT</b>	<b>(6.3)</b>	<b>(217.7)</b>	<b>(51.4)</b>	<b>(121.8)</b>
Income taxes	(10.6)	38.6	10.2	28.3
<b>Net result from continuing operations</b>	<b>(16.9)</b>	<b>(179.0)</b>	<b>(41.2)</b>	<b>(93.5)</b>
Net result from discontinued operations	-	-	-	-
Minority interests in net result	(21.1)	(5.1)	(8.3)	(3.5)
<b>Net result</b>	<b>(38.0)</b>	<b>(184.2)</b>	<b>(49.5)</b>	<b>(96.9)</b>

Nine-month 2016 figures have been restated for comparative purposes, in accordance with paragraph 49 of IFRS 3.

(values in EUR million)

ITALY Revenues (business segment breakdown)	9M		3 <sup>rd</sup> Quarter	
	2017	2016	2017	2016
Integrated TV Operations	1,772.4	1,800.6	474.3	485.8
El Towers	196.8	188.0	65.8	62.8
Eliminations	(137.0)	(135.6)	(45.7)	(45.4)
<b>Total</b>	<b>1,832.2</b>	<b>1,853.0</b>	<b>494.4</b>	<b>503.3</b>

(values in EUR million)

ITALY Operating Result (business segment breakdown)	9M		3 <sup>rd</sup> Quarter	
	2017	2016	2017	2016
Integrated TV Operations	(61.5)	(199.8)	(68.1)	(108.1)
El Towers	70.9	58.6	24.0	21.0
<b>Total</b>	<b>9.4</b>	<b>(141.2)</b>	<b>(44.1)</b>	<b>(87.1)</b>

(values in EUR million)

ITALY Integrated Television Operations Income Statement	9M		3 <sup>rd</sup> Quarter	
	2017	2016	2017	2016
Gross advertising revenues	1,423.3	1,411.8	346.5	358.4
Agency discounts	(203.9)	(204.3)	(49.5)	(51.0)
<b>Total net advertising revenues</b>	<b>1,219.4</b>	<b>1,207.5</b>	<b>297.0</b>	<b>307.4</b>
Revenues from subscriptions/pre-paid cards and Infinity	441.0	457.4	141.3	148.8
Other revenues	112.0	135.8	36.0	29.6
<b>Total Revenues</b>	<b>1,772.4</b>	<b>1,800.6</b>	<b>474.3</b>	<b>485.8</b>
Personnel expenses	281.7	280.8	86.0	85.5
Operating costs	804.2	899.1	228.3	271.8
TV and movie rights amortisation	554.9	632.4	161.7	175.7
Other amortisation and write-downs	57.8	54.8	21.2	16.2
Inter-segment costs	135.3	133.3	45.2	44.7
<b>Total Costs</b>	<b>1,833.9</b>	<b>2,000.4</b>	<b>542.3</b>	<b>593.9</b>
<b>Operating Result</b>	<b>(61.5)</b>	<b>(199.8)</b>	<b>(68.1)</b>	<b>(108.1)</b>
% on total revenues	-3.5%	-11.1%	-14.4%	-22.3%

Nine-month 2016 figures have been restated for comparative purposes, in accordance with paragraph 49 of IFRS 3.

(values in EUR million)

SPAIN Income Statement	9M		3 <sup>rd</sup> Quarter	
	2017	2016	2017	2016
<b>Total consolidated net revenues</b>	<b>701.3</b>	<b>711.7</b>	<b>192.8</b>	<b>190.1</b>
Personnel expenses	77.5	78.0	25.1	26.1
Purchases, services, other costs	316.3	317.4	102.6	100.3
<b>Operating costs</b>	<b>393.8</b>	<b>395.4</b>	<b>127.7</b>	<b>126.4</b>
<b>EBITDA</b>	<b>307.5</b>	<b>316.3</b>	<b>65.0</b>	<b>63.7</b>
TV and movie rights amortization	108.7	131.8	34.3	39.3
Other amortization and depreciation	13.6	13.8	4.8	3.9
<b>Amortization and depreciation</b>	<b>122.3</b>	<b>145.6</b>	<b>39.1</b>	<b>43.2</b>
<b>EBIT</b>	<b>185.2</b>	<b>170.7</b>	<b>26.0</b>	<b>20.5</b>
Financial income/(losses)	(1.2)	(0.7)	(0.3)	(0.3)
Income/(expenses) from equity investments	1.5	(1.7)	0.4	(2.6)
<b>EBT</b>	<b>185.5</b>	<b>168.3</b>	<b>26.0</b>	<b>17.6</b>
Income taxes	(39.5)	(36.7)	(5.5)	(3.6)
<b>Net profit from continuing operations</b>	<b>146.0</b>	<b>131.6</b>	<b>20.5</b>	<b>14.1</b>
Net profit from discontinued operations	-	-	-	-
Minority interests in net profit	0.1	0.2	(0.2)	0.1
<b>Net profit</b>	<b>146.1</b>	<b>131.8</b>	<b>20.4</b>	<b>14.1</b>

(values in EUR million)

SPAIN Consolidated Revenues	9M		3 <sup>rd</sup> Quarter	
	2017	2016	2017	2016
<b>Gross advertising revenues</b>	<b>689.2</b>	<b>693.0</b>	<b>188.3</b>	<b>185.0</b>
Agency discounts	(28.3)	(25.9)	(7.9)	(7.0)
<b>Net advertising revenues</b>	<b>660.9</b>	<b>667.1</b>	<b>180.4</b>	<b>178.0</b>
Other revenues	40.4	44.6	12.4	12.1
<b>Total net consolidated revenues</b>	<b>701.3</b>	<b>711.7</b>	<b>192.8</b>	<b>190.1</b>

(values in EUR million)

Summary Statement of Financial Position (geographical segment breakdown) 9M	Italy		Spain	
	2017	2016	2017	2016
<b>Net Financial Position at the beginning of the year (Debt)/Liquidity</b>	<b>(1,339.8)</b>	<b>(1,051.8)</b>	<b>177.4</b>	<b>192.4</b>
<b>Free Cash Flow</b>	<b>(39.6)</b>	<b>(115.1)</b>	<b>190.6</b>	<b>184.4</b>
Cash Flow from operating activities (*)	569.5	583.2	279.9	299.9
Investments in fixed assets	(381.1)	(463.0)	(156.1)	(158.6)
Disposals of fixed assets	6.8	1.5	1.7	0.6
Changes in net working capital and other current assets/liabilities	(234.8)	(236.7)	65.0	42.5
Change in the consolidation perimeter	(45.3)	(102.5)	-	-
Own share's sell/buyback	(39.0)	(2.2)	(100.5)	(91.4)
Equity investments/Investment in other financial assets and changes in stakes of subsidiaries	(36.5)	(32.1)	6.5	(1.3)
Cashed-in dividends	92.4	84.7	1.8	1.7
Dividends paid	(88.1)	(22.7)	(175.7)	(167.4)
<b>Financial Surplus/(Deficit)</b>	<b>(156.1)</b>	<b>(189.8)</b>	<b>(77.3)</b>	<b>(74.0)</b>
<b>Net Financial Position at the end of the period (Debt)/Liquidity</b>	<b>(1,495.9)</b>	<b>(1,241.6)</b>	<b>100.1</b>	<b>118.4</b>

(\*): Net result +/- minority interests + amortisation/depreciation +/- net provisions +/- gains from the accounting of investments under the equity method + changes in valuation reserves - gains/losses on equity investments

**Company Executive Responsible Declaration**

The Company Executive responsible for the preparation of the company accounting documents of Mediaset S.p.A., Luca Marconcini, herewith declares, pursuant to paragraph 2, article 154, second part, of the Consolidated Finance Act that the accounting information contained in this document corresponds to the contents of accounting documents, books and postings of the company.

for the Board of Directors  
the Chairman