



MEDIASET

MEDIASETespaña.

MFE – MediaForEurope:
Shifting Towards the
New Paradigm

10th June 2019

IMFE
MEDIAFOREUROPE

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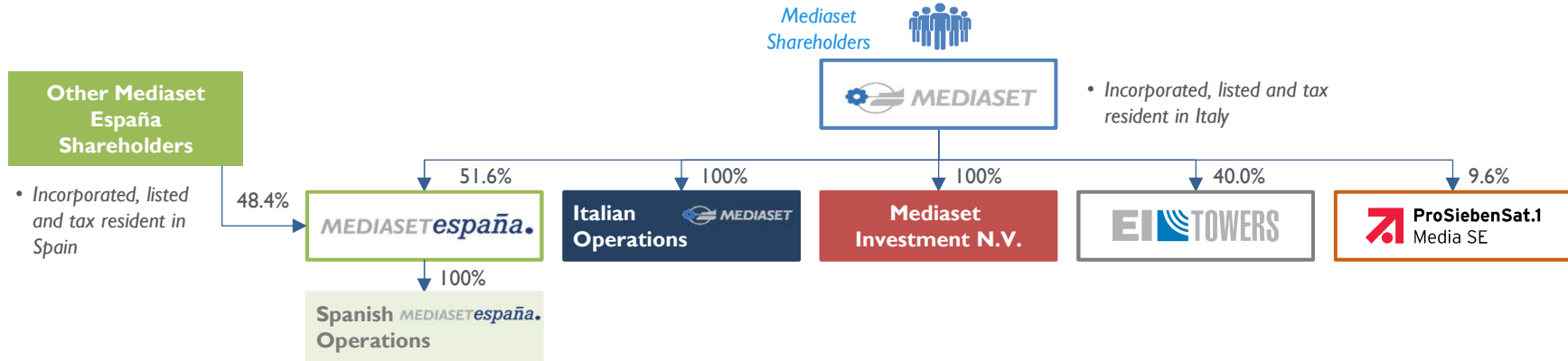
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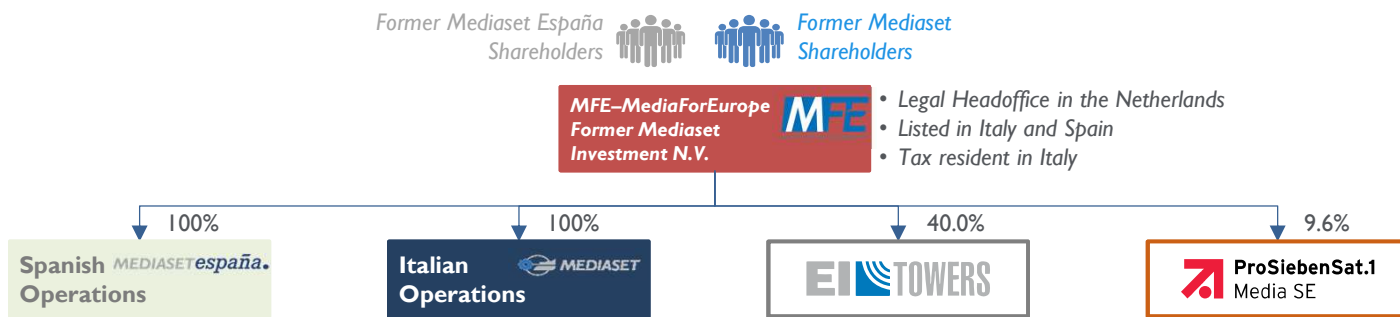
Transaction structure overview



Pre-Transaction Structure



New Group Structure



Key transaction highlights



Transaction Structure	<ul style="list-style-type: none"> Reverse Merger of Mediaset with and into Mediaset Investment N.V. and merger of Mediaset España with and into Mediaset Investment N.V. Combined equity value of €3.9 b at announcement⁽¹⁾
Company Name, Headquarter and Listing	<ul style="list-style-type: none"> Mediaset Investment N.V. will be renamed MFE – MEDIAFOREUROPE Legal Headoffice: the Netherlands Double listing: Italy and Spain Tax domicile: MFE – MediaForeEurope will remain tax resident in Italy, while nothing will change in the operating companies in Italy and Spain with respect to tax residency and operations
Exchange Ratio	<ul style="list-style-type: none"> 1 MFE share for 1 Mediaset share 2.33 MFE shares for 1 Mediaset España share⁽²⁾
Loyalty Voting Structure	<ul style="list-style-type: none"> Reward long-term ownership and promote stability of MFE shareholders through Special Voting Shares (SVS) mechanism 3x voting rights (SVS A): <ul style="list-style-type: none"> Initial allotment⁽³⁾: 30 days after the effectiveness of the merger Subsequent allotment: 3 years after the registration in the loyalty register 5x voting rights (SVS B): after 2 years of uninterrupted ownership of SVS A 10x voting rights (SVS C): after 3 years of uninterrupted ownership of SVS B
Withdrawal Rights	<ul style="list-style-type: none"> Spanish withdrawal price: 6.5444 euro per share (3-month daily volume-weighted average price from execution of the merger plan, deducting dividend per share) Italian withdrawal price: 2.770 euro per share (6-month average of the closing prices from publication of the notice conveying the EGM) cap of Euro 180 million⁽⁴⁾
Condition Precedent	<ul style="list-style-type: none"> The Merger is conditional upon a limited number of condition precedents, including, inter alia: (i) a preliminary reorganization of the Italian and Spanish businesses; (ii) the admission to listing on the Italian Stock Exchange of MFE ordinary shares; (iii) that shareholders of VBI and VBE exercising their withdrawal right in relation to the Merger and creditors of VBI and VBE exercising their right of opposition to the Merger, in accordance with applicable law, in an amount not exceeding the Cap Amount; and (iv) certain regulatory conditions
Value Creation	<ul style="list-style-type: none"> €100-110m of cost efficiency and savings at EBIT level by 2023 (around €800m on a net present value basis⁽⁵⁾) EPS accretive from year 1 (2020) for both Mediaset and Mediaset España shareholders⁽⁶⁾
MFE Dividend and Buy-back	<ul style="list-style-type: none"> MFE to distribute a cash dividend of €100m upon merger becoming effective MFE will launch a buy-back program for a maximum aggregate amount of Euro 280 million (including the aggregate amount necessary to purchase the withdrawn shares, if any, up to the Cap Amount), up to a maximum price per share of Euro 3.4

Notes: (1) As of 6th June 2019 (Source: Bloomberg). (2) Supported by fairness opinions (3) Applies to the shareholders of Mediaset and Mediaset España which have so requested prior to, respectively, the Mediaset EGM and the Mediaset España GSM. (4) Withdrawal rights apply to Mediaset and Mediaset España shareholders who do not vote in favor of the Merger at the EGM/GSM. (5) Based on sector "Blended Forward EV/EBIT" multiple (Source: Bloomberg, 3rd June). (6) Based on Bloomberg consensus as of June 5th.

Transaction timetable



7th Jun
2019

Announcement of the merger

4th Sep
2019

Extraordinary general meeting of shareholders of Mediaset to approve the merger

4th Sep
2019

General shareholders meeting of Mediaset España to approve the Merger and the Mediaset España Segregation

Q4 2019

Expected effective date of the merger

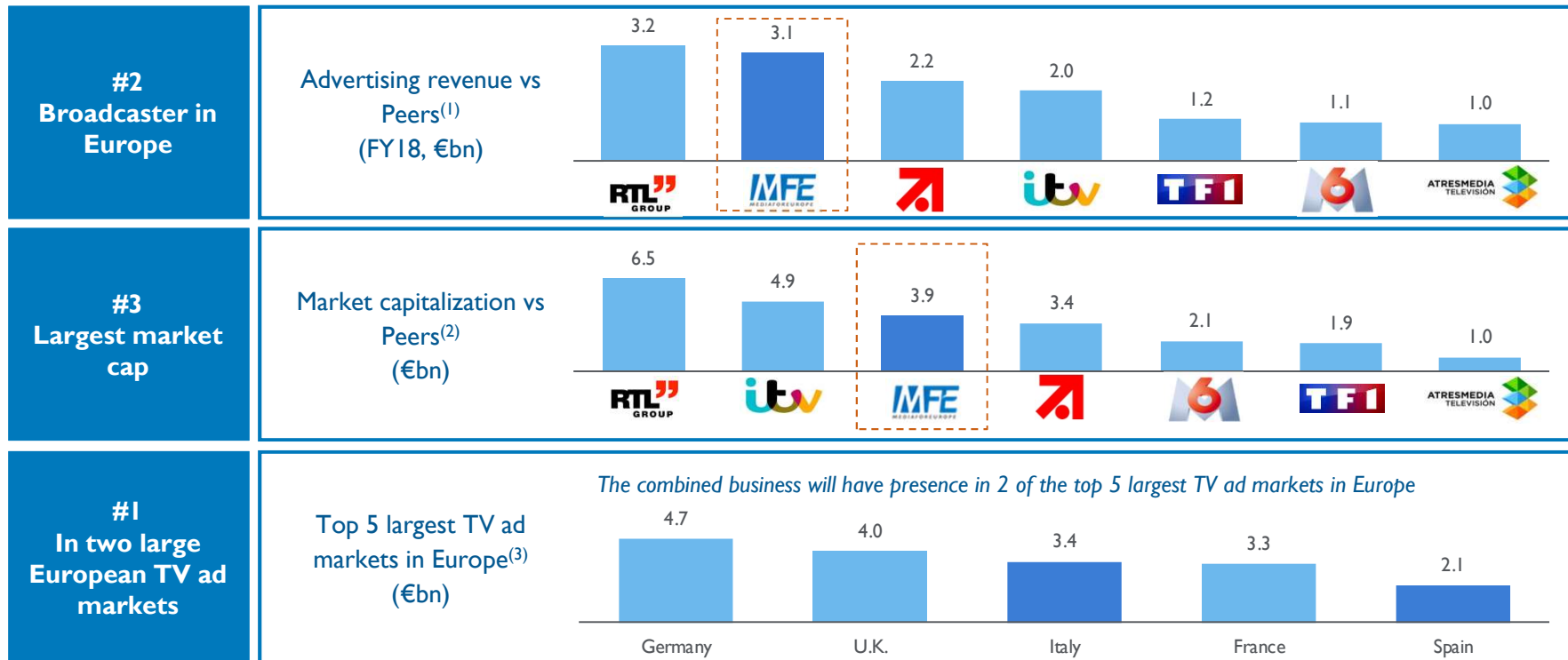
From national champions to a leading European platform



	MEDIASET	MEDIASETespaña.	
Audience Share ⁽¹⁾			Leading TV Audience Share
Advertising Market Share ⁽²⁾			Leading Advertising Market Share
Advertising Revenue ⁽³⁾	€2,112m	€964m	Combined Adv. Revenue >€3bn
Key Brands Linear			Strong Portfolio of High Value Brands
Key Brands Non Linear			Strong Portfolio of High Value Brands

Notes: (1) Commercial target, as of FY2018. (2) Mediaset advertising market share and Mediaset España TV advertising market share as of FY2018. (3) Gross advertising revenue as of FY2018.

Combination creates a European leader in broadcasting



Combined group will have access to a combined audience of 107mm people

Notes: (1) Mediaset: PF Gross advertising revenue; RTL Group: TV and radio advertising revenue; ProSiebenSat.1 Media: advertising revenues; ITV: advertising revenue of GBP1,745m. GBP/EUR 2018 average of 1.130. M6: advertising revenue; Atresmedia: audiovisual and radio revenue. (2) Market data as of 27/05/2019. (3) TV ad spend size from Zenith Optimedia for 2018.

Compelling strategic rationale



Scale to Compete

Integrated and diversified media company with access to a combined audience of 107mm viewers to better compete with global players
Economies of scale will be generated in key crucial areas such as audience/reach, content creation and distribution, audience data, AdTech platforms, OTT (AVOD) platforms, talent acquisition and attraction.

New Business Opportunities

Scale and international footprint will create opportunities that cannot be seized today due to the local focus and dimension and will ample resources to invest in core business areas, such as creation of a production content house, data collection, addressable TV, digital audio, DOOH, mobile proximity.

Stronger Proprietary Channel and Content Portfolio

Best content and viewing experience across all platforms (linear and non-linear), engaging content for viewers thanks to stronger in-house production resources and increased ability to supply content to 3rd parties.

Leaner and More Efficient Organization

Pan-European consolidation requires a re-engineering of the operational and organization model that will allow cost efficiencies and savings mainly driven by technological developments.
Agile decision making with a leaner organization to adapt to a changing business environment and capture combined growth opportunities.

“Driving the Change”

Scale coupled with a pan-European footprint will benefit all stakeholders by increasing bargaining power and establishing a first-mover advantage in a consolidating media landscape.

Framework adopted to estimate potential upsides



Base Case

Focus on cost efficiencies and savings achievable across 6 buckets:

Content

Broadcasting & Digital

IT / Tech

Procurement

G&A Expenses

Sales House

Integration unlocks 100-110m costs efficiency and savings by 2023

Fully actionable with internally controlled levers

Add-on Options

Focus on revenue opportunities that would require strategic decisions

Value opportunities

Further Optionalities

Business opportunities that would require structural decisions

Strategic opportunities

Expected level of integration



1. Common standards



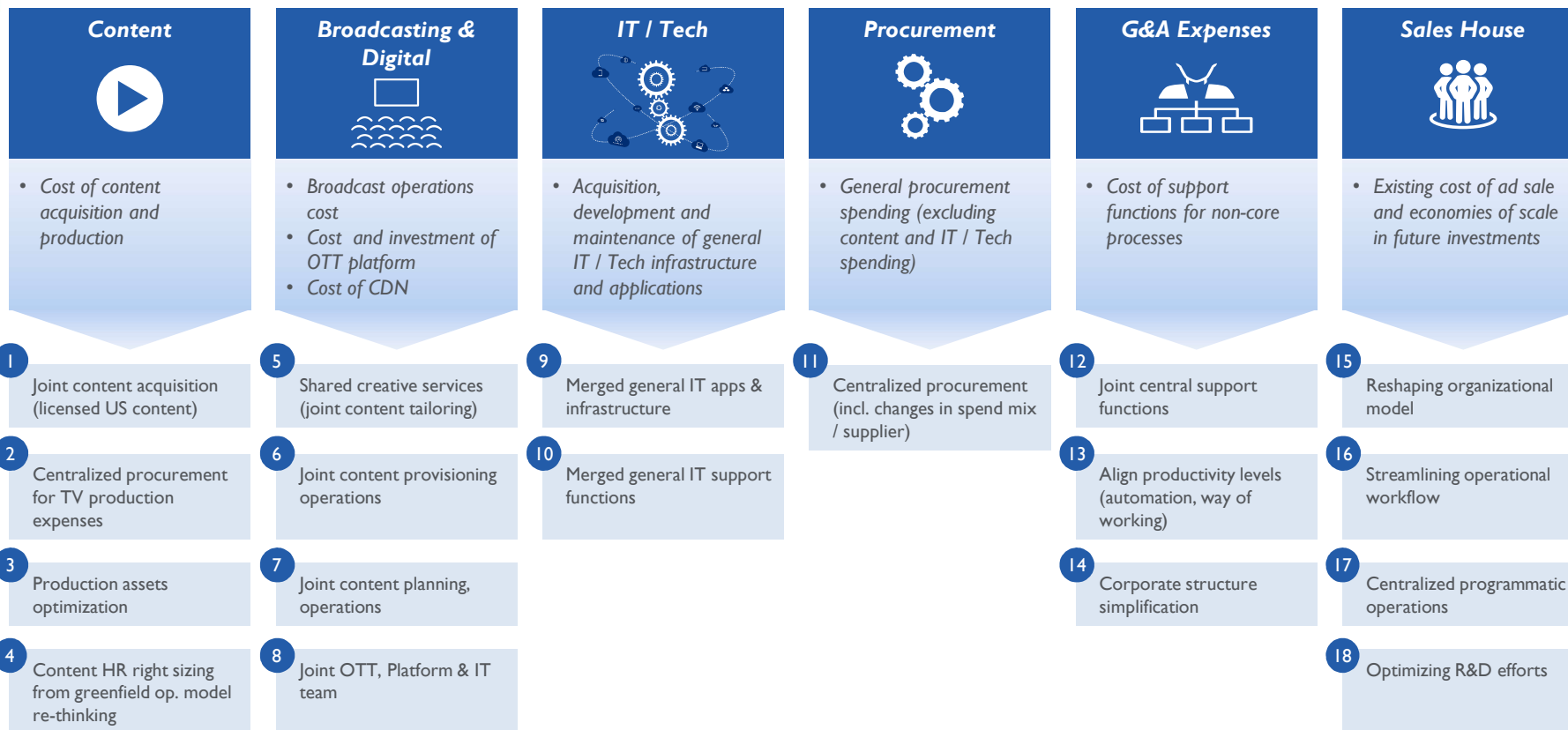
2. Shared technology



3. Integrated operations



Base case | Levers for cost efficiencies and savings



Add-on options | Revenues uplifts

Content



Broadcasting & Digital



IT / Tech



Procurement



G&A Expenses



Sales House



1 Joint production of international premium scripted content

3 AVOD revenues uplift from best-in-class OTT platform

2 Stronger content selling capabilities thanks to broader product portfolio

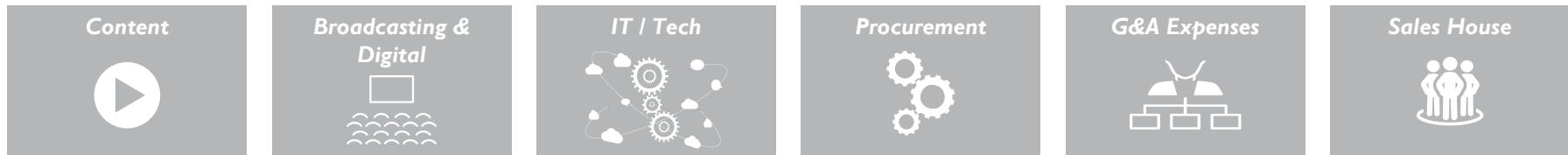
4 Commercial push on 3rd parties to join the OTT platform

5 Development of new addressable market segments:

- Addressable TV
- OTT
- Digital Audio
- DOOH
- Mobile Proximity

6 Adv. uplift from higher share of Pan-European ad budgets of Multinationals

Further opportunities



Limited discontinuity

- A** Thematic channel consolidation
- B** Overall content mix review
- C** 360 degrees content monetization (additional revenues stream)
- D** European content house

E M&A opportunities in new digital segments

F Extension to all countries of digital verticals and branded content properties

G Potential consolidation of further FTA European players as "Domino" effect
H Combined Media4Equity - acquisition of new digital properties

Strong discontinuity

Final remarks | Shifting Towards the New Paradigm



Size is Crucial

- Scale and international footprint is not more an option to remain relevant in the media industry

First Mover in Consolidation

- MFE- MediaForEurope will exploit the first mover advantage, by playing a pivotal role in the context of a possible future consolidation scenario in Europe

Neutral Platform

- MFE- MediaForEurope represents the ideal neutral corporate platform to host further European consolidation
- From the governance point of view, Netherlands represents the most flexible and pragmatic ground for such an ambitious project

Value Creation

- €100-110m of annual gross pre-tax cost efficiency and savings by 2023 (around €800m on a net present value basis)⁽¹⁾
- EPS accretive from year 1 (2020) for both Mediaset and Mediaset España shareholders

Return to Shareholders

- MFE- MediaForEurope shareholders will benefit from a €100m cash dividend that will be distributed upon effectiveness of the merger
- MFE- MediaForEurope will launch a buy-back program for a maximum aggregate amount of Euro 280 million up to a maximum price per share of Euro 3.4⁽²⁾
- Dividend policy envisaging remuneration of shareholders, through ordinary dividends or other means not be lower than 50% of the net consolidated profits in the year

Notes: (1) Based on sector "Blended Forward EV/EBIT" multiple (Source: Bloomberg, 3rd June). (2) Net of any cash to be paid to shareholders exercising the withdrawal rights.

Q&A Session