

ORDINARY GENERAL SHAREHOLDERS MEETING 13th APRIL 2016

PRESIDENTS SPEECH – MR. ALEJANDRO ECHEVARRIA

Good morning ladies and gentlemen shareholders, we are gathered here, once again, to analyse the results of the previous year, which we submit for your approval.

As we will see, the Company has evolved a lot better than the global and the Spanish economies. A global economic growth of around 3.1% is expected; well above the average growth of the Occidental economies, which are between 1.9% and 1.6% in the European Union, and the exception being the United States, which is closer to 2.5%.

Breaking the positive trend seen in the emerging countries in recent years, 2015 has had a negative evolution, which, in the case of Russia and Latin America is explained based on a lower demand for raw materials and the fall in oil prices.

With regards to Spain, according to macroeconomic data published, GDP has grown by around 3.2% in 2015, nearly double that of Germany and the average European economy; this data allows us to have a founded hope in the long-awaited recovery, especially if one takes into account that consumption is evolving even more positively, which has in turn allowed for an employment market revival, although it is still penalised by an unemployment rate of close to 21%.

This factor, along with the high level of borrowing compared to foreign borrowing (over 100% of GDP) and the Public Administrations deficit, which has exceeded that agreed with the European Union, are the three main obstacles facing the Spanish economy.

Of course, the political uncertainty that is still facing our country today is also important, and that is certainly weighing on consumption and investment. We hope that, at least, this scenario is clarified sooner rather than later.

THE TELEVISION BUSINESS IN 2015

During 2015 TV advertising has increased by around 6.4%, slightly less than last year, which is understandable since, in a recovery scenario, the comparisons with previous years are increasingly more demanding.

What is important is that TV advertising has continued to show its strength for another year, capturing 40.1% of the total advertising investment. And contrary to what is being advocated, TV consumption has continued to rise every year since 2008, demonstrating that free to air TV is still an essential format for advertisers.

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In the big cake which is television advertising investment, the largest slice, 43.4% is held by Mediaset España.

As for the audience, 2015 continues placing our Company as the undisputed leader, with a cumulative audience of 31%, which, apart from being an historical record, puts us 4.2 points ahead of our main competitor.

To finish painting the TV picture of 2015, it must be added that the Government awarded six new television licenses, three standard quality and three in high definition, granted to Mediaset, Atresmedia, Real Madrid, Spanish Episcopal Conference, Kiss FM and the production company Sequoia; which will bring four new operators to the Spanish free to air television stage.

Our CEO, Paolo Vaile will give more information on this.

ECONOMIC DATA

Comparing the results of the Company in 2015 with those obtained in 2014, we have obtained:

- Operating revenues have gone from 932 million Euros in 2014 to 971 million Euros in 2015, thanks to the aforementioned advertising growth and the excellent performance of our films in the cinema (8 apellidos catalanes, Catch the Flag and Regression)
- Operating costs have gone from 787 million Euros in 2014 to 766 million Euros in 2015, a 2.5% decrease which can be explained by the broadcast of the Football World Cup and the excellent management of company resources in 2014.
- Operating profit reached 205 million Euros compared to the 144 million Euros registered in 2014, which means an operative margin (calculated as the ratio between operating profit and net operating income) equivalent to 21.1% compared to 15.5% obtained in 2014.
- Finally, the net income attributable to the parent Company of the Mediaset Group amounted 166 million Euros compared to 59 million Euros obtained in 2014, a significant improvement mainly explained by the recovery in the operating margins experienced during the year as a result of the increase in operating income.

DIVIDENDS

Last year the Company returned to its regular dividend policy after two years in which it chose not to distribute dividends, due to the deteriorating situation in the advertising market and the existence of potential investment opportunities. In 2014 the company opted to distribute an amount of 47 million Euros with an ordinary and an extraordinary dividend.

This year we are proposing to the General Shareholders Meeting the distribution of an ordinary dividend totalling 167 million Euros, which is the entire amount of the Company's total profit.

EVOLUTION OF THE MARKET SHARE PRICE

The IBEX 35, the benchmark of the Spanish stock exchange had the worst European index in 2015, with a decline of 7.15% to 9,544.20 points. The maximum was reached on April 13th with 11,866.40 points while the annual minimum was set on September 24th with 9,291.40 points. Since the second half of August, the Madrid stock market entered into losses due to cuts provoked by the negative data from the Chinese economy, and the political uncertainties in Spain were the reasons that drove foreign investment away from the Spanish stock market.

At 31st December the market share price was set at €10.03; the annual minimum was reached on October 1st to €9.69 while the annual maximum occurred on July 16th, at €13.10.

With regard to Mediaset España's market capitalization as of 31st December it was €3,672.7 million, a decrease of 13,6%, mainly justified by the 10% reduction of the company's share capital approved in the General Shareholders Meeting.

In the market capitalization ranking, Mediaset España ranks at number one at a national level among the companies in media sector, with a difference of more than €1,450 million compared to its closest competitor (Atresmedia) and 32% higher than all the companies in the sector.

CORPORATE GOVERNANCE

In compliance with Recommendation 3 of the new Code of Good Governance 2015, I shall proceed to inform you about the most relevant aspects of the company's corporate governance, in particular:

- a) the changes since the previous annual general meeting; and
- b) the specific reasons why the company does not follow some of the Code of Good Governance's recommendations

For listed companies, 2015 was generally a year of big changes in their regulatory texts, to adapt not only to legislative changes, but also to the new Corporate Governance recommendations entering into force. In our case, such changes were approved at the Ordinary Annual General Meeting held in April last year.

In the interest of progressing further with regards to corporate governance, the Board of Directors approved and implemented several policies: one on treasury shares, another on dividend policy and a third refers to the director's selection process. During 2016 we plan to approve other policies, among these is the communication with investors.

From a transparency point of view, and in order to provide our shareholders with all the information possible, the following reports have been published this year on the website of the company: the Auditor's Independence Report, the Related Party Transactions Report, the Dividend Policy Report and the reports prepared with regards to the activities carried out

during the year by the Audit and Compliance Committee and the Appointments and Remuneration Committee.

Evaluation of the Board of Directors and Committees

During the first half of 2015 an evaluation of the Board and the Committees of the Company has been carried out; on top of the assessment of Mediaset España's CEO, thereby complying with legal regulations and corporate governance recommendations. All of the directors participated in this evaluation.

The Appointments and Remuneration Committee has supervised the development of an annual self-evaluation form, both for the Board of Directors, and the Audit and Compliance Committee, as well as its own, which was submitted for the approval of the Board of Directors.

Based on the assessments given in each of the forms received, a final report has been compiled in which the accumulated assessments made by the Directors appear, and a plan for improvement in 2016.

Regarding the CEO, as in previous years, it was the plenary Appointments and Remuneration Committee responsibility for evaluating its performance.

Referring to the Good Governance Recommendations set out in the Annual Corporate Governance Report that you have, during 2015, out of the 64 recommendations made by the National Securities Market Commission for the listed companies, Mediaset España meets 42, 15 are not applicable, 6 are subject to partial fulfilment and only 1 would not have been fulfilled which is number 7, which recommends that companies broadcast the General Meeting live via the web. It was not possible to comply with this recommendation in 2015 but I am pleased to inform you that this General Meeting is being broadcast live, so that the content of everything that happens here today can be followed via our website.

Finally, I must point out that, as in previous years, the Annual Corporate Governance Report has been verified by an independent entity.

CORPORATE RESPONSIBILITY

Corporate social responsibility is increasingly incorporated into the companies' management. Its inclusion in the Unified Code of Good Governance in 2015, as one of the duties corresponding to the Board of Directors, has given Corporate Responsibility great notoriety, recognition and relevance, given the hierarchical rank of the body on which management responsibilities lie in this area.

In Mediaset we did not want to be left behind, and for this reason, in 2015 we have carried out for the first time, a materiality study in order to bring greater transparency to the process of identifying those issues that are most relevant to the business and those which most concern our key stakeholders. This was all done in order to focus our Corporate Responsibility Report on the sustainability standard requirements, which the company is particularly interested in responding to.

When identifying relevant issues, we have taken into account the criteria outlined by those responsible for our main areas of activity, as well as sectoral reporting, not forgetting the documents produced by the drivers of international standards (GRI, SASB, Media CSR Forum, RobecoSam, World Economic Forum, Forbes, etc.), and the sustainable investment indices (FTSE and Dow Jones 4Good).

A list of 29 relevant issues, has been developed from this analysis, which have been analysed internally by the company's main area directors, who have carried out an evaluation task assessing its impact on the performance and success of the business.

The result of the inclusion and participation of stakeholders and their concerns has led to a "materiality matrix", which is included in our Corporate Responsibility.

I would not like to end this section without mentioning the significant improvement we have made in our score in the latest analysis of the Carbon Disclosure Project (CDP), where we obtained a **99B** valuation, the highest among listed companies in our sector. Mediaset España has taken part in this initiative since 2009, which analyses more than 3,500 international companies listed on the major stock indexes and is backed by 827 institutional investors.

REGULATORY CONTEXT

For some time, the position held by Mediaset España and Atresmedia in the Spanish television market has been generally criticized.

It happens that, this situation was neither well designed originally nor is it an unlawful or illegal situation when considered on its own. You have to go back to 1989 to remember that to the first three private television licences were assigned to Mediaset and Atresmedia, effectively, but also to the Prisa Group, which freely chose to launch a pay TV channel, Canal +. You must remember that, behind this, licences were granted to the Vocento Group and Unedisa that led to the appearance of four new channels. It should be recalled that in the transition from analogue to digital television, a new analogue licence that gave rise to the appearance of LA SEXTA and at the same time, the transformation of Canal + to a free to air channel, CUATRO, was authorized. And remember, finally, that at the end of last year six new television licences were awarded, which have resulted in four new television operators appearing in the market: la Conferencia Episcopal, Kiss Fm, Real Madrid and Sequoya and no fewer than six new channels.

Therefore, the situation that we have today is no stranger, of course, to the government's successive attempts to avoid it. What happens is that, the market, when operating normally, it defines itself, both in size and its composition. Neither of these variables can be stably modified in an artificial manner.

That said, what the industry lacks is regulatory stability, something from which it has been suffering almost since the appearance of private television. Regulatory stability so that, operators can plan their activity in the medium to long term. The economy is already volatile enough, without having to live in suspense of any pending unforeseen regulatory changes that the government may introduce. Not least because, in some cases, these operators are publicly

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traded companies with shareholders, large and small, who like us, the managers, feel assured that their planning is not at the mercy of sudden changes to the rules of the game.

In close connection with this issue, there is another issue that poses a danger, it's not imminent, but it's certainly worrying. A European body is intending to constrict the radio spectrum reserved for digital terrestrial television in favour of telecom operators, with successive frequency migrations.

We have already experienced these initiatives two years ago, called "the first digital dividend", which not only reduced the radio space given to television operators, but it also forced viewers to adapt their antennas and re-tune their televisions, which as well as the chaos caused, it also involved successive monetary disbursements that were not always subsidized.

The European Union, and especially the Spanish legislator, need to understand that the measures that may be appropriate and harmless in northern Europe, are not so in southern European countries, because while in the north the main medium of television broadcasting is on cable or satellite, in southern Europe it is eminently terrestrial broadcasting, free to air and consequently free. Therefore, the Spanish Public authorities are obliged to take measures to enforce and respect the uniqueness of our country and, therefore, safeguard sufficient radio electric supply for an offer as rich as the one that currently exists in Spain.

For the sector to develop properly, it needs to be supported by the new government, which is yet to be constituted, it shall resolve outstanding legislative issues, defending the future spectrum, ensuring the sustainability of RTVE must be a priority of the State, and organizing the rules on Cinema Production and Intellectual Property, etc

The audio-visual landscape is more competitive than ever, with 21 private channels, but also more opportunities for advertisers, producers, broadcasting services, manufacturers and other new players that will experience the effect of this increase in new content and opportunities.

CLOSING

That said it's time to say goodbye, and I must congratulate, all the staff at Mediaset España and its Group of Companies once again, without whom the results we have presented would not have been possible.

Also, thanks to Telecinco's shareholders for their trust; we hope to maintain it.