

PRESS RELEASE

FININVEST GROUP - FINANCIAL STATEMENTS 2019

CONSOLIDATED REVENUES: EUR 3,886.4 MILLION

**EBIT: EUR 338 MILLION
(130 MILLION IN 2018)**

**NET PROFIT: EUR 220 MILLION
(203 MILLION IN 2018)**

**NET PROFIT BEFORE NON-RECURRING ITEMS: EUR 213 MILLION
(117 MILLION IN 2018)**

INVESTMENTS: EUR 1,166.6 MILLION

***Adriano Galliani and Niccolò Ghedini
appointed to the Fininvest S.p.A. Board of Directors***

Milan, 26 June 2020 - The Shareholders' Meeting of Fininvest S.p.A., held today and chaired by Marina Berlusconi, has approved the financial statements of the parent company and examined the consolidated financial statements for the year ended 31 December 2019.

*The macroeconomic scenario during the 2019 financial year was affected by many of the **downside factors** that emerged in prior years, including above all a **fall in consumption**, which has especially hurt the **media sector** and **advertising revenues**.*

*In this problematic background, the Fininvest Group further increased its commitment to focusing on its **core businesses** and to identifying **new growth opportunities, even internationally**. In this context both **Mediaset** and **Mondadori** carried out **major strategic transactions**.*

*This course of action made it possible to achieve **highly satisfactory operating results**, with EBIT positive at about **EUR 340 million** and a consolidated net profit of over **EUR 220 million**. In addition, despite having made significant **investments of over EUR 1.1 billion**, the Group maintained solid **capital stability**, thanks in part to a strong and rising **ordinary cash generation (EUR 330 million)**.*

*Lastly, it should be noted that the Group's **2020** results will inevitably be **affected by the crisis caused by the Covid-19 pandemic**, whose future course is currently impossible to accurately predict. However, the **strong strategic, earnings and financial** consistency outlined above have enabled all Group companies to take effective steps to cope with the emergency and minimise its negative effects on their respective businesses.*

FININVEST GROUP CONSOLIDATED FINANCIAL STATEMENTS 2019

The main results for 2019 are as follows:

Fininvest Group **consolidated revenues** for the year 2019 amounted to **EUR 3,886.4 million** compared to EUR 4,429.5 million in 2018 (-12.3%). This decrease is largely due to the loss of advertising revenues for Mediaset linked to a number of sporting events (e.g. the 2018 Football World Cup) and the discontinuation of the pay-TV business.

EBITDA was **EUR 967.8 million (24.9% of revenues)**, compared to EUR 1,155.1 million in the previous year.

Group **EBIT** was **positive** at **EUR 338 million**, almost three times the EUR 129.8 million recorded in 2018. Leaving aside the accounting effects of extraordinary transactions over the two years, EBIT in 2019 was positive at approximately **EUR 297 million**, in any case a significant increase on EUR 217 million in 2018.

Consolidated net profit totalled **EUR 220.3 million**, an increase on the profit of EUR 202.8 million in 2018.

Excluding non-recurring expenses and income, Group **net profit** in 2019 was approximately **EUR 213 million**, a significant improvement on the EUR 117 million recorded in the previous year (again excluding non-recurring items).

The **net financial position** of the Fininvest Group as at 31 December 2019 was a **debt** of **EUR 1,305 million**, compared to EUR 878.8 million as at 31 December 2018 (considering adjustment to IFRS 16, debt stood at EUR 1,533 million compared to EUR 1,127 million at the end of 2018).

The **financial deficit** of EUR 426 million was mainly due to strategic investments made during the year (in particular by Mediaset).

Ordinary cash generation reached **EUR 330 million**, up from EUR 270 million in 2018.

In 2019 the Group made **investments** of **EUR 1,166.6 million** (EUR 1,172.5 million in 2018).

Total **consolidated shareholders' equity** as at 31 December 2019 amounted to **EUR 4,500.9 million**.

FININVEST S.P.A.

The separate net profit of the parent company Fininvest S.p.A. was EUR **84.2 million** in 2019 (compared to a profit of EUR 57.8 million in the previous year).

The Shareholders' Meeting of Fininvest S.p.A. also appointed the new Board of Directors. The directors Marina Berlusconi (Chairman), Danilo Pellegrino (Chief Executive Officer), Barbara Berlusconi, Luigi Berlusconi, Pier Silvio Berlusconi and Salvatore Sciascia were confirmed in post. In addition, the Shareholders' Meeting appointed Adriano Galliani and Niccolò Ghedini to the Board of Directors.

The Meeting thanked the outgoing directors Pasquale Cannatelli, Bruno Ermolli and Roberto Poli for their significant contribution over the years.

Adriano Galliani

Adriano Galliani, born in Monza on July 30, 1944, is an entrepreneur, manager and politician.

Previously he has been President of Lega Calcio, AC Milan Chief Executive Officer from 1986 to 2017, Mediaset Chief Executive Officer from 1986 to 1998, President of Mediaset Premium and President and Chief Executive Officer of Elettronica Industriale.

He is currently Senator of the Republic, President of Fininvest Real Estate & Services and AC Monza Chief Executive Officer.

In 2010 he was awarded with the career's Global Soccer Award and in 2011 he was included in the Italian football Hall of fame, manager category.

Niccolò Ghedini

Niccolò Ghedini was born in Padova on December 22, 1959.

Lawyer, he carries out the legal profession since 1985. He has been from 1996 to 2000 member of the Giunta dell'Unione delle Camere Penali and National Secretary.

Member of Parliament of the Republic from 2001 to 2006 and from 2008 to 2013; Senator of the Republic from 2006 to 2008, from 2013 to 2018 and from 2018 until now. He is currently member of the justice commission of the Senate of the Republic.

For more information

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| BALANCE SHEET FIGURES | 31.12.2019 | 31.12.2018 | Change in amount vs. 31.12.2018 |
|--------------------------------------------------|-------------|-------------------------|------------------------------------|
| | EUR million | EUR million | EUR million |
| Net invested capital | 6.033,8 | 5.419,4 | 614,4 |
| Financed by: | | | |
| Shareholders' equity - Group | (2.673,1) | (2.693,6) | 20,5 |
| Shareholders' equity - non-controlling interests | (1.827,8) | (1.847,0) | 19,2 |
| Total shareholders' equity | (4.500,9) | (4.540,6) | 39,7 (*) |
| Net financial position | (1.304,9) | (878,8) | (426,1) |
| Net financial position (IFRS 16 incl.) | (1.532,9) | (1.127,3) 01.01.2019 | (405,6) |

| INCOME STATEMENT FIGURES | 2019 | 2018 | % Change |
|--------------------------|-------------|-------------|----------|
| | EUR million | EUR million | vs. 2018 |
| Consolidated revenues | 3.886,4 | 4.429,5 | -12,3% |
| EBITDA | 967,8 | 1.155,1 | -16,2% |
| EBIT | 338,0 | 129,8 | n.s. |
| Group net profit (loss) | 220,3 | 202,8 | 8,6% (*) |

(*) 2018's net profit and total equity changed because of the PPA on EI Towers operation