

Madrid, 15th April 2015



General Shareholders Meeting Speech by Paolo Vasile CEO

Last year we opened the AGM with the observation that throughout 2013 the fall in revenue was beginning to slow, a fact which allowed us to then say: it is possible to believe that we have reached rock bottom and that from here the only way is up. Well, we are on our way up.

In a scenario that is still full of uncertainties, Mediaset España has once again demonstrated its ability to charm viewers, to inform citizens and reward shareholders. I speak of predominantly political uncertainties, of attacks, particularly from institutions, of nervousness and hostility towards the media and especially if they are free and not linked to any new or old political party.

MEDIASET ESPAÑA, THE LEADING TELEVISION GROUP

Mediaset España has been the most watched television group in 2014, with an improvement of 1.7 points compared to the previous year's data. Its primary channel Telecinco is the most watched first generation generalist offer, increasing by one point compared to 2013.

The positioning of Mediaset España channels has become exemplary in terms of group strategy.

Impartial, independent and complete information of our unique editorial team has achieved and consolidated the leadership in News.

Telecinco has obtained a one point advantage over its main competitor, increasing to 2.3 points in the privileged prime time slot, where our first channel is the fastest growing.

Cuatro records 6.7%, which is 7 tenths more than in 2013. While in commercial target it rises to 8.1% to stand at the head of the second-generation televisions.

The third generation channels have achieved excellent results in their target audiences. Factoría de Ficción is leading the thematic channels for three consecutive years. Divinity achieved 3.5% in its target audience, of women 16-44 years old. Boing is placed

first among the commercial children's channels, with 13.1% in its target of 4 to 12 year olds. In 2014, Energy remains at 2.5% in its main target of 25-44 year old men.

Last year Telecinco News separated itself from its competitors with an average of 14.5% in all of its editions, increasing its lead over its competitors by nearly 1.5 points. Pedro Piqueras' News program has once again become the most watched of the television channels with 17.1%, which is the best result in the last five years. His News distances itself from the other offers by more than 5 points.

Telecinco's in-house production, a pillar of lively programming and almost exclusively live, has occupied 93% of the programming grid in 2014. Almost 56% of that percentage comes from in-house producers such as Atlas or participating companies.

During the last few difficult years, we have been concerned with taking care of creating powerful new brands for our programming, never losing sight of the importance of cost control. This painstaking work has been instrumental in starting 2015. With the first signs of recovery we have been able to make sure that the most powerful programs coincide in prime time to comfortably occupy the first position, furthering ourselves even more from our competitors.

Thus, in the first quarter of this year Telecinco heads the ranking with an average audience of 14.9%, almost one and a half points away from its competitors. It also wins these first months of 2015 in terms of commercial target.

For example, 'The Voice Kids, a great format that premiered last year, its first program was the most watched program of 2014 with an average of more than five million viewers. This year we will return with a new edition in October, in conjunction with the broadcast of the version with adult contestants, which is currently on air.

The Ana Rosa program won first place in the morning slot on Spanish television, maintaining the most attractive public with 18.7% in commercial target.

If mornings are and have been Telecinco's, so too are the evenings. 'Sálvame is the public's preferred offer in this slot, with a 2.5 points lead over our closest competitor, increasing to more than 3.6 points in commercial target.

Telecinco is leader in national fiction in prime time in 2014. The series and miniseries of our primary channel are the most viewed, with an average of 18.2% share.

In comedy, Telecinco is a reference with 'La que se avecina', the most watched series of all TVs in 2014, and the debut of 'Chiringuito Pepe. The two comedies record even more success if we consider their results in commercial target, the segment preferred by advertisers.

'El Príncipe has been the sensational series of Spanish television in 2014. This modern story of Romeo and Juliet attracted more than five million viewers, with 27.7% in commercial target.

The matches of the World Cup in Brazil that were broadcast on free to air TV on Telecinco with the participation of the Spanish team exceeded 10 million viewers. Despite Spain's premature departure, the excitement moved on to other teams. The final between Germany and Argentina was followed by 64.9% of the public.

We have also had other sporting events in 2014. The Moto GP ended the year with an average of 28.4% share in their live broadcasts. The season was completed with the broadcast of the Basketball World Cup and the Spanish team's friendly matches.

Reality TV has once again, returned to rule Telecinco's programming grid in 2014, with its circular programming model which compliments other programs in prime time and day time and provide great personality to the channel. The latest edition of Big Brother VIP has been the most viewed Big Brother in the last nine years.

THE COMPANY WITH THE MOST PARTICIPATION ON THE INTERNET AND SOCIAL NETWORKS

Internet, has seen more than 216 million unique users access our different sites in 2014 from the various fixed and mobile carriers available. Mediaset España has a 57% growth in its monthly average compared to 2013.

Our sites recorded nearly 628 million videos of content and over 90 million in their live broadcasts, while apps have achieved more than 7.7 million downloads.

On social networks, Mediaset España is undoubtedly the leading group in social impact, with 56% of the comments; the vast majority are positive and encouraging and participating in the group's content. The next communication group records half of this impact. In this regard, Mediaset is a leader in 2014 with over 54 million comments on social networks and more than 26 million followers on their social networking accounts. The selfie of the winner of Pasapalabra has given rise to the most retweeted tweet in España since the arrival of Twitter. On Facebook, six of Mediaset España's pages have over one million fans: La que se avecina, 'Big Brother, Mujeres y Hombres,'The Voice, Telecinco and 'Sopa of gansos.

In 2014 the live broadcasts of our online radio began with the programs 'MorninGlory and 'Partido a Partido, which generate 20% of Cuatro's web traffic.

TELECINCO CINEMA PRODUCTIONS TOP THE BOX OFFICE IN 2014

In the cinema sector, film production has achieved historic takings of 57.7% of the total box office of Spanish movies. Standing out are 'Ocho apellidos vascos, the most watched film in the history of Spanish cinema, with €56 million; 'El Niño the second most-watched of the year with a total of 16 million Euros. From the projects which we have worked on in 2014, highlights for 2015 included the releases of the animated film 'Atrapa la bandera (Capture the Flag), which follows the path of the successful 'The Adventures of Tadeo Jones and the new film by Alejandro Amenábar 'Regresión.

12 MESES, A REFERENCE IN CORPORATE SOCIAL RESPONSIBILITY

TV, web, Internet TV, mobile phones and tablets, film, impacts on social networks, all of our content also converges in 12 Meses, our powerful social action program. After 15 years of work, 12 Meses is a reference point for Corporate Responsibility among Spanish media.

In 2014 we have taken a step forward in the struggle for gender equality and against violence through 'Doy la cara. This campaign has been directed through different stages to motivate and accompany women on their way to overcoming barriers and undertaking projects with professionalism, determination, ambition and enthusiasm, not to mention the fight against domestic violence, which also counted on the cooperation of the Ministry of Health, Equality and Social Services.

Among many other actions, 12 Meses has also pursued more specific challenges with the campaign 'Balòn Solidario de los Manolos that developed along with the Food Bank and Fundación Solidaridad Carrefour, which has resulted in more than 230,000 snacks for children who are at risk of social exclusion.

MEDIASET ESPAÑA GROWS MORE THAN THE ADVERTISING INVESTMENT MARKET

Regarding the question of advertising investment, we can finally say that after many years of decline, we have seen that 2014 has clearly shown signs of recovery in the advertising market.

According to InfoAdex, the estimated actual investment in conventional media reached 4,500 million Euros during 2014, representing an increase of 6.4% over that recorded in 2013.

After six long years of market downturn, 2014 shows a trend of overall growth. Especially in the case of free to air TV, which has been recovering share compared to other media with a higher than average market growth, demonstrating that television has been and remains the most powerful advertising medium.

The TV advertising market share has recovered nearly one point in 2013 and almost two points in 2014, adding up to 41.7% of the investment in conventional media. With an 11% increase, television has been the medium that has grown the most – not including cinema due to its small volume-even more than the Internet, which, with 6.7% has maintained almost exactly the same average in the total market.

In Mediaset España's case, we can see that it has improved in all aspects:

- We have grown more than the average of TV: + 12.2% compared to an average of + 11%
- We have gained investment share: 44.2% versus 43.7% in 2013
- We have increased the gap with our main competitor by 1.6 percentage points

Regarding the performance of the sectors, Health and Beauty, Food and Distribution, and Catering remain the most important, accounting for a third of the market between them. The automotive industry shows a growth of around 10% and a sector such as the energy has managed to grow by more than 50%, which is further proof of the general improvement in the economy.

NEW STEPS TOWARDS ADAPTATING TO TECHNOLOGICAL ADVANCES

From a technological point of view, investments have been characterized by their adaptation to the changing situations and opportunities specific to our environment. The closest example is the recent transition of channels due to the digital dividend which was imposed by the Government. In this complex environment of channels which are subject to constant transition, simulcasts and changing deadlines, Mediaset has opted for the latest technology to ensure the highest quality video and audio for its viewers.

When considering quality as a competitive advantage, in 2014 we began to develop a renovation plan of the studios and mobile units for HD production. The vision of the plan over several years is set out to allow for a smooth transition, providing the ability to generate content in line with the most advanced production standards of our environment and provide the option to broadcast native HD channels.

As an example of the capacity to respond and collaborate in order to expand Mediaset, we can mention the creation of the Formula-1 Channel for the pay TV platform of Telefónica, Movistar TV, with complicated requirements such as launching the channel in minimal time, generating content at the highest level of quality in HD and offer the user, among other possibilities, the ability to select premium content on demand.

As for new channels and other initiatives developed this year, high definition broadcasts have been created for the Canary Islands with territorial disconnection, allowing our advertisers to deliver their advertising at the maximum level of image quality.

An example of diversity is the increase in our Internet radio activity, with an increase in the number of broadcasting hours and the expansion of its ability to include live programs.

Among these developments and in order to make our programs more modern and attractive, we have adopted an interactive presentation system for the latest weather information and a subtitling system for live programs, with high quality and efficiency.

Keeping alive Mediaset España's commitment to sustain development, reduce waste and reduce energy consumption, we have renewed our air conditioning systems to get more environmentally friendly processes and we have undertaken the progressive introduction of LED-based lighting technology in all areas. These and other measures help us to improve our energy bill and contribute to environmental improvement.

'MEDIASET ESPAÑA, THE COMPANY OF TODAY

The confines of the media are continuously moving, expanding in some areas but in others they are restrictive. The aim of Mediaset España, from when it was just the single channel Telecinco, has always been to move with the public and their likes, with the market and its demands.

Years ago, which now seem like centuries; Telecinco's claim was 'Telecinco, the television of today. Today we can say without a doubt that our motto is 'Mediaset, the company of today.

Over the years we have built a strong relationship with our viewers, beyond their TV screens. We have created and enriched a unique model of general television, a special and unrepeatable model, which allows us to be in the best possible position to compete with new technological and business systems that can break into the market.

Through our websites we have created, around our most followed programs, our own genuine community on the Internet and social networks. With Mitele we offer our audiences the opportunity to keep in touch with Telecinco and Cuatro, also when they are on the move, as well as, obviously, the opportunity to see everything that the viewer has missed live or that they just want to see again.

All this has broadened and gained the loyalty of our audience, creating strongly identified groups with reference to its composition and groups that are particularly constant, faithful, and steadfast in their usage.

This must and can result in new business opportunities, new business propositions that connect the consolidated television audience with the new digital space, and works both ways.

For these reasons, last July the Board decided to undertake an organizational change aimed at consolidating and expanding the collaboration between the sales team of Publiespaña and the editorial side, joining the management together under one single responsibility and, at the same time keeping the fundamental professional and human contribution of Giuseppe Tringali by appointing him as vice president of Mediaset España.

It is the mission of the new organization, to enhance the commercial TV offer with a creative and complementary digital strategy to exploit the new demands of the public and clients.

DIVIDEND DISTRIBUTION OF 80% OF 2014 NET PROFIT

In Mediaset España we have always considered shareholder remuneration as a priority. Our dividend policy has always aimed to distribute all the money that was not necessary for the management of the ordinary business of the company.

Since our IPO, we have distributed a total of 1,596 million Euros as dividends to our shareholders. In the years when the state of the economy required us to be careful so as to preserve the financial strength of the company, we decided to suspend the dividend policy.

Now that the situation of the Spanish economy is showing signs of recovery, we are again proposing to the AGM, for your approval, the distribution of a dividend, both ordinary and extraordinary, amounting to 47.6 million Euros, i.e. € 0.13 per share and a payout of 80% of the net profit in 2014.

In addition to remuneration through the dividend, in 2014 we launched a buyback of shares in the company for a total of 500 million Euros. As approved at the Board of Directors last July 3rd 2014, with the authorization of the last years AGM, the plan aims, in the medium term, to repay the shareholders the amount obtained from the market for the acquisition of 22% of DTS.

Today we are at this Shareholders Meeting with a total of 40,686,143 treasury shares, which represents just 10% of the share capital of the company, bought during the buyback in 2014 and 2015 for a total of 324, 3 million Euros.

We still have around 175 million Euros to complete the plan approved by the Board of Directors. Following the approval of the capital reduction on the agenda of this meeting, we will continue buying back own shares to complete the approved plan.

To sum up, this year the company pays its shareholders a total of nearly 550 million Euros in both dividends and the repurchase and the cancellation of treasury shares.

Mediaset España has managed to go through the worst crisis of recent times without ever entering into losses, without accumulating debts and always offering benefits. We repaid the patience of our shareholders, with ordinary and extraordinary dividends, at the earliest possible opportunity. What's more, we have achieved these results without breaching the right to work of our people, ensuring the serenity of the families living from our business.

I wonder if a company that can proudly display these achievements deserves to live in uncertainty. I wonder if the Spanish Government should support a company like Mediaset España and the TV industry, or maintain it in unjustifiable uncertainty.

I'm sure both you and I have the answer.