

2017 ANNUAL REPORT ON RELATED PARTY TRANSACTIONS

MEDIASET ESPAÑA COMUNICACIÓN, S.A.

Mediaset España's Audit and Compliance Committee has formulated this report, which has been presented to the Board of Directors for its approval, which includes the related party transactions made during the period from 1st January to 31st December 2017.

Related-party transactions have been reflected in the Mediaset España's Consolidated Accounts and the Annual Corporate Governance Report.

The Report has been prepared pursuant to the provisions of Article 529 quaterdecies, paragraph 4-g) of the Companies Act, which attributes, to the Audit and Compliance Committee, among other responsibilities:

“g) Report, beforehand, to the board on all matters under the Act, the Articles of Association and the Regulations of the Board and in particular on:

1st The financial information that the company must periodically make public,

2nd the creation or acquisition of shares in special purpose vehicles or domiciled in countries or territories considered tax havens and

3rd transactions with related parties.”

It also states, in accordance with Article 5.5 of the Audit and Compliance Committee Rules, which states:

“On the question of related-party transactions, until this matter is passed on to another committee, the Audit and Compliance Committee shall be responsible for proposing the policy to be pursued in this kind of transaction and for informing the Board of Directors of this policy. The policy on related-party transactions should be made public in the Annual Corporate Governance Report.”

Likewise, this Report, through its approval, is published on the company's website, in sufficient time for the Ordinary General Meeting to be held, following the provisions of recommendation 6 of corporate governance.

II.- According to Article 18 of the Corporate Tax Law, the following are considered persons or entities:

a) "An entity and its partners or participants.

b) An entity and its directors or administrators, except for the corresponding remuneration for the exercise of their functions.

c) An entity and the spouses or persons united by kinship relations, in direct or collateral line, by consanguinity or affinity up to the third degree of the partners or participants, directors or administrators.

d) Two entities that belong to a group.

e) An entity and the directors or administrators of another entity, when both entities belong to a group.

f) An entity and another entity invested by the first indirectly with, at least, 25 percent of the share capital or equity.

g) Two entities in which the same partners, participants or their spouses, or persons united by kinship relations, in direct or collateral line, by consanguinity or affinity up to the third degree, participate, directly or indirectly, in at least 25 percent of the share capital or own funds.

h) An entity resident in Spanish territory and its permanent establishments abroad.

In the cases in which the relationship is defined based on the relationship of the partners or participants with the entity, the participation must be equal to or greater than 25 percent. The mention of administrators will include those of law and de facto.

There is a group when an entity holds or can hold control of another or others according to the criteria established in Article 42 of the Commercial Code, regardless of their residence and the obligation to formulate consolidated annual accounts ".

III.- Based on the above-mentioned, all the related operations carried out by the Company during the 2017 financial year are detailed below. This breakdown is divided into two parts:

(i) First, all related transactions materialised by the Company with its partners and the companies belonging to their respective groups business and (ii) secondly, all the transactions made by the Company with the companies in which it has a social participation higher than 25% are indicated.

1. Transactions carried out with the company "MEDIASET S.p.A" and its Group during 2017:

1.1 With MEDIASET, S.p.A:

a) Payment of the royalty for the right to use trademarks owned by them, amounting to € 50,000.

1.2 With MEDIASET INVESTMENT, S.A.R.L.

a) Payment of interest accrued on loans held, amounting to € 87,000.

1.3 With R.T.I. Spa.

- a) Payment of professional services received, amounting to € 1,250,000.
- b) Collection of professional services rendered, amounting to € 217,617.

1.4 With MEDUSA FILM S.p.A.

- a) Payment for the acquisition of film formats and scripts, amounting to € 60,000.

1.4 With PUBLIEUROPE LTD.

- a) Payment for the provision of advertising intermediation services, amounting to € 1,436,492.
- b) Collection of advertising intermediation services, amounting to 1,119,094 €.

1.5 With BOING S.p.A.

- a) Payment of the royalty for the right to use trademarks owned by them, amounting to € 30,000.

1.6 With BANCO MEDIOLANUM S.p.A.

- b) Collection for advertising sales, amounting to € 426,530.

2. Transactions carried out with companies in which the Company holds a participation greater than 25% of the respective share capital.

All the companies listed below constitute entities dedicated exclusively to the production of recordings and audio-visual works, and all the operations indicated correspond to the reception or provision of executive or technical production services, or the acquisition of broadcasting rights over works and programs.

The operations are the following:

2.1 With PRODUCCIONES MANDARINA, S.L:

- a) Purchase of special programs and initiatives, amounting to € 4,064,817.
- b) Payments for collaborations in programs, amounting to € 136,000.
- c) Collection of income from rights, amounting to € 154,945.
- d) Payments for acquisition of fiction rights, amounting to € 1,140,650.

2.2 With LA FABRE DE LA TELE, S.L:

- a) Purchase of special programs and initiatives, amounting to € 27,237,066.

b) Payments for creation and collaborations in programs, amounting to € 996,416.

c) Charges for broadcast services, amounting to € 14,323.

d) Payments for acquisition of fiction rights, amounting to 1,140,650

2.3 With PEGASO TELEVISION, INC:

a) Expenses for negative exchange differences, amounting to € 1,699,775.

b) Income from positive exchange differences, amounting to € 842,592.

2.4 With MEGAMEDIA TELEVISION, S.L.:

a) Purchases for web content production, web advertising production and other digital production expenses, amounting to € 5,845,554.

b) Payments for the maintenance of the web, computer developments and community manager services, for an amount of € 3,077,591.

c) Charges for the rental of facilities and equipment, amounting to € 313,854.

d) Payments for acquisition of computer applications, for an amount of € 544,214.

2.5 With SUPERSPORT TELEVISION, S.L:

a) Purchases for the production of programs, amounting to € 7,396,143.

b) Payments for collaborations in programs, amounting to € 714,960.

c) Charges for the rental of broadcast facilities and equipment and services, amounting to € 1,640,920.

2.6 With EMISSIONS DIGITALS DE CATALUNYA, S.A.:

a) Purchase of television spaces, amounting to € 4,198,524.

b) Advertising exchanges, amounting to € 29,180.

c) Charges for agency services, amounting to € 44,890.

2.7 With AUNIA PUBLICIDAD INTERACTIVA, S.L.U.:

a) Advertising commission, amounting to € 92,368.

b) Sale of digital advertising spaces, amounting to € 615,753.

2.8 With ALEA MEDIA, S.L.:

a) Income from interest on a loan, amounting to € 15,746.

b) Purchase of rights for a fiction series, amounting to € 7,137,670.

2.9 With MELODIA PRODUCCIONES, S.L.:

a) Revenues for a production script, for an amount of € 10,000.

b) Income from commercial productions, amounting to € 5,247.

c) Income from interest on a loan, amounting to € 10,189.

d) Purchase rights for a fiction series, amounting to € 1,601,410.

IV.- Conclusions:

After the careful analysis of each of the operations listed, the Audit and Compliance Committee concludes that all of them enter the normal line of business of the activities that constitute the main corporate purpose of the Company, without any of them being significant, either because of its amount, or because of the nature of the operation.

Finally, we must mention that among the related-party transactions there is a consultancy service contract between the company Group, Publiespaña, SAU, and a director of Mediaset España Comunicación, S.A. For more detailed information are available the Consolidated Financial Statements of Mediaset España and its Group of Companies and the Annual Corporate Governance Report.

Madrid, February 27th 2018.