

MEDIASETespaña.

2018 ANNUAL REPORT ON RELATED PARTY TRANSACTIONS

MEDIASET ESPAÑA COMUNICACIÓN, S.A.

I.- 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 2018.

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

This 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.”

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.*

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- 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 2018 financial year are detailed below. This breakdown is divided into two parts: (i) First, all related transactions carried out 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.

This report therefore includes and brings together all related-party transactions carried out during the 2018 financial year.

1. Transactions carried out with the company "MEDIASET S.p.A" and its Group during 2018:

1.1 With MEDIASET, S.p.A:

- a) Payment of a royalty for the right to use the Mediaset trademark, amounting to 50.000 €.
- b) Payment for the accelerated use of negative tax bases of Mediacinco Cartera with respect to that established in the business plan, amounting to €163,586, recoverable in the period 2018-2020.
- c) Collection of the current valuation of the amount detailed in the previous point amounting to €155,979. The effect of this item should be neutral at the end of 2020.

1.2 With R.T.I. S.p.A.

- a) Payment of professional services received, amounting to 1.250.104 €.
- b) Collection of payments for the sale of advertising, amounting to 1.373 €.
- c) Collection of payments for the sale of national production rights, amounting to 640.000 €.

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1.4 With MEDUSA FILM S.p.A.

- a) Collection of payments for the sale of national production rights, amounting to €8.000.

1.3 With PUBLIEUROPE LTD.

- a) Payment for the provision of advertising intermediation services, amounting to €1.868.627.
- b) Collection of payments for the sale of advertising, amounting to €582,402.

1.4 With BOING S.p.A.

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

1.5 With BANCO MEDIOLANUM S.p.A.

- b) Collection of payments for advertising sales, amounting to €529.871.

2. Transactions carried out with companies in which the Company holds a share 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) Payment for the production of programs, series and other services, amounting to €7.406.893.
- b) Collection of payments for commercial sales, amounting to 126.710 €.

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2.2 With LA FÁBRICA DE LA TELE, S.L.:

- a) Payment for the production of programs, special initiatives and other production costs, amounting to €23,523,290.
- b) Payments for commercial sales commissions, amounting to €57,744.
- c) Payments for creating programs and collaborations, amounting to €838,168.
- d) Collection of payments for services rendered, amounting to €88,475.

2.3 With PEGASO TELEVISION, INC.:

- a) Expenses for negative exchange differences, amounting to €691,708.
- b) Income from positive exchange differences, amounting to €567,850.
- c) Interest income on loans granted, amounting to €96,776.

2.4 With MEGAMEDIA TELEVISION, S.L.:

- a) Payments for web content production, web advertising production and other digital production services, amounting to €6,604,064.
- b) Payments for web maintenance, IT development, community manager services and other services, amounting to €4,574,820.
- c) Collection of payments for internet advertising, leases and other management services, amounting to €362,200.

2.5 With SUPERSPORT TELEVISION, S.L.:

- a) Payments for the production of programs, special initiatives and other production expenses, amounting to €9,343,343.
- b) Payments for collaborations in programs and other services, amounting to €732,054.
- c) Collection of payments for leasing, agency and audiotex services and other management services, amounting to €494,300.

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

- a) Payments for advertising printing commissions, amounting to €73,103.
- b) Collection of payments for the sale of digital advertising space, amounting to €198,075.

2.7 With ALEA MEDIA, S.L.:

- a) Payments for the production of fiction series, amounting to €5,483,094.
- b) Payments for commercial sales commissions, amounting to €403,079.

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- c) Interest payments on a loan, amounting to €16,916.

2.8 With MELODIA PRODUCCIONES, S.L.:

- a) Payments for the production of fiction series, amounting to €7,630,014.
- b) Expenses for credit impairment and other payments, amounting to €1,288,360.
- c) Interest on a loan amounting to €9,338.

2.9 With BULLDOG TV SPAIN, S.L.:

- a) Payments for the production of programs, special initiatives and other services, amounting to €20,741,902.
- b) Payments for collaborations in programs and other services, in the amount of €189,543.
- c) Collection of payments for services rendered, amounting to €46,517.

2.10 With ALMA PRODUCTORA AUDIOVISUAL, S.L.:

- a) Payments for the production of programs, special initiatives and other services, amounting to €1,580,067.
- b) Payments for services rendered, amounting to €2,267.

2.11 With UNICORN CONTENT, S.L.:

- a) Payments for the production of programs, special initiatives and other services, amounting to €1,598,054.
- b) Payments for services rendered, amounting to €4,429.

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 by reason of the amount involved or by reason of the nature of the transaction.

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 2019.