

“MEDIASET ESPAÑA COMUNICACIÓN, S.A.”, For the purposes contemplated in article 227 of the consolidated text of the Spanish Securities Market Act approved by Royal Legislative Decree 4/2015 of 23 October and developing legislation, announces the following:

RELEVANT INFORMATION

As of today, November 13, 2019, the CNMC (Comision Nacional del Mercado de la Competencia) has published a press release in which it communicates that it has sanctioned Mediaset España for the alleged commission of restrictive practices of competition in the television advertising market in Spain, which would be contrary to articles 1 of the Law on the Defense of Competition and 101 of the Treaty on the Functioning of the European Union. The penalty imposed amounts to 38'9 million euros.

In this respect, it is considered that certain Mediaset España business practices, consisting of (i) the use of relative advertising investment quotas in the negotiations for the hiring of television advertising with advertisers and agencies, (ii) the establishment of a joint marketing system that allows alternately the contracting of individual channels or different packages of channels, and (iii) the establishment of a system of retribution to media agencies through extra premium, etc. that would be unreasonably restricting the operation of the market.

Mediaset España fully disagrees with the CNMC's decision, and it will be immediately challenged before the National Court, requesting its precautionary suspension, based on:

- The investigated practices are the same that have been carried out for decades, not only in Spain, but in other European countries; having been subject to knowledge and possibility of control in the concentrations carried out years ago in the sector.
- The lack of knowledge of the current market, by considering the television advertising market as such, when it's increasingly more an audiovisual advertising market and the main competition comes from the internet world.
- The impossibility of fitting these behaviors in the legally described offending type (Article 1 of the Law on the Defense of Competition and Article 101 of the Treaty on the Functioning of the European Union), is in clear violation of the Principles of legal certainty and prior definition.
- The CNMC has not proven that the investigated behaviors have produced (or are likely to produce) anti-competitive effects, nor has it proven that there is a causal relationship between alleged hypothetical anti-competitive effects and Mediaset España behavior.

MEDIASET *españa.*

In fact, what the CNMC considers as anti-competitive effects is actually the market dynamics itself. This situation really responds to conditions of effective competition between Mediaset España and the rest of the operators, and the differential factors that determine the greatest ad investment in Mediaset España are precisely the advantages in terms of quality and efficiency offered by its advertising spaces. Along these lines, the Competition Department has not even carried out a counterfactual analysis that demonstrates that the conditions in the market would be different in the absence of Mediaset España's practices, nor has it proven the existence of real harm to advertisers and agencies, because **There** has been none.

- Finally, the sanction imposed on Mediaset is absolutely excessive and lacks the proper motivation, totally ignoring the essential principles established by the Supreme Court in its Judgment of January 29, 2015, violating the fundamental right to the defense of Mediaset España, and proposing a sanction that, both in absolute and relative terms, is disproportionate, when in addition the sanctioned behaviors do not even refer to practices between competitors, nor have they been described as restrictive for their purpose.

The deficient consideration of the market structure, the wrong legal basis and the error in the qualification of the business practices, the total absence of proof of the supposedly generated anti-competitive effects, and many other basic deficiencies in the investigation carried out, make us trust that the Resolution will be annulled in court.

Madrid, 13th November 2019

Mario Rodríguez Valderas
Secretary of the Board of Directors