

The reclassified Separate Consolidated Income Statements, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Financial Position and the Consolidated Statements of Cash Flows of the Telecom Italia Media Group, herewith presented, are the same as those included in the Interim Management Report included in the Half-yearly Financial Report to June 30, 2015 and are unaudited. Such statements are however consistent with those included in the Telecom Italia Media Group Half-year Condensed Consolidated Financial Statements at June 30, 2015. Please note that the limited audit work by our independent auditors on the Telecom Italia Media Group Half-yearly Condensed Consolidated Financial Statements at June 30, 2015 has not yet been completed.

FOREWORD

Following the merger of the Digital Terrestrial Network Operator businesses, finalized on June 30, 2014, operating figures given in this Report include, for the first half of 2015, the assets acquired from former Rete A, which were not included in the first half of 2014.

Consolidated Separate Income Statement

(in thousands of euro)	H1 2015 (a)	H1 2014 (b)	Change (a-b) %	
Revenues	42,381	30,592	11,789	38.6
Other income	7,790	666	7,124	n.a.
Total operating revenues and other income	50,171	31,258	18,913	60.5
Acquisition of goods and services	(20,830)	(14,579)	(6,251)	(42.9)
Employee benefits expenses	(3,650)	(3,807)	157	4.1
Other operating expenses	(5,537)	(1,589)	(3,948)	(248.5)
Changes in inventories	-	-	-	-
Internally made assets	-	-	-	-
OPERATING RESULT BEFORE DEPRECIATION AND AMORTIZATION - EBITDA	20,154	11,283	8,871	78.8
Depreciation and amortization	(11,365)	(13,374)	2,009	15.0
Gains/ (losses) realized on disposals of non-current assets	3	1	2	200.0
Impairment reversals /(losses) on non-current assets	-	-	-	-
OPERATING PROFIT (LOSS) - EBIT	8,792	(2,090)	10,882	n.a.
Income/ (expenses) from investments	8	5	3	60.0
Finance income	-	9	(9)	(100.0)
Finance expenses	(3,877)	(4,311)	434	10.1
PROFIT (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	4,923	(6,387)	11,310	n.a.
Income tax expense	(2,514)	1,204	(3,718)	n.a.
PROFIT (LOSS) FROM CONTINUING OPERATIONS	2,409	(5,183)	7,592	n.a.
Profit (loss) from discontinued operations/Non-current assets held for sale	-	-	-	-
PROFIT (LOSS) FOR THE PERIOD	2,409	(5,183)	7,592	n.a.
Attributable to:				
- Owners of the Parent	864	(5,184)	6,048	n.a.
- Non-controlling interests	1,545	1	1,544	n.a.

	H1 2015	H1 2014
- Basic earnings (loss) per Share:		
- Ordinary shares	0.0221	(0.0476)
- Savings shares	0.0221	(0.0476)
<i>of which:</i>		
- <i>from continuing operations</i>		
- Ordinary shares	0.0221	(0.0476)
- Savings shares	0.0221	(0.0476)
- <i>from discontinued operations/non-current assets held for sale</i>		
- Ordinary shares	0.0000	0.0000
- Savings shares	0.0000	0.0000

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	H1 2015	H1 2014	Change
Profit (loss) for the period	2,409	(5,183)	7,592
Other components of the statement of comprehensive income			
° Remeasurement of defined benefit plans			
° Actuarial gains (losses)	173	(205)	378
° Income tax expense	(48)	56	(104)
<i>sub-total</i>	125	(149)	274
Comprehensive profit (loss) for the period	2,534	(5,332)	7,866
<i>Attributable to:</i>			
- Profit (loss) for the year attributable to equity holders of the Parent Company			
> Income (loss) from continuing operations	958	(5,333)	6,291
> Profit (loss) from discontinued operations/Non-current assets held for sale	-	-	-
- Profit (loss) for the period attributable to equity holders of the Parent Company	958	(5,333)	6,291
- Minority interests			
> Income (loss) from continuing operations	1,576	1	1,575
> Profit (loss) from discontinued operations/Non-current assets held for sale	-	-	-
- Profit (loss) for the period attributable to Minority Interests	1,576	1	1,575

The **Network Operator** – a business unit of Telecom Italia Media – includes the operations of Persidera S.p.A. (including Rete A S.p.A., merged into Persidera S.p.A. in December 2014), Beigua S.r.l., and Timb 2 S.r.l. relating to the management of Group-operated Digital Multiplexes, as well as the ancillary services and broadcasting platforms offered to third parties.

(in millions of euro)		Network Operator (1)	Other activities (2)	Changes	Group Total
Revenues	H1 2015	42.4	0.3	(0.3)	42.4
	H1 2014	30.6	0.3	(0.3)	30.6
	Change	11.8			11.8
EBITDA	H1 2015	20.8	(0.6)		20.2
	H1 2014	15.2	(3.9)		11.3
	Change	5.6	3.3		8.9
EBIT	H1 2015	9.4	(0.6)		8.8
	H1 2014	1.8	(3.9)		(2.1)
	Change	7.6	3.3		10.9
Industrial investments	H1 2015	2.9			2.9
	H1 2014	3.7			3.7
	Change	(0.8)			(0.8)
(Headcount)					
Personnel	06/30/2015	66	20		86
	12/31/2014	67	21		88
	Change	(1)	(1)		(2)

(1) It includes the activity of Persidera S.p.A., Beigua S.r.l., Timb 2 S.r.l..

(2) It includes Telecom Italia Media S.p.A.'s activities.

Consolidated Statements of Financial Position

	06/30/2015	12/31/2014	CHANGE
(in thousands of euro)			
ASSETS			
NON-CURRENT ASSETS			
Intangible assets:			
Goodwill	29,571	29,571	-
Intangible assets with a finite useful life	137,007	141,886	(4,879)
	166,578	171,457	(4,879)
Tangible assets:			
Property, plant and equipment owned	77,089	80,666	(3,577)
Assets held under finance leases	-	-	-
	77,089	80,666	(3,577)
Other non-current assets			
Investments in associates and joint ventures accounted for using the equity method	-	-	-
Other investments	492	495	(3)
Non-current financial assets	109	126	(17)
Miscellaneous receivables and other non-current assets	12,111	15,681	(3,570)
Deferred tax assets	3,848	6,215	(2,367)
	16,560	22,517	(5,957)
TOTAL NON-CURRENT ASSETS (A)	260,227	274,640	(14,413)
CURRENT ASSETS			
Inventories	11	11	-
Trade and miscellaneous receivables and other current assets	41,560	42,445	(885)
Current income tax receivables	472	196	276
Investments	-	-	-
Current financial assets			
Securities other than investments, financial receivables and other current financial assets	43	53	(10)
Cash and cash equivalents	22	5,064	(5,042)
TOTAL CURRENT ASSETS (B)	42,108	47,769	(5,661)
TOTAL ASSETS (A+B)	302,335	322,409	(20,074)
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to equity holders of the Parent Company	(64,464)	(65,423)	959
Equity attributable to Minority Interests	42,534	43,814	(1,280)
TOTAL EQUITY (C)	(21,930)	(21,609)	(321)
NON-CURRENT LIABILITIES			
Non-current financial liabilities	55,884	-	55,884
Employee benefits	1,947	2,163	(216)
Deferred tax liabilities	26,696	27,376	(680)
Provisions	-	-	-
Miscellaneous payables and other non-current liabilities	11,510	11,539	(29)
TOTAL NON-CURRENT LIABILITIES (D)	96,037	41,078	54,959
CURRENT LIABILITIES			
Current financial liabilities	196,202	274,636	(78,434)
Trade and miscellaneous payables and other current liabilities	32,009	28,287	3,722
Current income tax payables	17	17	-
TOTAL CURRENT LIABILITIES (E)	228,228	302,940	(74,712)
TOTAL LIABILITIES (F=D+E)	324,265	344,018	(19,753)
TOTAL EQUITY AND LIABILITIES (C+F)	302,335	322,409	(20,074)

Consolidated Cash Flows Statements

(in thousands of euro)	H1 2015	H1 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) for the period	2,409	(5,183)
Adjustments for:		
Depreciation and amortization	11,365	13,374
Impairment losses/reversals of non-current assets (including investments)	3	6
Net change in deferred tax assets and liabilities	1,639	(1,509)
Gains/losses realized on disposals of non-current assets (including investments)	(3)	(1)
Share of losses/gains of associates accounted for using the equity method	-	-
Change in employee benefits	(63)	(3)
Change in inventories	-	-
Change in trade receivables and in net receivables for contract works	1,648	(2,050)
Change in trade payables	1,830	312
Net change in income tax receivables/payables	597	117
Net change in miscellaneous receivables/payables and other assets/liabilities	3,319	21,730
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES (A)	22,744	26,793
CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Purchase of intangible assets on an accrual basis</i>	(241)	(27)
<i>Purchase of tangible assets on an accrual basis</i>	(2,668)	(3,719)
Total investments in intangible and tangible assets on an accrual basis	(2,909)	(3,746)
<i>Change in trade payables relating to investing activities</i>	499	317
Total purchase of intangible and tangible assets on a cash basis	(2,410)	(3,429)
Acquisition of subsidiaries and businesses, net of cash acquired (II)	-	217
Acquisition of other investments (II)	-	-
Change in financial receivables and other financial assets (I)	27	(21,268)
Proceeds from sale of subsidiaries, net of cash disposed of (II)	-	-
Proceeds from sale/repayment of tangible, intangible and other non current assets (II)	3	5
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES (B)	(2,380)	(24,475)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in current financial liabilities and other	(23,180)	21,268
Proceeds from non-current financial liabilities (including current portion)	70,000	-
Repayments of non-current financial liabilities (including current portion)	-	-
Other changes in non-current financial liabilities	(20)	(33)
Increases/reductions of share capital and other changes in Equity (including subsidiaries)	-	-
Amount paid for instruments representing equity	-	-
Dividends paid	(2,856)	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES (C)	43,944	21,235
CASH FLOWS FROM (USED IN) DISCONTINUED OPERATIONS/NON-CURRENT ASSETS HELD FOR SALE (D)	-	-
AGGREGATE CASH FLOWS (E=A+B+C+D)	64,308	23,553
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD (F)	(106,390)	(18,061)
Net foreign exchange differences on net cash and cash equivalents (G)	-	-
NET CASH AND CASH EQUIVALENTS AT END OF THE PERIOD (H=E+F+G)	(42,082)	5,492

(I) The amount payable for the acquisition also includes any goodwill and is given net of the change in receivables resulting from the relevant acquisition

(II) The amount payable for the acquisition is given net of the change in payables resulting from the relevant acquisition

Other Information on Cash Flows

(in thousands of euro)	H1 2015	H1 2014
Income tax expense (paid)/received	2,660	20,271
Interest expense paid	(5,637)	(4,263)
Interest income received	-	-
Dividends received	11	11

BREAKDOWN OF NET CASH AND CASH EQUIVALENTS:

(in thousands of euro)	H1 2015	H1 2014
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD:		
Cash and cash equivalents - from continuing operations	5,064	17
Bank overdraft repayable on demand - from continuing operations	(111,454)	(18,078)
	(106,390)	(18,061)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD:		
Cash and cash equivalents - from continuing operations	22	5,492
Bank overdraft repayable on demand - from continuing operations	(42,104)	-
	(42,082)	5,492
