INTER

Inter Media and Communication S.p.A

As the issuer of

€300,000,000 4.875% Senior Secured Notes due 2022

Financial Results of Inter Media and Communication S.p.A

For the nine months ended 31 March 2018

Date: 29 May 2018

Honours

SERIE A CHAMPIONSHIP 18

1909/10 1919/20 1929/30 1937/38 1939/40 1952/53 1953/54 1962/63 1964/65 1965/66 1970/71 1979/80 1988/89 2005/06 2006/07 2007/08 2008/09 2009/10

ITALIAN CUP 7

1938/39 1977/78 1981/82 2004/05 2005/06 2009/10 2010/11

ITALIAN SUPER CUP 5

1989/90 2005/06 2006/07 2008/09 2010/11

UEFA CHAMPIONS LEAGUE 3

1963/64 1964/65 2009/10

UEFA CUP 3

1990/91 1993/94 1997/98

INTERCONTINENTAL CUP 2

1964/65 1965/66

FIFA CLUB WORLD CUP 1

2010/11

Contents

GENERAL INFORMATION

INTRODUCTION

We, Inter Media and Communication S.p.A ("MediaCo"), are the sole manager and operator of the media, broadcast and sponsorship business of our parent company F.C. Internazionale Milano S.p.A. ("TeamCo"). We were formed in 2014 in connection with the contribution to us by TeamCo (55.6% stake) and Inter Brand S.r.l. ("BrandCo") (44,4% stake) of their business relating to media, broadcast and sponsorship rights, TeamCo's historical media archives, the intellectual property rights relating to the TeamCo brand and certain employees.

TeamCo is owned by Great Horizon S.à r.l. ("Great Horizon")(68.55%), International Sports Capital S.p.A. ("ISC") (31.05%) and minority shareholders (0.40%). Our majority shareholder Great Horizon is part of the Suning Group ("Suning"), a Chinese corporate group with businesses in a variety of sectors, including entertainment, media and sports investment.

TeamCo, with a history dating back to 1908, is one of the leading European football clubs and one of the top football clubs in Italy. TeamCo is the only club to have played every season in Italy's top football league, known as Serie A, since the league's inception in 1929, and is the only club in Serie A that has never been relegated to a league with a lower standing. Inter has won 30 domestic trophies (including eighteen Serie A championships, seven TIM Cup titles and five Supercoppa TIM titles), three UEFA Champions League titles, three UEFA Cup titles, two Intercontinental Cups and one FIFA Club World Cup. In 2010 Inter became the first Italian team to complete the "Continental Treble" by winning the titles in Serie A, TIM Cup and UEFA Champions League all in the same season. Since 2000, Inter has won the Serie A championship five consecutive times, from 2005/2006 to 2009/2010.

CORPORATE BOARDS, MANAGEMENT AND AUDITORS

MediaCo Board of Directors

Erick Thohir	Director
Alessandro Antonello	Executive Director
Yang Yang	Non-Executive Director
Liu Jun	Non-Executive Director
Emilio Petrone	Non-Executive Director (Independent Director)

MediaCo Senior Management

Alessandro Antonello	Chief Executive Officer
Javier Zanetti	Vice President
Tim Williams	Chief Financial Officer
Michael Williamson	Chief Strategy Officer
Michael Gandler	Chief Revenue Officer
Robert Faulkner	Chief Communications Officer; interim Chief Marketing Officer
Piero Ausilio	Chief Sport Officer
Giovanni Gardini	Chief Football Operations Officer

MediaCo Board of Statutory Auditors

Luca Nicodemi	Chairman
Giacomo Perrone	Auditor
Luca Alessandro Padula	Auditor
Fabrizio Piercarlo Bonelli	Alternate Auditor
Nicola Cameli	Alternate Auditor

MediaCo Independent Auditors

Deloitte & Touche S.p.A.

REFINANCING TRANSACTION

On December 14th, 2017, MediaCo priced its offering of €300.0 million in aggregate principal amount of 4.875% Senior Secured Notes due 2022 (the "Notes").

The Notes represent the first MediaCo high yield bond placed with the international capital markets to a broad base of institutional investors by an Italian football group.

Purpose of this transaction (the "Refinancing Transaction"), closed on December 21st, 2017, was to use the €300 million proceeds, net of fees and expenses in respect of the Refinancing Transaction, together with certain excess cash included in secured accounts associated with the previous bank facility (i) to repay all amounts outstanding under the previous bank facility, (ii) to repay all amounts outstanding under a bank facility used by TeamCo, and (iii) for TeamCo's general corporate purposes

Through the Refinancing Transaction we have extended the maturity profile of the TeamCo group's debt, while enhancing the group's financial flexibility with a financing structure enabling the group to pursue its long-term strategic goals.

FINANCIAL INFORMATION

INTRODUCTION

The financial information presented in this section is based on the unaudited interim financial statements of MediaCo as of and for the nine-month period ended March 31, 2018 (the "Interim Financial Statements").

The Interim Financial Statements have been prepared in accordance with the accounting standards of the Italian Accountants Profession Board (Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili), revised and supplemented by the Italian Accounting Organization (Organismo Italiano di Contabilità, O.I.C.) ("Italian GAAP").

In preparing the Interim Financial Statements, however, MediaCo reclassified and renamed certain Italian GAAP line items in line with international format.

The items reported in the Interim Financial Statements are stated in accordance with the general principles of prudence and accruals and using the going concern assumption as well as considering the economic function of the assets and liabilities.

The Interim Financial Statements are shown in Euro, which is the functional currency of the TeamCo group. All amounts shown in this document are expressed in thousands of Euro, unless otherwise specified.

Please note that all percentage variances are calculated using the exact data presented in the tables and not to the numbers quoted in the narrative which have been subject to rounding.

INCOME STATEMENT

The following table sets forth Income Statement data for MediaCo for the nine months ended March 31, 2018 compared with the nine months ended March 31, 2017.

	For the nine months ended March 31	
	2017	2018
(in thousands of €)	Unaudited	Unaudited
Revenue	71,560	70,838
Other Income	84	37
Total revenue	71,644	70,875
Personnel costs	1,999	2,112
Cost of services	4,764	6,238
Other operating costs	1,119	790
Accruals for risks	-	247
Depreciation and amortization	13,621	13,630
Total operating costs	21,503	23,017
Operating profit	**50,141**	**47,858**
Net financial expenses	(12,352)	(13,559)
Profit before tax	**37,789**	**34,299**
Income taxes	(14,041)	(10,395)
Profit for the period	**23,748**	**23,904**

BALANCE SHEET

The following table sets forth the Balance Sheet data for the issuer as at 31 March 2018 compared with 30 June 2017.

(in thousands of €)	As at June 30 2017 Audited	 March 31 2018 Unaudited
Non-current assets		
Intangible assets	328,610	309,622
Property, plant and equipment	47	92
Financial assets	15,501	10,409
Loan to parent company	27,209	168,005
Prepaid expenses	112	41
Non-current Assets	**371,479**	**488,169**
Current assets		
Financial assets	6,372	7,719
Loan to parent company	221	3,299
Trade receivables	32,971	61,311
Trade receivables from parent companies and their affiliated	29,977	31,093
Deferred tax assets	154	215
Other receivables	138	5
Prepaid expenses	674	1,810
Cash at bank and on hand	8,982	29,521
Current Assets	**79,490**	**134,972**
Total Assets	**450,968**	**623,142**

(in thousands of €)	As at June 30 2017 Audited	As at March 31 2018 Unaudited
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	105,097	105,097
Retained earnings	4,088	4,088
Profit for the period	50,904	23,904
Total Shareholders' equity	**160,588**	**133,588**
Non-current Liabilities		
Deferred tax liabilities	34,886	33,443
Provisions for employee severance indemnities	131	149
Provisions for risks	-	247
Senior Secured Notes 2022	-	287,959
Bank loans	196,000	-
Deferred income	12,137	12,243
Non-current Liabilities	**243,154**	**334,040**
Current Liabilities		
Senior Secured Notes 2022	-	3,100
Bank loans	12,000	-
Trade payables	2,698	3,253
Trade payables to parents companies and their affiliated	22,772	77,910
Dividends Payable	-	50,904
Tax Payables	2,840	2,030
Social security payables	135	113
Other payables	234	195
Accrued expenses	3,123	4,656
Deferred income	3,423	13,351
Current Liabilities	**47,226**	**155,513**
Total Liabilities and Shareholders' equity	**450,968**	**623,142**

CASH FLOW STATEMENT

The following table sets forth Cash Flow Statement data for MediaCo for the nine months ended March 31, 2018 compared with the nine months ended March 31, 2017.

	For the nine months ended March 31	
	2017	2018
(in thousands of €)	Unaudited	Unaudited
Profit for the period	23,748	23,904
Current taxes	14,039	11,899
Net Financial Expenses	12,352	13,559
Profit for the period before taxes and interest	50,140	49,363
Depreciation and amortization	13,621	13,630
Employee severance indemnities	41	18
Accrual for risks	-	247
Deferred tax assets and liabilities	2	(1,504)
Cash flow from operating activities before changes in working capital	63,804	61,753
Increase in trade and other receivables	(30,129)	(17,728)
Increase/(Decrease) in trade and other payables	(2,203)	44,307
Other variations in net working capital	6,342	(1,613)
Cash flow from operating activities after changes in working capital	37,814	86,719
Taxes paid	(705)	(3,317)
Interest and other financial expenses paid	(10,112)	(8,981)
A. Cash flow from operating activities	**26,997**	**74,421**
Investments in Intangible Assets	-	(60)
Investments in Property, Plant and Equipment	(26)	(58)
B. Cash flow from investing activities	**(26)**	**(118)**
New finance (Senior Secured Notes 2022)	-	300,000
Transaction fees paid for new finance	-	(8,712)
Repayment of bank loans	(9,000)	(208,000)
Intercompany loans	-	(140,796)
Debt service account	(6,615)	3,745
C. Cash flow from financing activities	**(15,615)**	**(53,764)**
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	**11,355**	**20,539**
Cash at bank and on hand at the beginning of the period	**612**	**8,982**
Cash at bank and on hand at the end of the period	**11,967**	**29,521**

MANAGEMENT'S DISCUSSION AND ANALYSIS

KEY PERFORMANCE INDICATORS

As described in the Offering Memorandum, in assessing the performance of our business, the key financial measures we use are 'Adjusted Revenue' and 'Cash Available for Debt Service'.

<u>*Adjusted Revenue*</u>

The following table details Adjusted Revenue for the nine months ended March 31, 2018 compared with the nine months ended March 31, 2017.

	For the nine months ended March 31	
	2017	2018
(in thousands of €)	Unaudited	Unaudited
A. Direct Media Revenue	10,510	10,712
B. Other Income	84	37
C. Sponsorship Revenue	61,049	60,126
D. Total Revenue (A+B+C)	**71,644**	**70,875**
E. Serie A Indirect Media Revenue *	80,153	85,160
F. UEFA Indirect Media Revenue *	6,419	539
G. Adjusted Media Revenue (A+E+F)	**97,082**	**96,411**
B. Other Income	84	37
C. Sponsorship Revenue	61,049	60,126
Adjusted Revenue (G+B+C)	**158,216**	**156,574**

** represented based on actual cash value (incl. VAT where applicable) of Media Revenue assigned from TeamCo to MediaCo during the nine months ended March 31,*

Our Adjusted Revenue decreased by €1.6 million or 1.0% to €156.6 million for the nine months ended March 31, 2018 from €158.2 million for the nine months ended March 31, 2017. This decrease was primarily due to the non-participation in the UEFA Europa League ("UEL") in the current season which generated a €5.9 million reduction in UEFA Indirect Media Revenue. This negative impact has been partially (and primarily) offset by a €5.0 million increase in Serie A Indirect Media Revenue as explained later in this report.

Sponsorship Revenue

Sponsorship Revenue decreased by €0.9 million or 1.5% to €60.1 million for the nine months ended March 31, 2018 from €61.0 million for the nine months ended March 31, 2017, driven by a reduction of the Technical sponsorship fee and EU/Global sponsorship revenue partially offset by an increase in regional and naming right sponsorship packages. This is detailed on the following table:

	For the nine months ended March 31	
	2017	2018
(in thousands of €)	Unaudited	Unaudited
Shirt	7,237	7,526
Technical	7,031	2,813
EU/Global (under agreement with Infront)	11,871	10,502
Regional and naming rights	34,911	39,285
Sponsorship Revenue	**61,049**	**60,126**

The increase in Shirt sponsorship revenue is related to the higher annual contractual base fee (from €9.7 million in the fiscal year ended June 30, 2017 to €10.1 million in the current fiscal year ending June 30, 2018).

The decrease in Technical sponsorship revenue is related to the lower annual contractual base fee (from €9.5 million in the fiscal year ended June 30, 2017 to €3.8 million in the current fiscal year ending June 30, 2018) due to contractual reductions associated with our past 5 years sporting performance

The decrease in EU / Global sponsorship revenue is mainly related to a lower contractual minimum amount guaranteed by the marketing agreement with Infront due to non-participation in European competition in the current season (€20.1 million including corporate hospitality packages under TeamCo vs €20.7 million last year). Excluding the impact of contractual minimum guaranteed amount, value of EU/Global sponsorship fees increased to approximately €13.0 million as of the current date.

The increase in regional and naming right sponsorship packages is detailed in the following table:

	For the nine months ended March 31	
	2017	2018
(in thousands of €)	Unaudited	Unaudited
Naming Rights and Sponsorship Agreement	12,095	15,443
Other Sponsorship Agreements	22,816	23,843
Regional and naming rights	**34,911**	**39,285**

The total €4.4 million increase from €34.9 million to € 39.3 million is driven by the Naming Rights and Sponsorship Agreement due to higher contractual bonuses accrued based on 1st team performance (from €0.6 million to €5.1 million, the latter favorably affected by the 3rd position in the Serie A ranking achieved at the end of first half of the season). This has more than offset the negative impact resulting from the agreement signed at the closing date of the Refinancing Transaction setting forth that 47% of the value of this contract is assigned to TeamCo starting from December 21st, 2017 as related to Naming Rights of the training centers

Other regional Sponsorship Agreements also show an increase (+ €1.0 million or +4.5%) driven by sponsorship packages with SWM and Konami.

Adjusted Media Revenue

Adjusted Media Revenue shows a €0.7 million decrease which is due to the combined opposite effect of:

- a €5.9 million reduction in UEFA Indirect Media Revenue as a result of non-participation in the UEL in the current season (in the current nine months period we recognized €0.5 million as a result of a settlement payment made by UEFA relating to the prior year, while in the same period last year we recognized €6.4 million recognized by UEFA in respect of the performance in the competition).

- a €5.0 million increase in Serie A Indirect Revenue driven by assignment from TeamCo during the current nine months period of:
    - €1.3 million relating to redistribution to clubs of part of the amount previously allocated to parachute for relegated clubs upon LNP resolution at the end of the season 16/17
    - €4.2 million relating to an advance invoiced to LNP on 18/19 Serie A media rights (upon agreement with Mediapro)

- a €0.2 million increase relating to Direct Media revenue (driven by Inter TV distribution in China)

Cash Available for Debt Service

The following table sets forth Cash Available for Debt Service for the nine months ended March 31, 2018 compared with the nine months ended March 31, 2017.

(in thousands of €)	For the nine months ended March 31 2017 Unaudited	2018 Unaudited
Sponsorship Revenue		
- Shirt	7,237	7,526
- Technical	7,031	2,813
- Infront	11,871	10,502
- Regional and naming rights	34,911	39,285
Direct Media Revenue	10,510	10,712
Other Income	84	37
Total revenue	**71,644**	**70,875**
Indirect Media Revenue		
- Serie A Indirect Media Revenue *	80,153	85,160
- UEFA Indirect Media Revenue *	6,419	539
Adjusted Revenue	158,216	156,574
Change in Current operating assets	(23,865)	(19,395)
Change in Non current operating assets	535	106
Cash inflow	**134,886**	**137,285**
Personnel costs	(1,999)	(2,112)
Cost of services	(4,764)	(6,238)
Other costs	(1,119)	(790)
Income taxes	(14,041)	(10,395)
Change in Current operating liabilities	19,802	15,710
Change in Non current operating liabilties	(1,613)	(1,107)
Cash Outflow	**(3,733)**	**(4,932)**
Cash Available for Debt Service	**131,153**	**132,353**

** represented based on actual cash value (incl. VAT where applicable) of Media Revenue assigned from TeamCo to MediaCo during the six months ended December 31, 2017*

Our Cash Available for Debt Service grew by €1.2 million or 0.9% to €132.4 million for the nine months ended March 31, 2018 mainly due to the combined opposite impacts of:

- €17.9 million increase in collections relating to the contracts with Chinese counterparties (as detailed on the next page).

- €11.8 million (including VAT when applicable in relevant invoices) reduction in collections from other sponsorships, of which:
  - €6.6 million purely relating to timing (e.g. in the nine months period of the previous season we also collected the last installment of the former shirt sponsorship contract relating to season 15/16)
  - € 5.2 million relating to reduction of technical sponsorship fee for the current season

- €2.6 million reduction in collections from UEFA (€0.5 million vs. € 3.2 million. For the nine months ended 31 March 2017, the amount collected was net of €3.2 million withheld by UEFA as final settlement of the €6M FFP fine charged in fiscal year ended 30 June 2015)

The following table shows the detail of the €17.9 million increase in collections relating to the contracts with Chinese counterparties:

	For the nine months ended March 31	
	2017	2018
(in million of €)	Unaudited	Unaudited
Naming Rights - annual fixed fee	16.5	16.5
Naming Rights - 16/17 performance bonuses (full payment)	-	2.6
Naming Rights - 16/17 co-branding addendum (first installment)	-	2.6
Total Naming Rights contract	**16.5**	**21.6**
Chinese Marketing Agency - 16/17 (last installment)	-	12.3
SWM	-	0.6
Total Regional and naming rights	**16.5**	**34.5**

With regard to the €16.5 million: fixed fee of the Naming Rights contract relating to the fiscal year ending 30 June 2018, € 4.1 million will be paid back to TeamCo during the last quarter of the current year upon agreement signed at the closing date of the Refinancing Transaction setting forth that 47% of the value of this contract is assigned to TeamCo starting from December 21st, 2017 as related to Naming Rights of the training centers.

RESULTS OF OPERATIONS

The following table sets forth Income Statement data for MediaCo for the nine months ended March 31, 2018 compared with the nine months ended March 31, 2017.

	For the nine months ended March 31	
	2017	2018
(in thousands of €)	Unaudited	Unaudited
Revenue	71,560	70,838
Other Income	84	37
Total revenue	71,644	70,875
Personnel costs	1,999	2,112
Cost of services	4,764	6,238
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Accruals for risks	-	247
Depreciation and amortization	13,621	13,630
Total operating costs	21,503	23,017
Operating profit	**50,141**	**47,858**
Net financial expenses	(12,352)	(13,559)
Profit before tax	**37,789**	**34,299**
Income taxes	(14,041)	(10,395)
Profit for the period	**23,748**	**23,904**

Revenue. Revenues for the nine months ended March 31, 2018 decreased by €0.7 million or 1.1% to €70.9 million from €71.6 million for the nine months ended March 31, 2017. This decrease was primarily due to a decrease in Sponsorship Revenue of €0.9 million, driven by a reduction of the Technical sponsorship fee and EU/Global sponsorship revenue partially offset by an increase in regional and naming right sponsorship packages (for a detailed explanation of the drivers of revenue movement, please refer to the Section "Adjusted Revenues").

Personnel costs. Personnel costs for the nine months ended March 31, 2018 increased by €0.1 million or 5.7% to €2.1 million from €2.0 million for the nine months ended March 31, 2017. This increase reflects the strengthening of commercial and digital/TV departments implemented during the last 12 months to support the growth plan of the group. As at 31 March 2018, we had a total of 37 employees, comprising 23 permanent employees, 10 temporary employees and four interns.

Cost of services. Cost of services for the nine months ended March 31, 2018 increased by €1.4 million or 30.9% to €6.2 million from €4.8 million for the nine months ended March 31, 2017. This increase has been driven by growing resources allocated to sponsor activations and production/distribution of digital/TV contents as well as by the pro-rata cost relating to the Services Agreement in place for an annual fee of €5.0 million starting from the date of the Refinancing Transaction (as described in the Offering Memorandum, TeamCo has undertaken to provide us with certain services including, inter alia, administrative and accounting services, consulting services provided by TeamCo's coaches for events planned by us, web support services related to our sponsorship and media lines of business, legal assistance, including legal services to protect our intellectual property and other general services necessary for the operation of the business).

Other operating costs. Other operating costs for the nine months ended March 31, 2018 decreased by €0.3 million to €0.8 million from €1.1 million for the nine months ended March 31, 2017 which was impacted by the confirmation of a prior year commercial liability amounting to €0.5 million. Net of this non-recurring expense, other operating costs grew by € 0.2 million mainly due to an increase in ancillary production costs of Inter TV (in the context of the launch of the Media House strategic project in the first months of the current financial year) and in fulfillment costs related to sponsorship contracts (reflecting the growth of sponsorship portfolio)

Accrual for risks. Accrual for risks booked for €0.2 million in the nine months ended March 31, 2018 relate to a prudent provision made in respect of a potential liability relating to a prior year sponsorship agreement.

Depreciation and amortization. Depreciation and amortization for the nine months ended March 31, 2018 was €13.6 million, in line with the nine months ended March 31, 2017.

Financial expenses. Financial expenses for the nine months ended March 31, 2018 increased by €1.2 million or 9.8% to €13.6 million from €12.4 million for the nine months ended March 31, 2017. This increase was mainly due to the combined opposite effect of:

- a non-cash, non-recurring €4.1 million write-off of the residual book value of transaction fees capitalized on the previous facility upon closing of refinancing on 21 December 2017.
- higher ancillary costs and commissions of €1.3 million relating to closure of the previous facility and refinancing transactions.
- €3.1 million (vs. nil) interest income accrued on the Intercompany Loans granted to TeamCo at the end of the fiscal year ended June 30, 2017 and in the first nine months of the current financial year.
- Lower interest expense of €1.3 million resulting from lower interest rate on the Notes compared to the previous facility.

Income taxes. Income taxes for the nine months ended March 31, 2018 decreased by €3.6 million or 26.0% to €10.4 million from €14.0 million for the nine months ended March 31, 2017. The decrease was related to lower operating profit and, mainly, to the negative impact in prior year of deferred tax assets. Accordingly, our effective tax rate was 30.3% for the nine months ended March 31, 2018 compared to 37.2% for the nine months ended March 31, 2017.

Profit for the period. For the reasons described above, Profit for the period for the nine months ended March 31, 2018 was €23.9 million, in line with the nine months ended March 31, 2017 (€23.7 million).

CASH FLOW

The following table sets forth Cash Flow Statement data for MediaCo for the nine months ended March 31, 2018 compared with the nine months ended March 31, 2017.

	For the nine months ended March 31	
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A. Cash flow from operating activities	**26,997**	**74,421**
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Investments in Property, Plant and Equipment	(26)	(58)
B. Cash flow from investing activities	**(26)**	**(118)**
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Transaction fees paid for new finance	-	(8,712)
Repayment of bank loans	(9,000)	(208,000)
Intercompany loans	-	(140,796)
Debt service account	(6,615)	3,745
C. Cash flow from financing activities	**(15,615)**	**(53,764)**
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	**11,355**	**20,539**
Cash at bank and on hand at the beginning of the period	**612**	**8,982**
Cash at bank and on hand at the end of the period	**11,967**	**29,521**

Cash flow from operating activities. Cash flow from operating activities for the nine months ended March 31, 2018 increased by €47.4 million or 175.7% to €74.4 million from €27.0 million for the nine months ended March 31, 2017 mainly due to a positive impact of working capital (+€48.9 million from € 37.8 million to €86.7 million) driven by the fact that as at 31 March 2018, we had not yet distributed to TeamCo an amount of €43.9 million relating to Indirect Media Revenues in the nine months of the current fiscal year.

For comments on other drivers relating to cash flow from operating activities please refer to the paragraph 'Cash Flow Available for Debt Service'.

Cash flow from investing activities. Cash flow from investing activities for the nine months ended March 31, 2018 amounted to €118 thousands, remaining immaterial in respect of our business (increase vs. € 26 thousands in same period of prior year is mainly due to investments made with regard to Inter TV rebranding and set in the context of the Media House project launched by the group in the second half of 2017, as explained in the Offering Memorandum).

Cash flow from financing activities. Cash flow from financing activities for the nine months ended March 31, 2018 showed a negative balance of € 53.8 million compared to a negative balance of €15.6 million in the same period of prior year. As shown by the table, the two periods are not comparable due to the impact of the Refinancing Transaction and loans provided to TeamCo (part of which - €76.5 million - upon the Refinancing Transaction) in the current fiscal year. Loans are provided to TeamCo to upstream cash in excess of the value of assigned media rights as governed by the waterfall rules defined by the Refinancing Transaction.

Net change in cash and cash equivalent. Net change in cash and cash equivalent for the nine months ended March 31, 2018 increased by €9.2 million or 80.9% to €20.5 million from €11.4 million for the nine months ended December 31, 2016, for the reasons described above.

BALANCE SHEET

The following table sets forth the detail of Balance Sheet data for the issuer as at 31 March 2018 compared with 30 June 2017.

	As at	
(in thousands of €)	June 30 2017 Audited	March 31 2018 Unaudited
Non-current assets		
Intangible assets	328,610	309,622
Property, plant and equipment	47	92
Financial assets	15,501	10,409
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Current Assets	**79,490**	**134,972**
Total Assets	**450,968**	**623,142**

Non-current assets. Non-current assets increased by €116.7 million from €371.5 million at 30 June 2017 to €488.2 million at 31 March 2018 mainly due to new Intercompany Loans to TeamCo for amount of €168.0 million (€76.5 million of which were made on closing the refinancing). This increase has been partially offset by impact of depreciation and amortization of intangible and tangible assets (€13.6 million plus €1.3 million relating to transaction fees capitalized on the previous facility until their write-off), €4.1 million write-off of the residual book value of transaction fees capitalized on the previous facility and a €5.1 million reduction of the cash requirements in Debt Service Reserve Account upon closing of the refinancing transaction.

Current assets. Current assets increased by €55.5 million from €79.5 million at 30 June 2017 to €135.0 million at 31 March 2018 mainly due to a €29.5 million increase in Trade receivables (as explained below), a €20.5 million increase in Cash at bank and on hand (as explained in the paragraph “Cash Flow”), a € 1.3 million increase in cash required in Debt Service Account (under Financial Assets) upon closing of the refinancing transaction and a € 3.1 million increase in interest accrued on Intercompany Loans granted to TeamCo

The increase in Trade receivables is mainly related to:

- invoicing of the entire fee of the contract with our Chinese Marketing Agency for the current financial year (€30 million) which remained uncollected at 31 March 2018;
- performance bonuses achieved in the first nine months of the current financial year in respect of the naming right and sponsorship contract (€5.1 million) which were uncollected at 31 March 2018;
- invoicing of the entire fee of the contract with PPTV (Inter TV distribution in China) for the current financial year (€0.7 million) which was uncollected at 31 March 2018

For an update on the status of collections from Chinese counterparties, please refer to the paragraph “Other relevant information - Update on inflows from Asia”.

The following table sets forth the detail of Balance Sheet Liabilities and Shareholders' equity data for the issuer as at 31 March 2018 compared with 30 June 2017.

	As at	
	June 30 2017	March 31 2018
(in thousands of €)	Audited	Unaudited
Liabilities and Shareholders' equity		
Shareholders' equity		
Share capital	500	500
Reserve	105,097	105,097
Retained earnings	4,088	4,088
Profit for the period	50,904	23,904
Total Shareholders' equity	**160,588**	**133,588**
Non-current Liabilities		
Deferred tax liabilities	34,886	33,443
Provisions for employee severance indemnities	131	149
Provisions for risks	-	247
Senior Secured Notes 2022	-	287,959
Bank loans	196,000	-
Deferred income	12,137	12,243
Non-current Liabilities	**243,154**	**334,040**
Current Liabilities		
Senior Secured Notes 2022	-	3,100
Bank loans	12,000	-
Trade payables	2,698	3,253
Trade payables to parents companies and their affiliated	22,772	77,910
Dividends Payable	-	50,904
Tax Payables	2,840	2,030
Social security payables	135	113
Other payables	234	195
Accrued expenses	3,123	4,656
Deferred income	3,423	13,351
Current Liabilities	**47,226**	**155,513**
Total Liabilities and Shareholders' equity	**450,968**	**623,142**

Shareholders' equity. Shareholders' equity decreased by €27.0 million from €160.6 million at 30 June 2017 to €133.6 million at 31 March 2018 as a net result of:

- reduction for distribution to our immediate holding companies through dividends of the entire Net Profit recorded in the fiscal year ended 30 June 2017 (€50.9 million).

Dividends remain unsettled and are recognized as payables due to TeamCo (€28.3 million) and BrandCo (€22.6 million) at 31 December 2017
- increase for the Net Profit recorded in the six months period to 31 December 2017 (€23.9 million).

Non-current liabilities. Non-current liabilities increased by €90.9 million from €243.2 million at 30 June 2017 to €334.0 million at 31 March 2018 mainly due to the impact of the refinancing transaction which involved the repayment, in full, of the previous facility and the recognition of the new Senior Secured Notes.

Current liabilities. Current liabilities increased by €108.3 million from €47.2 million at 30 June 2017 to €155.5 million at 31 March 2018 mainly due to:

- dividends payable for €50.9 million relating to the distribution of prior year net profit to our immediate holding companies (€ 28.3 million to TeamCo and € 22.6 million to BrandCo);
- payables due to TeamCo in respect of assignment of receivables made in the first nine months of the current fiscal year relating to Indirect Media Revenues which were not yet distributed to TeamCo at 31 March 2018 through the waterfall rules (€43.9 million);
- payables due to TeamCo in respect of the 47% portion of the Naming Rights and Sponsorship agreement pertaining to TeamCo from December 21, 2017 to June 30, 2018 (€4.1 million) as agreed in the context of the Refinancing Transaction
- payables due to TeamCo in respect of the pro-rata fee relating to the Services Agreement in place for an annual fee of €5.0 million starting from the date of the Refinancing Transaction (€1.4 million)
- deferred revenues of €11.6 million relating to contracts which were invoiced at the beginning of the financial year, but are recognized on a pro-rata basis over the financial year.

Increases in Current Liabilities generated by items above described have been partially offset by a reduction in the current element of the Senior Secured Notes of €8.9 million when compared to the previous facility as a result of a more favorable amortization requirement in the first year.

CAPITAL EXPENDITURES

At €118 thousands, the level of capital expenditure was not considered material for the period under review.

NET FINANCIAL POSITION

The following table sets forth the Net Financial position data for the issuer as at 31 March 2018 compared with 30 June 2017.

	As at	
	June 30 2017	**March 31 2018**
(in thousands of €)	**Unaudited**	**Unaudited**
Cash at bank and on hand	**8,982**	**29,521**
Current financial assets	6,372	7,719
Loan to parent company - current portion	221	3,299
Current financial receivables	**6,593**	**11,018**
Bond - current portion	-	(3,100)
Bank loans - current portion	(12,000)	-
Accrued interest charges and other financial expenses	(3,050)	(4,557)
Current financial liabilities	**(15,050)**	**(7,657)**
Net current financial assets/(liabilties)	**525**	**32,882**
Senior Secured Notes 2022	-	(287,959)
Bank loans	(196,000)	-
Financial Assets	15,501	10,409
Non-current financial liabilties	**(180,499)**	**(277,550)**
Net financial position	**(179,974)**	**(244,668)**

Net negative Financial Position at 31 March 2018 increased by €64.7 million to € 244,7 million affected by the Refinancing Transaction which also resulted in a € 7.4 million reduction of Current Financial Liabilities to €7.7 million. Net financial position at 31 March 2018 also benefited from a €17.9 million increase of cash mainly generated by collections from Chinese counterparties as explained earlier in this report.

OTHER RELEVANT INFORMATION

Update on Serie A Media Rights

For Serie A, Media rights are divided between domestic and international rights. Both set of rights follow 3-year cycles, with the current cycle expiring at the end of the 2017-2018 season and the next cycle set for 2018-2021.

On October 10, 2017, LNP announced that International Serie A broadcasting rights for the 2018-2021 seasons had been sold to IMG for €371.0 million per season, approximately double the annual amount paid for the previous season. Serie A international broadcast revenues have increased from €91.0 million per season for the 2010/2011 and 2011/2012 seasons to €371.0 million per season for the 2018/2019 through 2020/2021 seasons, a CAGR of approximately 15%.

On February 5, 2018 LNP announced that domestic Serie A broadcasting rights for the 2018-2021 seasons had been sold to Mediapro, having presented an offer exclusively for ‘independent intermediaries’, for €1,05 billion per season subject to final confirmation from the Italian Anti-Trust authority.

In mid-April the tender for domestic rights prepared by Mediapro as a result of the award above was suspended, after Sky Italia requested the Court investigate whether the sale respected Italian regulation arguing that Mediapro, despite having presented an offer exclusively for ‘independent intermediaries’, would not operate as such but rather as a communications operator.

In May the Court upheld the suspension of Mediapro’s tender for the resale of rights arguing that their offer to operators includes “editorial content” and, hence, ruling that it was in violation of antitrust principles. The ruling means a further extension of the original deadline from April 21.

Mediapro immediately appealed against the decision maintaining that their commercial proposal meets the Serie A criteria and their offer does not include “editorial content”. In the meantime, Mediapro, which in March had paid the required 5% advance payment to LNP (€64M including VAT), has not yet presented the required bank guarantees (€1.2 billion including VAT) for which the deadline was May 22nd.

At the time of writing this situation was unresolved and we hope to give an update during the call itself.

Update on inflows from Asia

The table below shows an update of the inflows relating to our main Asian sponsorship contracts with both related and non-related parties.

	Fiscal Year ended 30 June 2017		Fiscal Year ending 30 June 2018	
(in thousands of €)	Annual value	Collected to date	Annual value	Collected to date
Naming Rights and Sponsorship Agreement	19.050	19.050	21.600	16.500
Naming Rights and Sponsorship Agreement -co-branding	25.000	2.500	-	-
Other Sponsorship Agreements	30.000	30.000	30.000	-
Total	**74.050**	**51.550**	**51.600**	**16.500**

Total collections amount to € 68.1 million out of a total value of € 125.7 million

With regard to the fiscal year ended 30 June 2017 the only outstanding amount (€22.5 million) relate to the € 25 million co-branding addendum. We expect to clear this amount in the near future.

With regard to the current fiscal year ending 30 June 2018 we have collected in full the €16.5 million fee relating to the Naming Rights contract (including the €4.1 million portion to be paid back to TeamCo during the last quarter of the fiscal year).

Update on Sponsorships agreements

The table below details those Sponsors which were signed or renewed during the period 1 July 2017 – 31 March 2018:

Sponsor	Type of sponsorhips	Product Category	Expiration Date	New/ Renewed
Bwin	Top Partner	Betting	June 2020	New
Volvo	Premium Partner	Cars	June 2020	New
La Gazzetta dello Sport	Official Partner	Sport newspaper	June 2018	Renewed
Cavit	Official Partner	Wine	June 2018	Renewed
Expert	Official Partner	Consumer electronic retail	June 2018	Renewed
Konami	Official Partner	Video Games	June 2020	New
Tescoma	Official Partner	Home products	June 2018	New
Esprinet (Nilox)	Official Partner	Overboard	June 2018	New
Deutsche Bank	Premium Partner	Bank	June 2018	Renewed
Lyoness	Premium Partner	Affinity Card	December 2020	New
GR Group	Official Supplier	Agency	June 2018	New

TEAMCO UPDATE

SPORTING PERFORMANCE

The team finished the Italian Serie A championship in 4th place, achieving direct qualification to the Group Stages of the 2018/2019 UEFA Champions League (UCL). This will provide impacts in FY19 as follows:

- increase payments under many of MediaCo's existing sponsorship contracts, including the contracts with Nike and Pirelli;
- enable MediaCo to collect the higher UEFA Indirect Media Revenues associated with UCL revenues.

We were eliminated at the quarter-finals of the Italian Tim Cup at the end of December 2017.

MATCH ATTENDANCE

During the sporting season 2017/2018, we achieved average home game attendance of 57,535 putting Inter as the 1st club in Italy and among the top ten clubs in Europe.

During the current season we also established two consecutive Serie A historical revenue record (matches vs AC Milan and FC Juventus generated €4.9 million and €5.2 million total including VAT, respectively)

TRANSFER MARKET SUMMARY

Main players signed in the transfer market of the current fiscal year are:

Summer 2017:

- Skriniar (from Sampdoria)
- Dalbert (from Nice)
- Vecino (from Fiorentina)
- Valero (from Fiorentina)
- Cancelo (on loan from Valencia)
- Karamoh (on loan from Caen)

Winter 2018:

- Rafinha (on loan from Barcelona)
- Lisandro Lopez (on loan from Benfica)

Main players who left TeamCo in the transfer market of the current fiscal year are:

Summer 2017:

- Jovetic (sold to Monaco)
- Medel (sold to Besiktas)
- Dodò (sold to Sampdoria)
- Ansaldi (loaned to Torino)
- Murillo (loaned to Valencia)
- Kondogbia (loaned to Valencia)
- Gabriel Barbosa (loaned to Benfica and now to Santos)
- Biabiany (loaned to Sparta Prague)

Winter 2018:

- Nagatomo (loaned to Galatasaray)
- Joao Mario (loaned to West Ham)

SHAREHOLDER LOANS

As described in the Offering Memorandum, TeamCo received a number of shareholder loans from Suning. As of March 31st, 2018, shareholder loans total outstanding amount was € 241.7M (including accrued interest).

In April 2018, TeamCo (through excess cash flow generated by revenues from commercial agreements) repaid an amount of €15.0 million, being €11.2 million of outstanding interest due on certain shareholder loans and €3.8 million of outstanding principal on a shareholder loan due on November 15, 2017.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The interim financial statements as of and for the nine-months period ended March 31, 2018 (hereinafter "Interim Financial Statements") have been prepared for the purposes of the preparation of the nine-months consolidated accounts of the TeamCo group as at March 31, 2018.

The Interim Financial Statements include the balance sheet, the income statement and the cash flow statement and are unaudited. These Financial Statements have been prepared in accordance with the accounting standards of the Italian Accountants Profession Board (Consiglio Nazionale dei Dottori Commercialisti ed Esperti Contabili), revised and supplemented by the Italian Accounting Organization (Organismo Italiano di Contabilità, O.I.C.) ("**Italian GAAP**").

Italian GAAP has recently been modified in order to take into account changes introduced in the Italian law governing Financial Statements by Decree No. 139 of August 18, 2015, which implemented Directive 34/2013/UE of the European Parliament and of the European Council on annual Financial Statements, consolidated Financial Statements and related reports of certain types of undertakings.

In preparing these Financial Statements, however, MediaCo reclassified and renamed certain Italian GAAP line items in a format of presentation more similar to international format.

The items reported in these Financial Statements are stated in accordance with the general principles of prudence and accruals and using the going concern assumption as well as considering the economic function of the assets and liabilities.

These Financial Statements are shown in Euro, which is the functional currency of the Group. All amounts shown in this document are expressed in thousands of Euro, unless otherwise specified.

SIGNIFICANT ACCOUNTING POLICIES

The Interim Financial Statements have been prepared in accordance with the OIC 30 - Interim Financial Statements; therefore the Interim Financial Statements do not include all the information required in the annual Financial Statements.

The Interim Financial Statements have been prepared on a going concern basis.

The accounting policies adopted in preparing the Interim Financial Statements are the same as for the previous fiscal year and therefore reference should be made to the Financial Statements for the fiscal year ended June 30, 2017, June 30, 2016 and June 30, 2015 for further considerations.

OTHER INFORMATION

Use of estimates

For Financial Statements preparation, it is necessary that the Management make estimates and assumptions which have effects on the values of assets and liabilities accounted for the Balance Sheet and even on potential assets and liabilities at the Financial Statements date. The estimates and assumptions used are based on experience and on other relevant factors. For this reason, the final results could therefore differ from these estimates. The estimates and assumptions are reviewed periodically and the effects of each of their variation are reflected on the income statement in the year when the estimate is revised (if this review has effects only in the current year), or also in subsequent years (if the review has effects on both the current and future years). The Balance Sheet items that are affected by these assumptions, are the bad debt reserve, the provisions for risks and charges and the evaluation of the recoverable value of property, plant and equipment and intangible assets (impairment test). The impairment test is generally carried out only when the audited Financial Statements for the fiscal year are prepared, unless there are indicators which require updates to estimates. No impairment test has been performed as of March 31, 2018 since no impairment indicators were brought to Directors' attention.

For more information about the main accounting estimates, please refer to the annual Financial Statements.

GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

The Company, throughout the periods, does not have any additional guarantees, commitments or liabilities other than which have already been disclosed in the financial information presented.

SUBSEQUENT EVENTS OCCURRED AFTER MARCH 31, 2018

During the period between 1 April and the date of reporting the following events have occurred which are considered to be of note to bondholders:

MediaCo

- The signing of new sponsorship contracts with two Asian brands, FullShare (FullShare Holding Limited) – an Educational Services provider and Donkey Mother (King Dawn Investment Limited) – an online travel agent with total consideration in FY18 (including signing bonus) of €10.5 million and total contract value (excluding signing bonus) until expiration on 30 June 2020 of €43.3 million

- The buy back of a number of sponsorship categories from the Beijing Yixinshijie agreement for a total consideration in FY18 of €5M and a revision to the annual consideration under this contract of €25M from €30M, with the aim to sign the agency contract below with a Chinese Sports Marketing Agency

- The signing of a new third-party agency agreement with a significant Chinese Sports Marketing Agency, iMedia who have been granted selected category rights already purchased back from Beijing as noted above. Total FY18 consideration is €27.2M with total contract value (excluding signing bonus) of €154.17M

- The amendment to the Naming Rights and Sponsorship Agreement with Jiangsu Suning Sports Industry Co. Ltd. providing for, *inter alia*, (i) the change of the relevant areas for different brand sectors, and (ii) a procedure for the yearly re-evaluation of the services rendered under the agreement, to update the consideration due to the market value of such services

TeamCo

- Qualification directly to the Group Stages of the 2018/19 UEFA Champions League

- Repayment of a small due principal of shareholder loan in April 2018 as referred to earlier in this report through excess cash flow generated by revenues from commercial agreements