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 six months ended 31 December 2018

Date: 28 February 2019

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%), LionRock Capital (which, on 25 January 2019, reached an agreement with International Sports Capital HK Limited to acquire their 31.05% shares in TeamCo) and other 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

Zhang Kangyang	President & Director
Alessandro Antonello	Executive Director
Yang Yang	Non-Executive Director
Zhu Qing	Non-Executive Director
Lorenzo Mauro Banfi	Non-Executive Director (Independent Director)

MediaCo Senior Management

Alessandro Antonello	Chief Executive Officer - Corporate
Giuseppe Marotta	Chief Executive Officer - Sport (appointed on 13 December 2018)
Javier Zanetti	Vice President
Tim Williams	Chief Financial Officer
Robert Faulkner	Chief Communications Officer
Luca Danovaro	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 six-month period ended December 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.

FORWARD-LOOKING STATEMENTS

This presentation may contain forward-looking statements that are based on our current expectations, estimates and projections as well as management's beliefs and assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks,” "estimates," "may,", “should”, "will," and variations of these words or similar expressions are intended to identify forward-looking statements. These statements speak only as of the date hereof. Such statements are based upon the information available to us now and are subject to change. We will not necessarily inform you of such changes. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors.

INCOME STATEMENT

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

(in thousands of €)	For the six months ended December 31 2017	2018
Revenue	50.225	68.082
Other Income	37	20
Total revenue	50.262	68.102
Personnel costs	1.379	1.577
Cost of services	3.295	5.053
Other operating costs	589	439
Accruals for risks	247	-
Write-downs of trade receivables	-	1.607
Depreciation and amortization	9.153	9.157
Total operating costs	14.663	17.833
Operating profit	**35.599**	**50.270**
Net financial expenses	(11.371)	(4.613)
Profit before tax	**24.228**	**45.656**
Income taxes	(7.434)	(12.360)
Profit for the period	**16.794**	**33.296**

BALANCE SHEET

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

(in thousands of €)	As at June 30 2018	As at December 31 2018
Non-current assets		
Intangible assets	305.107	295.987
Property, plant and equipment	87	75
Financial assets	10.410	10.410
Loan to parent company	144.944	148.519
Prepaid expenses	9	33
Non-current Assets	**460.557**	**455.024**
Current assets		
Financial assets	43	5
Trade receivables	76.208	121.992
Trade receivables from parent companies and their affiliated	39.126	27.889
Deferred tax assets	200	399
Other receivables	5	4
Prepaid expenses	246	55
Cash at bank and on hand	8.510	42.415
Current Assets	**124.336**	**193.299**
Total Assets	**584.893**	**648.323**

(in thousands of €)	As at June 30 2018	As at December 31 2018
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	65.571	33.296
Total Shareholders' equity	**175.255**	**142.980**
Non-current Liabilities		
Deferred tax liabilities	32.963	31.994
Provisions for employee severance indemnities	172	221
Provisions for risks	247	247
Senior Secured Notes 2022	285.630	283.230
Deferred income	11.714	11.924
Non-current Liabilities	**330.726**	**327.616**
Current Liabilities		
Senior Secured Notes 2022	6.250	6.400
Trade payables	3.073	2.452
Trade payables to parents companies and their affiliated	44.689	77.256
Dividends Payable	22.596	88.167
Tax Payables	830	2.378
Social security payables	146	171
Other payables	221	233
Accrued expenses	72	55
Deferred income	1.033	614
Current Liabilities	**78.912**	**177.726**
Total Liabilities and Shareholders' equity	**584.893**	**648.323**

CASH FLOW STATEMENT

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

	For the six months ended December 31	
(in thousands of €)	2017	2018
Profit for the period	16.794	33.296
Current taxes	8.457	13.530
Net Financial Expenses	11.371	4.613
Profit for the period before taxes and interest	36.622	51.439
Depreciation and amortization	9.153	9.157
Employee severance indemnities	2	49
Accrual for risks	247	-
Deferred tax assets and liabilities	(1.023)	(1.169)
Cash flow from operating activities before changes in working capital	45.001	59.476
Increase in trade and other receivables	(15.627)	(35.086)
Increase/(Decrease) in trade and other payables	43.674	23.561
Other variations in net working capital	(3.429)	(3.185)
Cash flow from operating activities after changes in working capital	69.620	44.765
Taxes paid	-	(461)
Interest and other financial expenses paid	(8.810)	(7.312)
A. Cash flow from operating activities	**60.810**	**36.992**
Investments in Intangible Assets	(15)	(25)
Investments in Property, Plant and Equipment	(58)	-
B. Cash flow from investing activities	**(73)**	**(25)**
New finance (Senior Secured Notes 2022)	300.000	-
Transaction fees paid for new finance	(8.712)	-
Repayment of bank loans/Senior Secured Notes 2022	(207.999)	(3.100)
Intercompany loans	(125.866)	-
Debt service account	3.745	38
C. Cash flow from financing activities	**(38.833)**	**(3.062)**
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	**21.904**	**33.905**
Cash at bank and on hand at the beginning of the period	**8.982**	**8.510**
Cash at bank and on hand at the end of the period	**30.886**	**42.415**

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'.

Adjusted Revenue

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

(in thousands of €)	For the six months ended December 31 2017	2018
A. Direct Media Revenue	7.261	7.377
B. Other Income	37	20
C. Sponsorship Revenue	42.965	60.705
D. Total Revenue (A+B+C)	**50.262**	**68.102**
E. Serie A Indirect Media Revenue *	64.880	69.469
F. UEFA Indirect Media Revenue *	539	42.539
G. Adjusted Media Revenue (A+E+F)	**72.680**	**119.384**
B. Other Income	37	20
C. Sponsorship Revenue	42.965	60.705
Adjusted Revenue (G+B+C)	**115.682**	**180.110**

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

Our Adjusted Revenue increased by €64.4 million or 55.7% to €180.1 million for the six months ended December 31, 2018 from €115.7 million for the six months ended December 31, 2017. This increase was primarily due to (i) the participation in the UEFA Champions League ("UCL"), (ii) the increase in Sponsorship Revenue driven by Asian sponsorship agreements signed in the last quarter of prior fiscal year and (iii) the growth in Serie A Indirect Media Revenue favorably affected by the new 3-year cycle effective from the current season and the improved final position of the team in Serie A 2017-2018 (4th) compared to prior sporting season (7th).

Sponsorship Revenue

Sponsorship Revenue increased by €17.7 million or 41.3% to €60.7 million for the six months ended December 31, 2018 from €43.0 million for the six months ended December 31, 2017, mainly driven by an increase in regional and naming right sponsorship packages and in the Technical and Shirt sponsorship fee. This is detailed on the following table:

(in thousands of €)	For the six months ended December 31 2017	2018
Shirt	5.027	5.271
Technical	1.875	5.027
EU/Global	7.422	5.877
Regional and naming rights	28.641	44.531
Sponsorship Revenue	**42.965**	**60.705**

- Shirt

The increase in Shirt sponsorship revenue is related to the higher annual contractual base fee (from €10.1 million in the fiscal year ended June 30, 2018 to €10.5 million in the current fiscal year ending June 30, 2019).

- Technical

The increase in Technical sponsorship revenue is related to the higher annual contractual base fee (from €3.8 million in the fiscal year ended June 30, 2018 to €10.0 million in the current fiscal year ending June 30, 2019) due to the return to the UCL in the sporting season 2018/2019.

- EU/Global

The decrease in EU / Global sponsorship revenue, on a pro-rata basis, is mainly related to the exit from the marketing agreement with Infront which until the fiscal year ended June 30, 2018 ensured a contractual minimum guaranteed amount which was booked on a pro-rata basis on the value of signed underlying contracts. In the current season we account, on a pro-rata basis, only for contracts already in force at the end of the reporting period. The annual value of EU/Global sponsorship in force to date is €12.7 million (excluding any contractual bonus related to the potential qualification to UCL Group Stage for the season 2019/2020).

For further information on the current sponsorship agreements in Italy and the rest of Europe, please see "Update on Sponsorship agreements".

- Regional and Naming Rights

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

(in thousands of €)	For the six months ended December 31 2017	2018
Naming Rights and Sponsorship Agreement	12.555	9.008
Other Sponsorship Agreements	16.086	35.522
Regional and naming rights	**28.641**	**44.531**

The reduction of Naming Rights and Sponsorship Agreement derives from the impact resulting from the agreement signed at the closing date of the Refinancing Transaction assigning 47% of the value of this contract to TeamCo starting from December 21st, 2017 as related to Naming Rights of the training centers (the total contractual annual base fee remains unchanged at €16.5 million).

The increase in Other regional Sponsorship Agreements (+ €19.4 million or +120.8%) is driven by contracts signed in the last quarter of the prior fiscal year:

- Full Share (Full Share Holding Limited) – an Educational Services provider: annual fee for the current fiscal year of €10,0 million
- Lvmama.com (King Dawn Investment Limited) – an online travel agent: annual fee for the current fiscal year of €10,0 million
- iMedia – a Chinese Sports Marketing Agency who have been granted selected category rights for an annual minimum guaranteed amount of €25.0 million. The increase deriving from the signing of the sponsorship agreement with iMedia was partially offset by the decrease in the annual minimum guaranteed amount under the sponsorship agreement with Beijing Yixinshijie to €25.0 million from €30.0 million as a result of the transfer of certain category rights in favor of iMedia. .

Adjusted Media Revenue

Adjusted Media Revenue shows a €46.7 million increase (or 64.3%) which is driven by:

- The participation in the UCL 2018/2019 which, in the six months period ended 31 December 2018, Indirect Media Revenue amounted to €42.5 million relating to the Group Stage fee (€14.5 million), the coefficient based on historical results assigned to the club (€17.7 million), the performance bonuses relating to Group Stage matches (€7.8 million) and a first down-payment relating to our share of the market pool distribution awarded to teams playing in Serie A (€2.5 million)

- the €4.6 million growth in Serie A Indirect Media Revenue (+7.1%) favorably affected by the new 3-year cycle effective from the current season and the final better position of the team in Serie A 2017-2018 (4th) compared to prior sporting season (7TH).

Cash Available for Debt Service

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

(in thousands of €)	For the six months ended December 31 2017	2018
Sponsorship Revenue		
- Shirt	5.027	5.271
- Technical	1.875	5.027
- EU/Global	7.422	5.877
- Regional and naming rights	28.641	44.531
Direct Media Revenue	7.261	7.377
Other Income	37	20
Total revenue	**50.262**	**68.102**
Indirect Media Revenue		
- Serie A Indirect Media Revenue *	64.880	69.469
- UEFA Indirect Media Revenue *	539	42.539
Adjusted Revenue	115.682	180.110
Change in Current operating assets	(18.485)	(34.967)
Change in Non current operating assets	210	210
Cash inflow	**97.406**	**145.353**
Personnel costs	(1.379)	(1.577)
Cost of services	(3.295)	(5.053)
Other costs	(589)	(439)
Income taxes	(7.434)	(12.360)
Change in Current operating liabilities	12.852	8.332
Change in Non current operating liabilties	(609)	(944)
Cash Outflow	**(453)**	**(12.041)**
Cash Available for Debt Service	**96.953**	**133.312**

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

Cash Available for Debt Service increased by €36.4 million or 37.5% to €133.3 million for the six months ended December 31, 2018 from €97.0 million for the six months ended December 31, 2017, driven by the described growth in Adjusted Revenues and partially offset by:

- increase in working capital (in particular: Current Operating assets) mainly due to collection timing of Asian Sponsorship contracts (as better described below), of Serie A Indirect Media Revenues (relating to the installment invoiced in December and partially collected in January) and of UEFA Indirect Media Revenue (with regard to a UCL performance bonus invoiced in December collected in January)

- increase in cash outflows mainly due to the repayment of 47% fee of 2017/2018 Naming Rights contract (starting from 21 December 2017) to TeamCo (in prior year MediaCo collected the full €16.5 million annual fee) which decreased the positive balance of Change in Current Operating liabilities

The payment of Income Taxes in the six months ended 31 December 2018 amounted to €0.5 million (nil in the six months ended 31 December 2017), with the value of related lines in the table above offset by an increase in the line "Change in Current Operating liabilities"

With regard to collection timing of Asian Sponsorship contracts, we present the following table:

(in thousands of €)	Value	Outstanding at 31 December 2018	Outstanding at date of this report
Revenues booked in fiscal year ended 30 June 2017	74.808	-	-
Revenues booked in fiscal year ended 30 June 2018	87.629	60.591	36.043
Revenues booked in the six months period ended 31 December 2018	44.531	44.531	44.531
Total	**206.968**	**105.122**	**80.574**

Based on the table, we highlight that:

- in the period 1 July 2016 – 31 December 2018, we booked accumulative revenues of €207.0 million, collecting, as at date of this report, €126.4 million (€101.8 million at 31 December 2018)
- outstanding amounts as at the date of this report decreased to €80.6 million (39% out of the total) from €105.1 million as at December 31, 2018, of which €44.5 million relating to the current semester.

Since the date of the release of our report as at 31 December 2018, we collected €24.5 million which are therefore not reflected in the reporting numbers at 31 December 2018.

With regards to amounts remaining overdue, we are in regular contact with the counterparties, including related parties, and we anticipate further cash collections during the fiscal quarter ending31 March 2019.

Historical Debt Service Coverage Ratio ("DSCR")

In the last twelve months ended 31 December 2018:

- Cash Available for Debt Service amounted to € 197.6 million
- Payments for Debt Service amounted to € 18.1 million (of which €3.1 million is amortization of the principle together with €15.0M interest)

Accordingly, the DSCR is 10.92. The calculation is summarized in the in the table below:

Currency (€ 000)	Aggregate Inflows	Aggregate Outflows	Cash Available for Debt Service
Cash Available for Debt Service (€ 000)			
Fiscal Year ended 30 June 2018	183.549	(22.288)	**161.260**
(Six months ended 31 December 2017)	(97.406)	453	**(96.953)**
Six months ended 31 December 2018	145.353	(12.041)	**133.312**
LTM ended Dec 31, 2018 (A)	**231.496**	**(33.876)**	**197.619**
Debt Service Payments (€ 000)			
June 2018			7.678
December 2018			10.413
LTM ended Dec 31, 2018 (B)			**18.091**
DSCR_LTM ended Dec 31, 2018 (A/B)			**10,92**

Pro-forma Debt Service Coverage Ratio ("Pro-forma DSCR")

The DCSR pro-forma for the 12 months from January 1, 2019 to December 31, 2019 is 12.26 as presented in the table below

Currency (€ 000)	Twelve months ending December 31, 2019
Pro-forma Estimated Look- Forward Cash Available for Debt Service	
Aggregate Inflows	278.042
Aggregate Outflows	(23.072)
Pro-forma Estimated Look- Forward Cash Available for Debt Service	**254.970**
Debt Service Payments	
June 2019	10.387
December 2019	10.410
Pro-forma Estimated Look- Forward Debt Service Payments	**20.797**
DSCR_LTM ended Dec 31, 2018 (A/B)	**12,26**

This has been calculated on assuming no UEFA competition and no new sponsorship agreements signed as they have not yet been contracted. In addition we have made a prudent assessment of the timing of collections of existing sponsorship agreements.

RESULTS OF OPERATIONS

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

	For the six months ended December 31	
(in thousands of €)	2017	2018
Revenue	50.225	68.082
Other Income	37	20
Total revenue	50.262	68.102
Personnel costs	1.379	1.577
Cost of services	3.295	5.053
Other operating costs	589	439
Accruals for risks	247	-
Write-downs of trade receivables	-	1.607
Depreciation and amortization	9.153	9.157
Total operating costs	14.663	17.833
Operating profit	**35.599**	**50.270**
Net financial expenses	(11.371)	(4.613)
Profit before tax	**24.228**	**45.656**
Income taxes	(7.434)	(12.360)
Profit for the period	**16.794**	**33.296**

Revenue. Revenues for the six months ended December 31, 2018 increased by €17.8 million or 35.5% to €68.1 million from €50.3 million for the six months ended December 31, 2017. This growth was primarily due to the increase in Sponsorship Revenue as already described (refer to the Section "Adjusted Revenues" for more details).

Personnel costs. Personnel costs for the six months ended December 31, 2018 increased by €0.2 million or 14.4% to €1.6 million from €1.4 million for the six months ended December 31, 2017. This limited increase reflects the gradual strengthening of commercial and digital/TV departments implemented during the last 12 months to support the growth plan of the business. As at 31 December 2018, we had a total of 39 full time employees.

Cost of services. Cost of services for the six months ended December 31, 2018 increased by €1.8 million or 53.4% to €5.1 million from €3.3 million for the six months ended December 31, 2017. This increase is mainly due to the pro-rata impact of the Service Agreement in place with TeamCo 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, support services related to our sponsorship and media lines of business, legal assistance, including legal services to protect intellectual property and other general services necessary for the operation of the business).

Excluding the impact of this contract cost of services shows a €0.8 million increase mainly related to the increase in Revenues.

Other operating costs. Other operating costs for the six months ended December 31, 2018 are in line with the same period of prior year at €0.4 million.

Accrual for risks. No accrual for risks has been required for the six months ended December 31, 2018. The six months ended December 31, 2017 were affected by an accrual of €0.2 million relating to a prudential provision made in respect of a potential liability relating to a prior year sponsorship agreement

Write-downs of trade receivables. In the six months ended December 21, 2018 we accrued a provision of €1.6M as a result of an ongoing litigation between MP Silva and Lega Nazionale Professionisti relating to the settlement of the amounts still due by MP Silva in respect of 2017/2018 Serie A international media rights

Depreciation and amortization. Depreciation and amortization for the six months ended December 31, 2018 was €9.2 million, in line with the six months ended December 31, 2017.

Financial expenses. Financial expenses for the six months ended December 31, 2018 decreased by €6.8 million or 59.4% to €4.6 million from €11.4 million for the six months ended December 31, 2017. Most of this decrease is related to the fact that in the six months ended December 31, 2017 we booked a non-cash €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. Excluding this item, the decrease amounts to €2.6 million and is mainly related to higher interest income (€3.6 million vs. €1.1 million) accrued on the Intercompany Loans granted to TeamCo at the end of the fiscal year ended June 30, 2017 and during the fiscal year ended June 30, 2018.

For the six months ended December 31, 2018, we incurred €8.2 million interest expense on the Notes.

Income taxes. Income taxes for the six months ended December 31, 2018 increased by €4.9 million or 66.3% to €12.4 million from €7.4 million for the six months ended December 31, 2017. This is related to growth in Profit Before Tax driven by increase in revenues while the tax rate shows a decrease from 30.7% to 27.1%.

Profit for the period. For the reasons described above, Profit for the period for the six months ended December 31, 2018 was €33.3 million presenting a €16.5 million increase (+98.3%) compared to same period of prior year.

CASH FLOW

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

	For the six months ended December 31	
(in thousands of €)	2017	2018
Profit for the period	16.794	33.296
Current taxes	8.457	13.530
Net Financial Expenses	11.371	4.613
Profit for the period before taxes and interest	36.622	51.439
Depreciation and amortization	9.153	9.157
Employee severance indemnities	2	49
Accrual for risks	247	-
Deferred tax assets and liabilities	(1.023)	(1.169)
Cash flow from operating activities before changes in working capital	45.001	59.476
Increase in trade and other receivables	(15.627)	(35.086)
Increase/(Decrease) in trade and other payables	43.674	23.561
Other variations in net working capital	(3.429)	(3.185)
Cash flow from operating activities after changes in working capital	69.620	44.765
Taxes paid	-	(461)
Interest and other financial expenses paid	(8.810)	(7.312)
A. Cash flow from operating activities	**60.810**	**36.992**
Investments in Intangible Assets	(15)	(25)
Investments in Property, Plant and Equipment	(58)	-
B. Cash flow from investing activities	**(73)**	**(25)**
New finance (Senior Secured Notes 2022)	300.000	-
Transaction fees paid for new finance	(8.712)	-
Repayment of bank loans/Senior Secured Notes 2022	(207.999)	(3.100)
Intercompany loans	(125.866)	-
Debt service account	3.745	38
C. Cash flow from financing activities	**(38.833)**	**(3.062)**
Increase/(Decrease) cash and cash equivalents (A ± B ± C)	**21.904**	**33.905**
Cash at bank and on hand at the beginning of the period	**8.982**	**8.510**
Cash at bank and on hand at the end of the period	**30.886**	**42.415**

Cash flow from operating activities. Cash flow from operating activities for the six months ended December 31, 2018 decreased by €23.8 million or 39.2% to €37.0 million from €60.8 million for the six months ended December 31, 2017 mainly due to the combined impact of:

- Positive: €14.5 million increase in cash inflows before working capital movements driven by growth in Operating Profit described in the paragraph "Results of Operations"
- Negative:
  - €19.5 million increase in trade and other receivables driven by the timing of collections of certain Asian Sponsorship contracts and other Indirect Media Revenues (as described in the paragraph " Cash Available for Debt Service")
  - €20.1 million increase in in trade and other payables due to higher cash up streams to TeamCo made in the current semester through the waterfall secured accounts.

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 six months ended December 31, 2018 amounted to €25 thousands (compared to €73 thousands in the same period of prior fiscal year), remaining immaterial in respect of our business.

Cash flow from financing activities. Cash flow from financing activities for the six months ended December 31, 2018 amounted to negative €3.1 million being related to the mandatory amortization of the Senior Secured Notes (installment paid at the end of December 2018). Cash flow from financing activities for the six months ended 31 December 2017 (which generated a negative net balance of €38.8 million) is not comparable since the Refinancing Transaction occurred during that period.

Net change in cash and cash equivalent. Net change in cash and cash equivalent for the six months ended December 31, 2018 increased by €12.0 million or 55.0% to €33.9 million from €21.9 million for the three months ended December 31, 2017, for the reasons described above.

BALANCE SHEET

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

	As at	
	June 30 2018	December 31 2018
(in thousands of €)		
Non-current assets		
Intangible assets	305.107	295.987
Property, plant and equipment	87	75
Financial assets	10.410	10.410
Loan to parent company	144.944	148.519
Prepaid expenses	9	33
Non-current Assets	**460.557**	**455.024**
Current assets		
Financial assets	43	5
Trade receivables	76.208	121.992
Trade receivables from parent companies and their affiliated	39.126	27.889
Tax receivables	0	540
Deferred tax assets	200	399
Other receivables	5	4
Prepaid expenses	246	55
Cash at bank and on hand	8.510	42.415
Current Assets	**124.336**	**193.299**
Total Assets	**584.893**	**648.323**

Non-current assets. Non-current assets decreased by €5.5 million from €460.6 million at 30 June 2018 to €455.0 million at 31 December 2018 mainly due to the combined opposite effect of:

- Reduction: amortization of intangible and tangible assets for a total amount of €9.2 million
- Increase: accrual of interest on Loans to Parent company for amount of €3.6 million

Current assets. Current assets increased by €69.0 million from €124.3 million at 30 June 2018 to €193.3 million at 31 December 2018 mainly due to:

- €34.5 million increase in Trade Receivables (including from parent companies and their affiliated) as explained below

- €33.9 million increase in Cash at bank and on hand due to positive net cash flow generated in the period (as previously explained in the paragraph "Cash Flow Statement").

The increase in Trade receivables is summarized in the table below:

(in thousands of €)	As at June 30 2018	As at December 31 2018	Var.
Trade receivables (incl. from parent companies and affiliated)			
Naming Rights and Sponsorship Agreement	11.100	20.108	9.008
Naming Rights and Sponsorship Agreement - co-branding	22.500	-	(22.500)
Other Asian Sponsorship Agreements	61.815	84.779	22.964
Trade Receivables relating to Asian Sponsorship Agreements	**95.415**	**104.888**	**9.473**
UEFA Indirect Media Revenue (performance bonus invoiced in December)	-	2.400	2.400
Serie A Indirect Media Revenue	-	22.551	22.551
Other trade receivables	19.918	20.042	124
Total Trade receivables (incl. from parent companies and affiliated)	**115.333**	**149.881**	**34.548**

- Receivables relating to Asian Sponsorship Agreements

The €9.0 million increase in trade receivables relating to Naming Rights and Sponsorship Agreement refers to the revenue booked in the six months period ended 31 December 2018.

The outstanding amount relating to co-branding agreement signed in the fiscal year ended 30 June 2017 has been fully collected in December 2018.

The €23.0 million increase in trade receivables relating to Other Asian Sponsorship Agreements relates to revenue booked in the six months period ended 31 December 2018 (€35.5 million) less collections received in the same period (€12.3 million). As explained in the paragraph 'Cash Flow Available for Debt Service' (to which we refer for more details on status of collections relating to Asian Sponsorship Agreements), in the period 1 January 2109 to the date of this report, we collected an additional amount of €24.5 million.

- UEFA Indirect Media Revenue

The €2.4 million receivable has been collected in January 2019.

- Seria A Indirect Media Revenue

The €22.6 million mainly relates to the installment invoiced in December 2018 by TeamCo to broadcasters and then assigned to MediaCo. This amount has been mainly collected in January 2019.

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

	As at	
(in thousands of €)	June 30 2018	December 31 2018
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	65.571	33.296
Total Shareholders' equity	**175.255**	**142.980**
Non-current Liabilities		
Deferred tax liabilities	32.963	31.994
Provisions for employee severance indemnities	172	221
Provisions for risks	247	247
Senior Secured Notes 2022	285.630	283.230
Deferred income	11.714	11.924
Non-current Liabilities	**330.726**	**327.616**
Current Liabilities		
Senior Secured Notes 2022	6.250	6.400
Trade payables	3.073	2.452
Trade payables to parents companies and their affiliated	44.689	77.256
Dividends Payable	22.596	88.167
Tax Payables	830	2.378
Social security payables	146	171
Other payables	221	233
Accrued expenses	72	55
Deferred income	1.033	614
Current Liabilities	**78.912**	**177.726**
Total Liabilities and Shareholders' equity	**584.893**	**648.323**

Shareholders' equity. Shareholders' equity decreased by €32.3 million from €175.3 million at 30 June 2018 to €143.0 million at 31 December 2018 as a combined opposite effect of:

- Decrease: resolution of the Shareholders' Meeting held on October 26th, 2018 for the distribution in kind as a dividend of the €65.6 million net profit recorded in the fiscal year ended 30 June 2018 to its immediate shareholders (TeamCo and BrandCo).

- Increase: Net Profit of the period of € 33.3 million

Non-current liabilities. Non-current liabilities decreased by €3.1 million from € 330.7 million at 30 June 2018 to € 327.6 million at 31 December 2018 mainly as a result of the amortization plan of the Senior Secured Notes

Current liabilities. Current liabilities increased by €98.8 million from €78.9 million at 30 June 2018 to €177.7 million at 31 December 2018 mainly due to:

- The €65.6 million increase in Dividends payables relating to distribution of net profit of the fiscal year ended 30 June 2018 We notice that the Board of Directors meeting held in February 2019 approved the payment of dividends due to TeamCO through compensation versus the existing shareholder loan and to BrandCO in cash
- the increase in trade payables to parent companies and their affiliated (+ €32.6 million). This primarily relates to the increase (from €12.8 million to € 45.4 million) in payables due to TeamCo in respect of assignment of receivables made in the first six months of the current fiscal year relating to Indirect Media Revenues which were not yet distributed to TeamCo at 31 December 2018 through the waterfall secured accounts. Most of these payables were settled in February 2019.

CAPITAL EXPENDITURES

At €25 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 December 2018 compared with 30 June 2018 and shows an improvement of €36.1 million to € 236.8 million driven by (i) the increase in Cash at bank and on hand driven by net cash flow generated in the semester and (ii) the amortization of the Senior Secured Notes.

	As at	
(in thousands of €)	**June 30 2018**	**December 31 2018**
Cash at bank and on hand	**8.510**	**42.415**
Current financial assets	43	5
Current financial receivables	**43**	**5**
Bond - current portion	(6.250)	(6.400)
Current financial liabilities	**(6.250)**	**(6.400)**
Net current financial assets/(liabilties)	**2.303**	**36.020**
Senior Secured Notes 2022	(285.630)	(283.230)
Financial Assets	10.410	10.410
Non-current financial liabilties	**(275.220)**	**(272.821)**
Net financial position	**(272.917)**	**(236.801)**

RISK FACTORS

We confirm that the risk factors described in the Offering Memorandum, and not updated herein, remain applicable to the group with no material changes.

OTHER RELEVANT INFORMATION

Update on Sponsorships agreements

As described in the Offering Memorandum, starting from 1 July 2018 we took over the marketing and negotiation of our sponsorship agreements in Italy and the rest of Europe (as well as corporate hospitality packages, whose revenues and cash is booked by TeamCo) from Infront and brought these functions in-house. Upon this decision we will no longer receive the minimum revenue contractually guaranteed under the agreement with Infront but we believe that we will be more effective in securing sponsorships from flagship brands and managing our global sponsorship rights by the creation of a dedicated in-house team for our sponsorship marketing efforts.

The table below summarizes our current sponsorship agreements in Italy and the rest of Europe. The table also highlights those contracts renewed (8)/signed (11) starting from 1 July 2018:

Sponsor	Type of sponsorhips	Product Category	Expiration Date	New/ Renewed since 1 July 2018
Pirelli	Global Main Sponsor	Tyres	June 2021	
Nike	Technical Sponsor	Apparel	June 2024	
Sky/Dazn	Top Partner	Media partners	June 2021	
Bwin	Top Partner	Betting	June 2020	
Crédit Agricole	Top Partner	Bank	June 2021	New
Frecciarossa (Trenitalia)	Premium Partner	Train	June 2019	
Brooks Brothers	Premium Partner	Formalwear	June 2019	
Lyoness/Cashback	Premium Partner	Affinity Card	June 2021	
Manpower	Premium Partner	Staffing	June 2019	
Volvo	Premium Partner	Cars	June 2020	
Suning	Premium Partner	Electronics	June 2020	
Keylog	Official Partner	Cleaning Service	June 2020	
Locauto	Official Partner	Car rental	June 2019	
PES (Konami)	Official Partner	Video Games	June 2020	
Eprice	Official Partner	Consumer electronic retail	June 2021	New
Invent	Official Partner	Green energy	June 2019	New
Mastercard	Official Partner	Official payment	June 2020	New
RDS	Official Partner	Radio	June 2021	New
San Gemini (Acque Minerali d'Italia)	Official Partner	Water	June 2021	New
DentalPro	Official Partner	Dental Care	June 2020	New
Peroni	Official Partner	Beer	June 2021	New
Cavit	Official Partner	Wine	June 2019	Renewed
La Gazzetta dello Sport	Official Partner	Sport newspaper	June 2019	Renewed
Esprinet (Nilox)	Official Partner	Overboard	June 2021	Renewed
Tescoma	Official Partner	Kitchenware/Home Accessories	June 2019	Renewed
Fratelli Beretta	Official Supplier	Food	June 2021	New
Gatorade	Official Supplier	Beverage	June 2020	New
Konica Minolta	Official Supplier	Consumer electronic	June 2021	New
Gattinoni	Official Supplier	Travel	June 2019	Renewed
GR Group	Official Supplier	Agency	June 2020	Renewed
Sixtus	Official Supplier	Medical Equipment	June 2019	Renewed
Technogym	Official Supplier	Gym	June 2019	Renewed

Update on contracted revenue for the fiscal year ending 30 June 2019

Contracted revenue for the fiscal year ending 30 June 2019 (according to the definition of Adjusted Revenue used in the Offering Memorandum and this document) to the date of this report amounts to €265.5 million – i.e. €26.9 million higher than final figure recorded in the fiscal year ended 30 June 2018.

The calculation of contracted revenue is prudently made and excludes any item related to the expected performance of the team and, in particular:

- with regard to Serie A Indirect Media Revenue, it has been calculated assuming the team will finish in the last position of the Serie A league (in order to include a minimum guaranteed amount, only).
- With regard to UEFA Competitions, it has been calculated assuming the team will not pass the next round to be played in the UEL (i.e. Ro16) to ensure we present the minimum guaranteed amount only.
- The assumption relating to Serie A also involves we did not include any contractual bonus included in sponsorship contracts relating to the qualification to UEFA Competitions for the sporting season 2019/2020

As detailed in the table below, the increase vs. prior fiscal year is driven by UEFA Indirect Media Revenue generated by the participation to the UCL Group Stage

(in thousands of €)	For the six months ended 31 December 2018	Fiscal Year ending 30 June 2019	Fiscal Year ended 30 June 2018
	Actual	Contracted to date	Actual
A. Direct Media Revenue	7.377	14.572	14.427
B. Other Income	20	20	553
C. Sponsorship Revenue	60.705	117.140	122.425
D. Total Revenue (A+B+C)	**68.102**	**131.732**	**137.405**
E. Serie A Indirect Media Revenue	69.469	86.793	100.669
F. UEFA Indirect Media Revenue	42.539	47.000	539
G. Adjusted Media Revenue (A+E+F)	**119.384**	**148.365**	**115.635**
B. Other Income	20	20	553
C. Sponsorship Revenue	60.705	117.140	122.425
Adjusted Revenue (G+B+C)	**180.110**	**265.525**	**238.613**

TEAMCO UPDATE

SPORTING PERFORMANCE

After the most recent matches played as of February 24th, 2019, the team is currently:

- 3rd in the Serie A table (after 25 matches). Of key note is the first four positions of Serie A at the end of the sporting season give access to UCL Group Stage of the following one (whilst the 5th and 6th final position give access to UEL competition)
- After narrowly missing qualification for the Knock-out stages of the UEFA Champions league (finishing in 3rd position in a Group which included Barcelona and Tottenham Hotspur and on equal points with the latter) we entered the UEFA Europa League knock-out stages and qualified to the Round of 16 of Europa League having eliminated Rapid Vienna in the Round of 32.

The team was eliminated at the quarter-finals of the domestic Cup ("Coppa Italia") at the end of January. The impact on revenues and EBITDA of this is however minimal.

MATCH ATTENDANCE

Match attendance numbers in current sporting season 2018/2019 continues the positive trend of the prior season.

The season ticket campaign shows significant increases vs. prior season with revenues amounting to €11.0 million (+38% vs. prior season) plus €6.0 million relating to corporate hospitality packages (+ 52% vs. prior season).

In the twelve Serie A home matches of the season played as of February 24th, 2019, the average attendance has been 55,605. Excluding one match which was played behind closed doors, the average attendance has been 60,659.

In the three home matches of the UCL Group Stage, the average attendance has been 66,729. In the match against FC Barcelona we established the Italian historical record for a single match with a gross income of €6.8 million.

In the match of the Round of 32 of the UEL against Rapid Wien played on February 21st 2019, the attendance has been 32,158.

TRANSFER MARKET SUMMARY

The main players signed in the transfer market windows affecting the current fiscal year ending 30 June 2019 are:

Summer 2018:

- De Vrij (free agent)
- Asamoah (free agent)
- Nainggolan (from AS Roma)
- Martinez (from Racing Club)
- Politano (on loan from Sassuolo)
- Vrsaliko (on loan from Atletico de Madrid)
- Keita Balde (on loan from AS Monaco)

Winter 2018:

- Cedric Soares (on loan from Southampton Football Club)

The main players who left TeamCo in the transfer market windows affecting the current fiscal year ending 30 June 2019 are:

Summer 2018:

- Kondogbia (sold to Valencia after the loan in Summer 2017)
- Murillo (sold to Valencia after the loan in Summer 2017)
- Nagatomo (sold to Galatasaray after the loan in Winter 2018)
- Santon (sold to AS Roma)
- Zaniolo (sold to AS Roma)
- Eder (sold to Jiangsu Suning)
- Radu (sold to Genoa)
- Valietti (sold to Genoa)
- Odgaard (sold to Sassuolo)
- Bettella (sold to Atalanta)
- Carraro (sold to Atalanta)
- Manaj (sold to Albacete)
- Biabiany (sold to Parma)
- Puscas (sold to Palermo)
- Cancelo (option to buy from Valencia not executed)
- Rafinha (option to buy from Barcelona not executed)
- Lisandro Lopez (option to buy from Benfica not executed)

SHAREHOLDER LOANS AND RCF DRAW DOWN

As described in the Offering Memorandum, TeamCo received a number of shareholder loans from Suning. As of December 31, 2018, shareholder loans total outstanding amount was € 235.0M (including accrued interest for €7.9 million). No variation in capital amount has occurred since the release of our last report on the three months ended 30 September 2018.

On November 10, 2018 TeamCO repaid a portion of the Revolving Credit Facility for an amount €10.0M reducing the cash drawdown as at 31 December 2018 to €33.4 million.

FURTHER EXPLANATORY NOTES AND BASIS OF PREPARATION

BASIS OF PRESENTATION

The interim financial statements as of and for the three-months period ended December 31, 2018 (hereinafter "Interim Financial Statements") have been prepared for the purposes of the preparation of the six-months consolidated accounts of the TeamCo group as at December 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 years and therefore reference should be made to the Financial Statements for the fiscal year ended June 30, 2018, 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 December 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 DECEMBER 31, 2018

On 25th January 2019, the Chinese private-equity fund LionRock Capital reached an agreement with International Sports Capital HK Limited to acquire their 31.05% shares in the Club. Thus, LionRock Capital becomes the new minority shareholder in Inter.

In the first half of February 2019, TeamCo repaid a further portion of the Revolving Credit Facility for an amount €8.4M reducing the cash drawdown as at the date of this report to €25.0 million

In addition to what already described in this document, there are no further matters to be highlighted occurring between 1 January 2019 and the current date.