

PRESS RELEASE

Mediaset Board Meeting 11 March 2008

APPROVAL FOR 2007 RESULTS

Consolidated results

Net revenues: €4,082.1 million

Operating profit: €1,149.0 million

Net profit: €506.8 million

Proposed dividend of €0.43 per share

Italy

Advertising revenues grow: +1,1%

Television costs: -0,8%

Mediaset Premium: revenues more than double

**Ratings: Mediaset confirms leadership
in the 15-64-year-old audience**

Canale 5 Italy's most popular channel

Spain

Operating profitability: 44.9%

Ratings: Telecinco Spain's leading channel

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the annual report for 2007 of Mediaset SpA and the consolidated annual report of the Mediaset Group for the year ended 31 December 2007.

MEDIASET GROUP: CONSOLIDATED RESULTS

- **The consolidated net revenues** of the Mediaset Group **grew by 8.9%** to reach **€4,082.1 million**, compared with the €3,747.6 million of 2006.
- The group's **EBIT** rose to **€1,149.0 million**, an **increase of 10.8%** compared with the previous year (€1,036.6 million).
- **Operating profitability** rose to **28.1% from the 27.7% of 2006** and is, at a consolidated level, the best performance among listed continental broadcasters.

- **net profit** attributable to the Group, after taxation, came to **€506.8 million** (€505.5 million in 2006) despite marked non-recurring increase in the tax rate, resulting from the introduction of new fiscal norms.
- the Group's **consolidated net financial position** went from -€568,3 million at 31 December 2006 to **-€1,208.9 million** at 31 December 2007. The increase in indebtedness was mainly the result of investments made in the third quarter (of €628 million) for the acquisition of the Medusa Group and the capitalisation of the investment vehicle established for the acquisition of Endemol, as well as the distribution of dividends by the parent company and the Telecinco subsidiary (for a total of €644.7 million).
- During the period **the group's net cash generation** came to **€666.0 million**, up from the €363.6 million of the previous year.

It should be noted that companies acquired during the year have been consolidated from July 2007. The companies of the Medusa Group have been fully consolidated while the 33.3% stake held in the consortium that controls the Endemol Group, through Mediacinco, is consolidated on a net equity basis.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- **consolidated net revenues** in 2007 came to **€3,002.1 million**, an increase of **9.1%** on the previous year (€2,751.5 million). The increase is the result of a positive contribution by Publitalia, increased revenues from the pay-per-view activities of Mediaset Premium, network operator activities and the consolidation of the revenues of the Medusa Group.

Gross television advertising sales came to **€2,880.6 million**, an increase of 1.1% on 2006 at the end of a year that saw a constant progression, culminating in the extraordinary performance of the last three months in which there was double-digit growth in advertising revenues.

Mediaset Premium generated revenues of €225.9 million more than double those of 2006 (€107.8 million). During 2007 more than 2.3 million new re-chargeable cards were sold, as well as 6.3 million re-charges. Mediaset Premium's revenue from the sale of encrypted football rights to other platforms amounted to €94.3 million.

- **EBIT** rose to **€663.8 million**, compared with €597.1 million in 2006 (+11.2%).
- **Total television costs** saw a fall of -0.8% compared with 2007.
- **Pre tax profit** rose from €569.1 million in 2006 to **€608.0 million** for 2007.
- **Net profit** came to **€330.8 million**, down from the €347.2 million of 2006 due to the abovementioned non-recurring effect of the tax rate.

- The economic impact of the recent acquisitions (Medusa and Endemol) have already proved positive, net of acquisition costs.

Ratings: in 2007 Mediaset channels confirmed their national leadership across all time bands among viewers in the 15 to 64 year-old age range (the commercial target): Mediaset recorded ratings of **42.9% in prime time** and **43.0% across the 24-hours**.

Canale 5 is Italy's most popular channel in the commercial target with a **23.5% share in prime time** and **22.6% across the 24-hours**.

Spain

- during 2007 the **consolidated net revenues** generated by the Telecinco Group grew to **€1,081.6 million** from the €997.6 million recorded in 2006.
- **operating profit (EBIT)** rose to **€485.2 million** from the €439.6 million of 2006 (+10.4%).
- **operating profitability** increased to **44.9%** (44.1% in 2006).
- **pre-tax profit** rose to **€487.4 million**, from the €450.6 million of the previous year.
- **net profit** came to **€353.1 million**, an increase on the €314.3 million of 2006.
- **Ratings:** Telecinco consolidated its position as Spain's most popular channel with a **20.9% share in prime time** and **20.3% across the 24-hours**.

RESULTS OF THE PARENT COMPANY: MEDIASET S.p.A.

The parent company Mediaset S.p.A. ended the year 2007 with a net profit of **€481.6 million**, after making amortizations and depreciations for a total of €14.1 million.

DIVIDEND PROPOSAL

The Board of Directors agreed to propose to the Company's Annual General Meeting, to be held on April 15, on first calling, or, if necessary, on second calling, on April 16 2008, a **dividend of €0.43 per share, the same as that for the previous year**
The dividend will be payable from 22 May 2008, with coupons detachment from 19 May 2008 (Coupon N°. 12).

FORECAST FOR THE YEAR

For the current year, the company expects to be able to improve its consolidated net profit with respect to 2007. The scale of the improvement will mainly depend on the rate of growth in advertising revenues in the two main markets, and the effects of higher financial charges and an improvement in the tax rate, following a reduction in rates in both Italy and Spain.

Italy

- In the first two months of 2008, gross advertising revenues for Mediaset's channels confirmed the positive trend that began in the closing months of 2007, with an increase of around 5% compared with the same period of the previous year.
- At the end of the first two months of 2008, Mediaset channels confirmed their leadership position in the commercial target (15-64 year-olds) with an average share of 42.7% across the 24-hours and 42.5% in prime time. Canale 5 remained Italy's most popular channel with a prime time share of 23.3% and Italia 1 remained in third place with 11.8%.
- The excellent performance of Mediaset Premium continues and as of 5 March active clients had grown to 2,420,000, compared with 2,067,000 on 31 December 2007, an increase of 353,000 clients in just two months.

Spain

- In Spain, Telecinco maintained its position as the most popular channel in the first two months of the year, both in the daily average and in prime time, consolidating its undisputed leadership in the commercial target across all of the time bands.

SHARE BUY BACKS

The Board of Directors of Mediaset will ask the forthcoming AGM to renew authorisation to effect share buy backs in order to pursue, in the interests of the company, the aims foreseen by relevant regulations, including:

- a) the availability of shares to be sold to employees of the company, its subsidiaries and holding, as part of the Stock Option Plan for 2003-2005 and 2006-2008;
- b) to conduct operations for trading, coverage or arbitrage purposes.
- c) conduct investment operations in liquidity.

Given the importance of operating in the company's shares, the Board of Directors has agreed that it will ask the shareholders for the cancellation of shares in the portfolio only when the total reaches 10% of the share capital,

Buy back operations will be conducted in accordance with Artt. 2357 ff. of the Civil Code, Art. 132 of D. Lgs. 58/98, Art. 144-bis of the Consob Regulations implementing the legislative decree of 24 February 1998, n. 58, regarding the regulation of issuers and all other applicable norms, including those of the Directive 2003/6 and relative national and European norms.

The company's current share capital of €614,238,333.28, is divided into 1,181,227,564 ordinary shares and, on 11 March 2008 the company had in its portfolio. 44,825,000 shares, corresponding to 3.79% of the share capital; Mediaset's subsidiary companies do not hold shares in the parent company.

The proposal foresees the attribution to the Board of Directors of the power to buy, also through options trading or financial instruments and derivatives of Mediaset stock, up to a maximum of 118,122,756 and, in any case, within the legal limit, of ordinary company shares with a nominal value of €0.52 each (equal to 10% of the company's share capital), in one or more operations, up until the approval of the Company's Annual Report for the year ended 31 December 2008, and, in any case, for a period of not more than 18 months from the date of Shareholders' approval. The above sum is guaranteed by existing reserves from the last approved balance sheet.

Buy back operations will follow the following procedure:

- i) buy backs destined to facilitate the Stock Option Plans for 2003/2005 and 2006/2008, must be made on the listing Stock Exchange at a price that is not greater than the reference price of the stock on the day prior to each single operation and not less than 20% less than the price recorded by the stock on the day prior to each single operation.
- ii) any other eventual buy backs must be made on the listing stock exchange according to the procedures foreseen by Art 144- *bis* b) and c) of the Regulations for Issuers at a price not greater than 20% and not less than 20% of the reference price of the stock on the day before any such operation. Such parameters are considered adequate to identify the range of value within which any acquisition is in the interest of the company.
- iii)

The Shareholders will also be asked to authorise, as per Art: 2357 *ter* of the Civil Code, the Board of Directors, within the terms of the law and norms that may be introduced from time to time, and the regulations issued by Borsa Italiana and in conformity with relevant European norms, to:

- a) transfer company shares acquired on the basis of the present authorisation, or already held in the portfolio, to employees of the company, its subsidiaries or holding, for the exercise of options to buy such shares held by the said employees at the prices, on the terms and in the manner foreseen by the conditions of each of the Stock Option Plans for 2003/2005 and 2006/2008. The present authorisation applies to the period of validity established by the stock option plans;
- b) transfer company shares acquired on the basis of the present authorisation, or already held in the portfolio, in the following alternative procedures:
 - i) in cash; in such cases, sales will be effected on the listing stock exchange and/or off market, at a price of not less than 90% of the reference price of the stock on the day before any such operation;
 - ii) by trading, exchange, contribution or other operations, in the context of industrial plans or extraordinary financial operations. In such cases, the economic terms of the transfer, including the evaluation of the shares that are involved in the exchange, will be determined with the assistance of independent adjudicators, given the nature and the characteristics of the deal, also taking account of the market performance of Mediaset shares.

The authorisation as at b) above is agreed for a period of not more than 18 months from the date of the resolution.

STATUTORY MODIFICATIONS

In order to bring the company statute into line with the Transparency Directive (legislative decree n° 195 of 6 November 2007), the board of directors will propose to the annual general meeting the completion of modifications to the statute relating to shareholders' meetings and the regulation of management and control boards.

Of note among the changes are the terms for the calling of shareholders' meetings and the harmonisation of the procedures for the presentation and voting of lists for the board of directors with those for the board of statutory auditors.

The executive responsible for the preparation of the Mediaset S.p.A. accounts, Andrea Goretti, declares that, as per para. 2 art. 154-bis, of the Single Finance Bill, that the accounting information contained in this press release corresponds to that contained in the company's books.

Cologno Monzese, 11 March 2008

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Highlights from the consolidated income statement (*)
in €m

	2007	2006
Consolidated net revenues	4,082.1	3,747.6
Labour costs	462.1	452.5
<i>of which non-recurring income</i>	<i>(23.0)</i>	
Procurement, services and other costs	1,454.0	1,374.2
Operating costs	1,916.1	1,826.7
Gross operating profit	2,166.0	1,920.9
Amortisation and depreciations	1,017.0	885.7
Operating profit	1,149.0	1,035.3
((Losses)/gains from equity disposals)		1.3
EBIT	1,149.0	1,036.6
Financial income /(charges)	(50.9)	(20.2)
Income/(charges) from investments	(2.7)	3.2
Profit before taxation	1,095.4	1,019.6
Income taxes	(414.3)	(357.9)
Net profit from operations	681.1	661.8
(Net profit from discontinued activities)		-
(Minority interest (profit)/loss)	(174.4)	(156.3)
Profit for the Mediaset Group	506.8	505.5

Highlights from the consolidated balance sheet (*)
in €m

	31/12/2007	31/12/2006
Television rights	2,351.5	2,388.2
Goodwill and consolidation differences	393.8	368.7
Other tangible/intangible assets	1,070.8	1,085.2
Financial assets	554.8	96.9
Net working capital & other assets/liabilities	(203.7)	(307.1)
Severance indemnity reserve	(98.5)	(130.3)
Net invested capital	4,068.7	3,501.7
Net Group assets	2,559.1	2,634.1
Shareholders' equity and minority interest	300.7	299.2
Net assets	2,859.8	2,933.3
Net financial position	(1,208.9)	(568.3)

(*)Highlights from the reclassified accounts