

Press Release

Mediaset Board Meeting 13 March 2007

2006 APPROVAL FOR 2006 RESULTS

Consolidated results

Net revenues: 3,747.6 million euros
Operating profit: 1,036.6 million euros
Net profit: 505.5 million euros
Operating profitability: 27.7%
Proposed dividend of 0.43 euro per share

TV ratings

Italy

**Mediaset channels and Canale 5 leader
in the 15-64-year-old audience**

Spain

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 2006 of Mediaset SpA and the consolidated annual report of the Mediaset Group for the year ended 31 December 2006.

The consolidated net revenues of the Mediaset Group grew by **1.9%**, to 3,747.6 million euros. The **group's operating profit** came to 505.5 million euros (603.4 million euros in 2005).

In Italy consolidated net revenues came to **2,751.5 million euros**, an increase of 0.1% on 2005. **Gross advertising sales** for Mediaset's three channels during 2006 amounted to **2,850.0 million euros** (2,955.9 million euros in 2005).

Mediaset's three network channels performed well, confirming its **national leadership** in the reference audience **of viewers between the ages of 15 and 64**, who account for 70% of the country's population, on which 80% of advertising investment is targeted. The **Mediaset channels ended 2006 in a leadership position among this premium audience with a 42.6% share in prime time and 42.5% in the 24-hours.**

And Canale 5 was the leading channel, with a 23.7% prime time share and a 22.7% share in the 24-hours.

On the digital terrestrial **pay-per-view** front, we would underline the excellent sales results recorded in the first full year of business. In fact, 2006 saw sales of around 1.1 million new re-chargeable pre-paid cards and 4.1 million re-charges. Total revenues generated by Mediaset Premium amounted to **108 million euros**, more than double the 44 million euros of 2005.

There was also an excellent performance in Spain by the **Telecinco Group**. In particular **net advertising revenues** came to **922.8 million euros**, an **increase of 6.0%** on the previous year.

On the ratings side, for the third year running Telecinco confirmed its position as Spain's most popular channel with an average share of **21.4% in prime time** and **21.2%** in the **24-hours**.

Among the **target audience (16-59 age range)**, Telecinco consolidated its undisputed leadership with a **23.8% prime time** share and a **23.1%** share in the **24-hours**.

CONSOLIDATED FINANCIAL HIGHLIGHTS

The following results give a brief overview of the Group's performance in 2006:

- **consolidated net revenues** rose by **1.9%** reaching **3,747.6 million euros**, compared with the 3,678.0 million euros of 2005..
- **EBIT** came to **1,036.6 million euros**, compared to a figure for the previous year (1,244.1 million euros) that benefited from a capital gain of 43.1 million euros deriving from the sale of a 1.9% stake in Telecinco.
- **operating profitability** (operating profit as a proportion of consolidated net revenues) went from the record level of 33.8% recorded in 2005 to 27.7%, which remains, in any case, by far the best performance at a consolidated level of all continental broadcasters.
- **net profit** attributable to the Group, after taxation, came to **505.5 million euros** (603.4 million euros in 2005).
- the Group's **consolidated net financial position** went from -358.0 million euros at 31 December 2005 to **-568,3 million euros** at 31 December 2006, mainly due to investments in digital terrestrial and the distribution of dividends by the parent company and the Telecinco subsidiary.

In particular the Group's characteristic **cash generation**, net of dividend distribution, came to **363.6 million euros** (507.3 million euros in 2005). Net of extraordinary items related to strategic investments in digital broadcasting infrastructure and the acquisition of options on encryption rights for the 2009/2010

football season, Group cash generation in 2006 was higher than that recorded in the previous year.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- **consolidated net revenues** in 2006 came to **2,751.5 million euros**, an increase of 0.1% compared with the previous year (2,748.1 million euros)
- **EBIT** came to **597.1 million euros**, compared with the 828,7 million euros of 2005. In addition to the dynamics of the advertising market, this figure was affected by the fact that the 2005 figure benefited from a capital gain from the sale of a 1.9% stake in Telecinco.
- **pre-tax profit** went from 778.6 million euros in 2005 to **569.1 million euros** this time euros.
- **net profit** came to **347.2 million euros**, compared to 454.8 million euros in 2005.

Spain

- during 2006 the **consolidated net revenues** generated by the Telecinco Group came to **997.6 million euros**, an **increase of 7.1%** compared with the previous year.
- **operating profit (EBIT)** went from 413.3 million euros in 2005 to **439.6 million euros** in 2006 (+6.4%).
- **pre-tax profit** for the period came to **450.6 million euros**, compared with 421.5 million euros in the previous year (+6.9%).
- **net profit** rose from 290.3 million euros in 2005 to **314.3 million euros** for 2006 (+8.2%).

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

The parent company Mediaset S.p.A., as per d.l. n. 38 of 28 February 2005, has for the first time prepared its accounts according to IAS/IFRS international accounting standards and ended the year 2006 with a net profit of **522,4 million euros**, compared with 595.1 million euros in 2005 (reclassified in line with the new accounting principles).

DIVIDEND PROPOSAL

The Board of Directors agreed to propose to the Company's Annual General Meeting, to be held on April 18, on first calling, or, if necessary, on second calling, on April 19, a **dividend of 0.43 euro per share.**

The dividend will be payable from 24 May 2007, with coupons available from 21 May 2007 (Coupon N°. 11).

FORECAST FOR THE YEAR

In 2007, in the context of an objective to markedly contain television costs in Italy and higher revenues guaranteed across the whole year by activities linked to DVBH, which, in 2006 contributed only from the second half of the year, we expect to generate a higher consolidated operating profit than in 2006. The scale of the increase will depend on trends in advertising sales, which, both in Italy and Spain, could grow compared with the previous year.

Italy

- In Italy the Mediaset channels confirmed in the first two months of 2007 their leadership in the evening slot, with an average prime time share of 42.8%. In the commercial target (15-64-year-olds) Mediaset's channels are leaders in all time bands, with Canale 5 and Italia 1 consolidating their undisputed positions as the first and third most popular channels in the country.
- The excellent performance of Mediaset Premium continues, thanks to an increasingly broad offer of Pay-per-View events: from live coverage of an exciting range of Serie A and Serie B teams, to complete coverage of Grande Fratello and a wide selection of films never shown before on television. Since the beginning of the year, around 250,00 new cards and 1.2 million recharges have been sold.

Spain

- In Spain, in the first two months of 2007, Telecinco confirmed its position as the country's most popular channel, both in the daily average (20.4%) and in prime time (20.6%), with an advantage over Antena 3 and TVE1 of more than 2 points in the 24-hours and almost 3 points in prime time. In the same period, Telecinco has also consolidated its undisputed leadership among the commercial target, both in the 24-hours (22%) and in prime time (23.4%).

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 euros, is divided into 1,181,227,564 ordinary shares and, on 12 March 2006 the company had in its portfolio. 44,765,000 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 euro 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 2007, 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 deriving 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.

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.

Cologno Monzese, March 13, 2007

Department of Communications and Media Relations

Tel. +39 0225149156

Fax +39 0225149286

e-mail: ufficiostampa@mediaset.it

www.mediaset.it/corporate/

Investor Relations Department

Tel. +39 0225147008

Fax +39 0225148535

e-mail: ir@mediaset.it

<http://www.mediaset.it/investor>

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

	2006	2005
Consolidated net revenues	3,747.6	3,678.0
Personnel expenses	452.5	443.1
Procurement, services and other costs	1,374.2	1,225.2
Operating costs	1,826.7	1,668.3
Gross operating profit	1,920.9	2,009.7
Amortisation and depreciations	885.7	808.7
Operating profit	1,035.3	1,201.0
(Losses)/gains from equity disposals	1.3	43.1
EBIT	1,036.6	1,244.1
Financial income /(charges)	(20.2)	1.9
Income/(charges) from investments	3.2	(43.8)
Profit before taxation	1,019.6	1,202.2
Income taxes	(357.9)	(454.6)
Net profit from operations	661.8	747.6
Net profit from discontinued activities	-	-
Minority interest (profit)/loss	(156.3)	(144.2)
Profit for the Mediaset Group Mediaset	505.5	603.4

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

	31/12/2006	31/12/2005
Television rights	2,388.2	2,086.5
Goodwill and consolidation differences	368.7	368.8
Other tangible/intangible assets	1,085.2	853.0
Financial assets	96.9	136.0
Net working capital & other assets/liabilities	(307.1)	(75.3)
Severance indemnity reserve	(130.3)	(132.0)
Net invested capital	3,501.7	3,237.0
Net Group assets	2,634.1	2,593.9
Shareholders' equity and minority interest	299.2	285.1
Net assets	2,933.3	2,879.0
Net financial position	(568.3)	(358.0)

(*) Highlights from the reclassified accounts