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*Report  
on operations  
in the first quarter of 2002*

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**MEDIASET GROUP**

**MEDIASET S.p.A.** - via Paleocapa, 3 - 20121 Milano

Share capital EUR 614,238,333.28 wholly paid-in.

Taxpayer's code, VAT number and registration number in the  
register of companies in Milan: 09032310154

## BOARD MEMBERS

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### Board of directors

<b>Chairman</b>	(*) Fedele Confalonieri
<b>Deputy Chairman</b>	(*) Pier Silvio Berlusconi
<b>Managing Director</b>	(*) Giuliano Adreani
<b>Directors</b>	Franco Amigoni Tarak Ben Ammar Marina Berlusconi Pasquale Cannatelli Enzo Concina Maurizio Costa Mauro Crippa Gilberto Doni Bruno Ermolli Adriano Galliani Marco Giordani Alfredo Messina Jan Mojto (*) Gina Nieri Roberto Ruozi (*) Claudio Sposito

### Board of statutory auditors

<b>Chairman</b>	Achille Frattini
<b>Regular Auditors</b>	Francesco Antonio Giampaolo Riccardo Perotta
<b>Alternate Auditors</b>	Gianfranco Polerani Francesco Vittadini

### Independent Auditors

Deloitte & Touche S.p.A.

(\*) *Members of the Executive Committee*





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# **MEDIASET GROUP**

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## **Report on operations in the first quarter of 2002**

Dear Shareholders,

In the first quarter of 2002, the Group heading your company achieved the following results: consolidated net revenues amounted to EUR 633.6, compared to EUR 672.1 million in the first quarter of 2001 (-4.1% net of the effect arising, in the first quarter of 2001, from the proportional consolidation of the Epsilon Group), EBITDA amounted to EUR 384.9 million compared to EUR 411.4 million in the first quarter of 2001. Gross operating profitability (60.7%) remained substantially at the same level of the same period of 2001 (61.2%); EBIT amounted to EUR 196.4 million (compared to EUR 243.5 million achieved in the first quarter of 2001), after amortisation, depreciation and write-downs amounting to EUR 188.5 million (EUR 167.9 million in the same period of the previous year); EBT amounted to EUR 180.6 million, compared to EUR 214.5 million of the first quarter of 2001.

The economic results recorded during the first quarter of 2002 show that advertising revenues and television costs are in line with period objectives.

Advertising revenues on Mediaset networks from third party customers recorded, in the first three months of the year, a decrease limited to 3.2%; in spite of this reduction, the result should be seen positively, since it is better than the one expected for the domestic market of reference and because, in the same period of 2001, exceptionally positive growth had been achieved (+6.1% compared to the first quarter of 2000). Although the generally weak situation in the Italian television advertising market has continued into the first months of 2002, it is not as negative as in the last part of 2001 and compares favourably with the performance of the corresponding main European markets. In particular, the trend of advertising investment regarding television in Italy in the first months of 2002, showed significant signs of recovery, with the return of some major investors belonging to the telecoms industry and the financial services. These signs, together with the recent development of the main trust indicators of consumers and companies, lead us to expect a generally more favourable situation for advertising investments starting from the second half of the year.

During the first quarter of 2002, overall television costs of the Mediaset group grew in a very limited way (+4.1%), far less than during the same period of the previous year (+7.7%). This growth should however be attributed almost exclusively to amortisation of rights, which is difficult to change and is a consequence of the high level of investments in previous years, carried out in order to protect and preserve in the medium term the competitive advantage coming from the exclusive availability of contents for television broadcasting. If we do not consider the item regarding amortisation, depreciation and write-downs and personnel expenses, television operating costs decreased, in the same period, by 5.3% , a trend that reflects cost efficiency projects which have started in 2002. These initiatives will increase in number during the rest of the year, especially by means of already planned actions on summer and fall schedules, and will result in limited changes in overall television costs on an annual basis without impacting audience share objectives of the Mediaset networks. The objective of these actions is to preserve production quality and volumes in the schedule times offering highest commercial value, and to carry out a more extensive and targeted use of the existing self-produced drama and purchases library, while during the Day Time a greater use of re-editing of a few significant late afternoon or prime time productions is envisaged.

During the first quarter of 2002, Mediaset networks confirmed the positive trend of audience shares already recorded in 2001, with an audience share higher than 43%, in line with the publishing and commercial objectives of the season. This result was obtained by means of a better balance in audience shares between Canale 5, which nonetheless managed to maintain its leading nationwide position, and Italia 1 that considerably increased its shares, confirming to be the favourite network for young audiences.

## **FINANCIAL AND ECONOMIC RESULTS OF THE MEDIASET GROUP**

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### **Drafting criteria**

According to the CONSOB deliberation no. 11971 of May 14, 1999, the economic and balance sheet information given below refers to the first quarter of 2002, the first quarter of 2001 and December 31, 2001.

In drafting the accounting situation, the same criteria used for preparing the balance sheet for the year and the consolidated balance sheet at 31 December 2001 were utilised. Tables have been prepared in order to be ensure continuity and comparability, and are homogeneous with those included in the Report on operations of the 2001 Half Year Report and the Annual Report at 31 December 2001.

The quarterly report has not been subject to an audit by the Independent Auditors.

### **Economic Results**

A summary of the Mediaset Group income statement is set out below including, in 2001, the effect arising from the proportional consolidation of the Epsilon joint venture, which was excluded from consolidation as of the third quarter of 2001.

<b>Mediaset Group</b>			
<b>31/12/2001</b>		<b>31/03/2002</b>	<b>31/03/2001</b>
<b>(EUR millions)</b>		<b>(EUR millions)</b>	
2,309.1	Sales of goods and services	628.3	666.7
42.0	Other revenues and income	5.3	5.4
<b>2,351.1</b>	<b>Total consolidated net revenues</b>	<b>633.6</b>	<b>672.1</b>
285.7	Personnel expenses	76.2	73.5
744.9	Purchases, services, other costs	172.5	187.3
<b>1,030.6</b>	<b>Operating costs</b>	<b>248.7</b>	<b>260.8</b>
<b>1,320.5</b>	<b>Gross operating profit (loss)</b>	<b>384.9</b>	<b>411.4</b>
733.3	Amortisation, depreciation and write-downs	188.5	167.9
<b>587.2</b>	<b>Operating profit (loss)</b>	<b>196.4</b>	<b>243.5</b>
(14.8)	Financial income/(charges)	(6.0)	(19.0)
(183.7)	Income/(charges) from equity investments	(10.1)	(10.0)
<b>388.7</b>	<b>Profit (loss) before extraordinary items</b>	<b>180.3</b>	<b>214.5</b>
29.4	Sundry and extraordinary income/(charges)	0.3	(0.1)
<b>418.1</b>	<b>Profit before taxation</b>	<b>180.6</b>	<b>214.5</b>

The effects on the income statement arising, in 2001, from the 50% consolidation of the Epsilon Group are shown below:

<b>Mediaset Group - effects arising from the consolidation of the Epsilon Group</b>			
<b>31/12/2001</b>		<b>31/03/2002</b>	<b>31/03/2001</b>
<b>(EUR millions)</b>		<b>(EUR millions)</b>	
29.6	Sales of goods and services	-	11.4
(0.2)	Other revenues and income	-	(0.1)
<b>29.4</b>	<b>Total consolidated net revenues</b>	<b>-</b>	<b>11.3</b>
1.2	Personnel expenses	-	0.6
23.2	Purchases, services, other costs	-	9.3
<b>24.4</b>	<b>Operating costs</b>	<b>-</b>	<b>9.9</b>
<b>5.0</b>	<b>Gross operating profit (loss)</b>	<b>-</b>	<b>1.4</b>
4.0	Amortisation, depreciation and write-downs	-	2.1
<b>1.0</b>	<b>Operating profit (loss)</b>	<b>-</b>	<b>(0.7)</b>
(2.1)	Financial income/(charges)	-	(2.3)
(2.1)	Income/(charges) from equity investments	-	(1.1)
<b>(3.2)</b>	<b>Profit (loss) before extraordinary items</b>	<b>-</b>	<b>(4.0)</b>
-	Sundry and extraordinary income/(charges)	-	-
<b>(3.2)</b>	<b>Profit before taxation</b>	<b>-</b>	<b>(4.0)</b>

Here follows a summary of the Mediaset Group income statement net of the effects arising, in 2001, from the 50% proportional consolidation of the Epsilon Group:

<b>Mediaset Group net of the effects arising from the consolidation of the Epsilon Group</b>			
<b>31/12/2001</b>		<b>31/03/2002</b>	<b>31/03/2001</b>
<b>(EUR millions)</b>		<b>(EUR millions)</b>	
2,279.5	Sales of goods and services	628.3	655.3
42.2	Other revenues and income	5.3	5.5
<b>2,321.7</b>	<b>Total consolidated net revenues</b>	<b>633.6</b>	<b>660.8</b>
284.5	Personnel expenses	76.2	72.9
721.7	Purchases, services, other costs	172.5	178.0
<b>1,006.2</b>	<b>Operating costs</b>	<b>248.7</b>	<b>250.9</b>
<b>1,315.5</b>	<b>Gross operating profit (loss)</b>	<b>384.9</b>	<b>409.9</b>
729.3	Amortisation, depreciation and write-downs	188.5	165.8
<b>586.2</b>	<b>Operating profit (loss)</b>	<b>196.4</b>	<b>244.1</b>
(12.7)	Financial income/(charges)	(6.0)	(16.7)
(181.6)	Income/(charges) from equity investments	(10.1)	(8.9)
<b>391.9</b>	<b>Profit (loss) before extraordinary items</b>	<b>180.3</b>	<b>218.6</b>
29.4	Sundry and extraordinary income/(charges)	0.3	(0.1)
<b>421.3</b>	<b>Profit before taxation</b>	<b>180.6</b>	<b>218.5</b>

The percentage impact on net revenues of some of the main elements in the income statement is as follows:

Mediaset Group (net of Epsilon Group)		Mediaset Group		Mediaset Group (net of Epsilon Group)	
31/12/2001	31/12/2001	31/03/2002	31/03/2001	31/03/2002	31/03/2001
100%	100.0%	100.0%	100.0%	100.0%	100.0%
43%	43.8%	39.3%	38.8%	39.3%	38.0%
57%	56.2%	60.7%	61.2%	60.7%	62.0%
31%	31.2%	29.8%	25.0%	29.8%	25.1%
25%	25.0%	31.0%	36.2%	31.0%	36.9%
17%	16.5%	28.5%	31.9%	28.5%	33.1%
18%	17.8%	28.5%	31.9%	28.5%	33.1%

It should be pointed out that, since revenues do not entirely match - especially advertising revenues (more concentrated in the first part of the year) - with operating costs (more evenly spread throughout the year), Mediaset Group results are highly seasonal. The result of this is a higher contribution of the first months of the year to the year's result, as was shown also by the results recorded during 2001.

Here follows an analysis of the single Mediaset Group income statement elements, including, in 2001, the share of results of the Epsilon Group.

### Net revenues

31/03/2002	633.6
31/03/2001	672.1
% change	-5.7%

Mediaset Group net consolidated revenues decreased in the first quarter of 2002 over the same period of 2001 by EUR 38.5 million. On a like for like basis, i.e. net of the effect arising, in the first quarter of 2001, from the consolidation of the Epsilon Group, the decrease in net revenues is reduced to EUR 27.2 million, equal to a percentage change of -4.1%.

The following table contains details of revenues:

(EUR millions)

31/12/2001		31/03/2002	31/03/2001
2,043.4	Revenues from the sales of advertising slots	574.5	594.7
379.9	Revenues from television sales, promotions, sponsorships	108.6	110.6
<b>2,423.3</b>	<b>Advertising revenues from third parties</b>	<b>683.1</b>	<b>705.3</b>
28.4	Promoservice revenues	5.1	6.8
145.1	Other revenues from television operations	26.7	32.4
(362.4)	Agency discounts	(102.7)	(104.7)
<b>2,234.4</b>	<b>Total net revenues from television operations</b>	<b>612.2</b>	<b>639.8</b>
<b>37.0</b>	<b>Net revenues from multimedia operations</b>	<b>7.5</b>	<b>8.1</b>
<b>50.3</b>	<b>Total net revenues from non-television operations</b>	<b>13.9</b>	<b>12.9</b>
<b>2,321.7</b>	<b>Total consolidated net revenues from Italy</b>	<b>633.6</b>	<b>660.8</b>
35.9	Revenues 50% Epsilon Group	-	14.2
(6.5)	Write-offs	-	(2.9)
<b>2,351.1</b>	<b>Total consolidated net revenues</b>	<b>633.6</b>	<b>672.1</b>

In the first quarter of 2002, the decrease in consolidated net revenues is mainly attributable to the decrease in **television revenues** (-4.3%) especially with respect to advertising revenues.

In particular:

- **advertising revenues** from **third parties** amounted to EUR 683.1 million compared to EUR 705.3 million in the first quarter of 2001 (-3.2%). In particular, *revenues from the sale of commercials* decreased by 3.4% over the first quarter of the previous year; while *revenues from television sales, promotions and sponsorships* decreased by 1.8% over the first quarter of 2001;
- **Promoservice revenues** (- EUR 1.7 million over the first quarter of 2001) mainly refer to advertising sales in exchange for goods;
- **other revenues from television operations** showed a slight decrease of EUR 5.7 million, mainly attributable to the lower advertising revenues from some companies belonging to the Fininvest Group.

**Net revenues from multimedia operations** decreased slightly (- EUR 0.6 million) over the first quarter of 2001. This change is connected to the decrease in net advertising revenues from third party portals in concession (basically due to the abandonment, in 2001, of the concession on the *Excite* sites) while greater revenues were generated by Internet own operations and the distribution of theme channels made by Mediadigit.

**Net revenues from non-television operations** slightly increased over the first quarter of the previous year; the EUR 1.0 million increase is mainly attributable to Publitalia '80 S.p.A. revenues, for the sales of advertising space on billboards and posters and of sports sponsorships.

### Operating costs

31/03/2002	248.7
31/03/2001	260.8
% change	-4.6%

The operating costs of the Mediaset group showed in the first quarter of 2002 an EUR 12.1 million decrease with respect to the first quarter of 2001. If we exclude the effect arising from the consolidation, in the first quarter of 2001, of the Epsilon Group we have, in like for like terms, operating costs which are lower by EUR 2.2 million (-0.9%).

The main items in operating costs are personnel expenses and purchases, services and other costs, which are analysed below.

### Personnel expenses

31/03/2002	76.2
31/03/2001	73.5
% change	3.7%

Personnel expenses of the companies belonging to the Mediaset group show, over the first quarter of 2001, a slight EUR 2.7 million increase; net of the effect arising from the consolidation, in the first quarter of 2001, of the Epsilon Group, this increase amounted to EUR 3.3 million (+4.5%).

The breakdown of this cost item shows a higher increase in percentage terms of Mediadigit multimedia operations, following the completion of the company's organisation, which took place in the second half of 2001 and includes the transfer of personnel following the purchase of Jumpy operations.

## Workforce

The following table shows the number of employees of the Mediaset Group at March 31, 2002, without including the number of employees of the Epsilon Group:

31/12/2001	Number of employees including temporary staff	31/03/2002	31/03/2001
295	Managers	298	272
294	Journalists	297	307
616	Middle managers	625	607
3,130	Office staff	3,177	3,150
61	Manual workers	-	67
<b>4,396</b>	<b>Total</b>	<b>4,397</b>	<b>4,403</b>

31/12/2001	Average workforce including temporary staff	31/03/2002	31/03/2001
279	Managers	295	271
302	Journalists	298	305
614	Middle managers	628	607
3,124	Office staff	3,174	3,144
65	Manual workers	-	69
<b>4,384</b>	<b>Total</b>	<b>4,395</b>	<b>4,396</b>

## Purchases, services and othercosts

31/03/2002	172.5
31/03/2001	187.3
% change	-7.9%

Purchases, services and other costs were EUR 14.8 million lower in the first quarter of 2002 than in the first quarter of 2001; net of the effect arising from the consolidation of the Epsilon Group in the first quarter of 2001, the decrease amounted to EUR 5.5 million (-3.1%).

The decrease can be analysed as follows

(EUR millions)

31/12/2001		31/03/2002	31/03/2001
90.9	Selling costs	19.2	24.4
448.1	Television scheduling costs	115.9	117.9
30.2	Broadcasting costs	8.4	7.5
89.2	Overheads and other costs	12.7	15.2
<b>658.4</b>	<b>Total television costs</b>	<b>156.2</b>	<b>165.0</b>
31.3	Multimedia costs	6.6	5.0
32.0	Other non-television costs	9.7	8.0
<b>721.7</b>	<b>Purchases, services and other costs</b>	<b>172.5</b>	<b>178.0</b>
29.7	50% Epsilon Group costs	-	12.2
(6.5)	Write-offs	-	(2.9)
<b>744.9</b>	<b>Total purchases, services and other costs</b>	<b>172.5</b>	<b>187.3</b>

**Television costs**, in the first quarter of 2002, decreased by EUR 8.8 million (-5.3%) with respect to the first quarter of 2001. This trend can be attributed to lower *sales costs* (-EUR 5.2 million with respect to the first quarter of 2001, mostly correlated to lower revenues), as well as to lower scheduling costs (-EUR 2.0 million with respect to the first quarter of 2001) in line with the objectives of control of operational costs for the making of television products, established for the current year.

However, it is worth noting that overall television costs, including those elements connected to personnel expenses and amortisation and depreciation of rights and other fixed assets, net of the income generated from the sale of television rights, showed a modest 4.1% increase in the first quarter of 2002. This change was mainly attributable, as is described below, to the amortisation of television rights and is much lower than the +7.7% recorded in the same period of the previous year.

**Operating costs** regarding **multimedia operations** showed a limited EUR 1.6 million increase with respect to the first quarter of 2001, mainly arising from proprietary Internet operations concerning higher development costs for new sites and sections (among which *Tgcom* and *Tgfin*) that did not exist in the first quarter of 2001.

**Other non-television costs** increased by EUR 1.7 million over the first quarter of the previous year.

### **EBITDA**

31/03/2002	384.9
31/03/2001	411.4
% change	-6.4%

EBITDA showed in the first quarter of 2002 a decrease of EUR 26.5 million with respect to the same quarter of the previous year. Its percentage rate on consolidated net revenues remained substantially unchanged (60.7% with respect to 61.2% in the first quarter of 2001).

### **EBIT**

31/03/2002	196.4
31/03/2001	243.5
% change	-19.3%

The change in EBIT recorded in the first quarter of 2002 (-EUR 47.1 million) is also to be related to the overall amortisation, depreciation and write-downs that increased from EUR 167.9 million in the first quarter of 2001 to EUR 188.5 million in the first quarter of 2002. This increase (+ EUR 22.7 million, net of the effect of the consolidation of the Epsilon Group in 2001) is mainly attributable to higher amortisation generated by the television division (+ EUR 21.6 million), almost entirely connected to television rights. This change results from the growth in investments in recent years and includes the effect (that was still negligible in the first quarter of 2001) of the investment in self-produced serial drama started from the end of 2000.

Its percentage of consolidated net revenues is equal to 31.0% with respect to 36.2% in the same period of the previous year. It should also be noted that, on an annual basis, a result basically in line with that of the previous year is expected, by virtue of the forecast results in the second half of the year that, with respect to the same period of the previous year, will draw a greater benefit from cost containment effects and from a more favourable trend in advertising revenues.

### **Financial income/(charges)**

31/03/2002	(6.0)
31/03/2001	(19.0)
EUR millions change	13.0

The improvement in this item over the first quarter of 2001 can be mainly attributed to a reduction in charges on exchange rates for EUR 5.5 million and the economic effect resulting from share stabilisation operations (at March 31, 2002, 150,001 own shares were held) which, in the first quarter of 2002, generated an overall profit of EUR 0.4 million with respect to charges for EUR 7.4 million recorded in the first quarter of 2001.

It should also be noted that revenues generated from Group's liquid funds, for the part managed by SICAV ABS Finance Fund, are only calculated at year end.

### **Income/(charges) from investments**

31/03/2002	(10.1)
31/03/2001	(10.0)
EUR millions change	(0.1)

This item shows the economic effect of the equity valuation of Albacom S.p.A. (19.5% shareholding), of the companies operating in the Spanish television market that belong to the Telecinco Group (40% shareholding), of Fascino P.G.T. S.r.l. (30% shareholding) and Titanus Elios S.p.A. (30% shareholding).

The negative balance at March 31, 2002, equal to EUR 10.1 million can be analysed as follows:

- EUR 4.4 million net charge from the valuation of the companies belonging to the Telecinco Group (EUR 0.6 million, which is the share of the result, and EUR 5.0 million regarding the goodwill amortisation quota);
- EUR 5.5 million net charge regarding Albacom S.p.A. (-EUR 5.0 million which is the share of the result, and EUR 0.5 million regarding the goodwill amortisation quota).

### **EBT**

31/03/2002	180.6
31/03/2001	214.5
% change	-15.8%

The reduction in EBT amounted to EUR 33.9 million; net of the effect arising from the consolidation, in the first quarter of 2001, of the Epsilon Group, a reduction of EUR 37.9 million was recorded.

### **Provisions for income taxes**

In accordance with article 81 clause 7 of the Regulation approved by CONSOB resolution no. 11971 of 14 May 1999 and subsequent amendments, the period result was shown gross of taxation and, therefore, no deferred tax assets or liabilities deriving from the application of the current accounting standard regarding income taxes, were accounted for.

## Balance sheet and financial position

Here are the balance sheet summary and the cash flow statement of the Mediaset Group:

<b>Mediaset Group</b>			
<b>31/12/2001</b> (EUR millions)	<b>Balance sheet summary</b>	<b>31/03/2002</b>	<b>31/03/2001</b> (EUR millions)
1,881.8	Television rights	1,828.3	1,853.3
430.1	Other intangible/tangible fixed assets	444.8	455.0
687.6	Equity investments and financial fixed assets	677.5	575.5
(304.0)	Net working capital and other assets/liabilities	(273.0)	(391.4)
(93.1)	Allocation for severance indemnities	(95.1)	(87.4)
<b>2,602.4</b>	<b>Net investments</b>	<b>2,582.5</b>	<b>2,405.0</b>
<b>(247.8)</b>	<b>Net financial position</b>	<b>(47.3)</b>	<b>198.7</b>
<b>2,354.6</b>	<b>Group shareholders' equity and shareholders' equity attributable to minority interests</b>	<b>2,535.2</b>	<b>2,603.7</b>
<b>31/12/2001</b> (EUR millions)	<b>Sources and uses</b>	<b>31/03/2002</b>	<b>31/03/2001</b> (EUR millions)
<b>1,162.3</b>	<b>Operating cash-flow</b>	<b>380.8</b>	<b>390.3</b>
<b>(1,279.1)</b>	<b>Total investments of which:</b>	<b>(120.5)</b>	<b>(255.2)</b>
(776.0)	investments in television rights	(112.1)	(242.7)
(392.6)	equity investments	-	-
(45.0)	intangible investments	(1.4)	(2.0)
(65.5)	tangible investments	(7.0)	(10.5)
	<b>Share capital increases</b>	-	-
<b>(283.2)</b>	<b>Dividends paid</b>	-	-
<b>(180.8)</b>	<b>Other monetary variations</b>	<b>(59.8)</b>	<b>(61.7)</b>
<b>207.7</b>	<b>Change in the consolidation area</b>	-	-
<b>(373.1)</b>	<b>Net cash flow</b>	<b>200.5</b>	<b>73.4</b>

Below are comments to the main items in the balance sheet and the variations since 31 December 2001.

### Net invested capital

31/03/2002	2,582.5
31/12/2001	2,602.4
EUR millions change	(19.9)

The most significant element of the invested capital of the Mediaset Group is **television rights** which showed a decrease of EUR 53.5 million since December 31, 2001. This decrease reflects, for the specific period, a higher amount of amortisation and depreciation, with respect to the investments recorded in the period; the latter are lower than those made in the first quarter of 2001, in line with the objective to reduce purchases in 2002 compared to the previous year. **Other tangible and intangible assets** increased by EUR 14.7 million since December 31, 2001 mainly due to the increase in intangible assets under formation for long drama productions.

**Investments and other financial assets** decreased by EUR 10.1 million since December 31, 2001 due to the value adjustment of investments in Telecinco/Publiespana, Albacom, Fascino P.G.T. and Titanus Elios, consolidated by means of the equity method.

The negative balance of working capital and other current assets and liabilities for EUR 273.0 million shows a reduction since December 31, 2001, of EUR 31.0 million. This change is mainly attributable to the reduction in trade payables (mainly connected to rights) and the payment of EUR 105.9 million that was due, at December 31, 2001, from British Telecom for the sale of the investment in Blu S.p.A., which was carried out in December 2001.

### **Group shareholders' equity and shareholders' equity attributable to minority interests**

31/03/2002	2,535.2
31/12/2001	2,354.6
EUR millions change	180.6

The increase over December 31, 2001 can be attributed to the gross profit for the period.

### **Net financial position**

31/03/2002	(47.3)
31/12/2001	(247.8)
EUR millions change	200.5

The improvement in the net financial position since December 31, 2001 is mainly attributable to the positive cash flow generated by current operations and to the amount paid by British Telecom that was still outstanding at December 31, 2001 for the sale of the investment in Blu S.p.A. (equal to EUR 105.9 million) net of the expenses for the purchase of rights. In like for like terms, excluding the payment received on selling the investment in Blu S.p.A., the net cash flow generated in the first quarter of 2002 is higher than that of the first quarter 2001.

Here is the breakdown of the financial position as at March 31, 2002, compared with that at December 31, 2001:

(EUR millions)

	31/03/2002	31/12/2001
Liquid funds	297.8	101.0
Financial income and securities (which are not fixed assets)	210.8	215.5
<b>Total financial assets</b>	<b>508.6</b>	<b>316.5</b>
Due to banks	(545.6)	(553.0)
Due to other financial institutions		
Factoring companies	-	-
Leasing companies	(5.4)	(5.5)
Other	(4.9)	(5.8)
<b>Total financial liabilities</b>	<b>(555.9)</b>	<b>(564.3)</b>
<b>Net financial position</b>	<b>(47.3)</b>	<b>(247.8)</b>

## ANALYSIS BY DIVISIONS

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### Commercial television - Italy

#### Advertising division

A substantial portion of the Mediaset Group's revenues are generated from the sale of television advertising on Mediaset networks, over which Publitalia '80 S.p.A. has exclusive rights.

The following is a breakdown of Publitalia '80 S.p.A.'s revenues in the relevant periods:

(EUR millions)

	31/3/2002	31/3/2001
Advertising revenues from third parties	683.1	705.3
Advertising revenues from Fininvest Group and Mediolanum Group	7.9	12.2
Advertising revenues from Promoservice	1.1	1.5
<b>Television advertising revenues Publitalia '80 S.p.A.</b>	<b>692.1</b>	<b>719.1</b>

As already mentioned previously, advertising sales, though decreasing over the first quarter of 2001, were in line with period objectives.

Specifically, advertising revenues on Mediaset networks from third party customers showed, in the first three months of 2002, a decrease of just 3.2%, a result higher than the one expected for the domestic market, and one that should also be seen with respect to the extremely positive results obtained by Publitalia '80 in the same period of the previous year.

Indications regarding the advertising market on classic media confirm its general weakness for the first months of 2002. The slowdown of television advertising investments was however more limited, and showed better results both with respect to the extremely negative situation of the end of 2001, and compared to those recorded in the main European markets.

Television advertising investments in the first months of 2002, also showed signs of recovery, among which the return of investments by significant telecommunication and financial companies. Over the same period, advertising investments from mass consumption goods remained substantially stable. These signs, together with those regarding the development of the macroeconomic domestic and international framework, lead to expectations for a generally more favourable trend of advertising investments in the second half of the year.

#### Broadcasting and contents division

The audience results regarding the first quarter of 2002 show on a full day basis a decrease of Mediaset networks and TMC/La 7 to the benefit of the total of other broadcasters which gained a 1.8 share points increase over the same period of the previous year. RAI results remained substantially unchanged.

Here is the situation over the full day:

Full day share	Jan/Mar 2002	Jan/Mar 2001	Change
Mediaset networks	43.2%	44.8%	-1.6%
RAI networks	46.8%	46.7%	0.1%
TMC/La 7	1.6%	1.9%	-0.3%
Others	8.4%	6.6%	1.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	

The result of Mediaset network, on the whole higher than 43%, shows a reduction of 1.6 points with respect to 2001, which is attributable to a decrease in both Day Time and Prime Time (respectively -1.5 and -1.2 points). Compared to the first quarter of 2001, there is more balance between Canale 5 (going from 24.9 to 23.9%) and Italia 1 (which goes from 10.1 % to 10.9%). Retequattro remains at 8.9%.

The stability of RAI networks results from the decrease of flagship RAI 1 (-1.6 in Day Time and -0,9 in Prime Time) to the benefit of the third RAI network (one point in Day Time and 0.7 in Prime Time). On the other hand, RAI 2's share grew in the Day Time and went down in Prime Time, where the network was overtaken by Italia 1, which ranks third.

Here follows the network analysis of Mediaset audience.

It should be noted that Prime Time audience data refer to the times 20.30-22.30.



In the full day, Canale 5 loses 1.5 share points with respect to 2001 (23.4% vs. 24.9%) just like its direct opponent, RAI 1 (-1.4) against which however it continues to have a large leadership in the audience aged 15-54 years (26.3% vs. 19.8%).

Moreover, Canale 5 confirms its leading position in Prime Time, where it reaches 24.6% against RAI 1's 23.9%.

Canale 5 - Total audience	Jan/Mar 2002	Jan/Mar 2001	Change
Full day	23.4%	24.9%	-1.5%
Prime Time	24.6%	26.1%	-1.5%
Day Time	23.1%	24.5%	-1.4%

More specifically:

- in the **Day Time**, in spite of higher competition from other networks' programmes, there are some positive elements. In particular: *Vivere*, now broadcast at 12.30 for over one year, is stable at 21%; *Beautiful*, slightly growing over the first quarter of 2001 (31.7%) reaches 32.1%; *Cento Vetrine* carries on with its extraordinary growth, going from 25.3% in the first three months of the previous year (which ended with an average of 27.2%) to 29.3% in January/March 2002. Besides this, all these three soap operas are, in their respective times, the most favoured programmes of young women, with peaks at over 45% share.

Maria De Filippi with *Uomini e donne*, keeps winning her afternoon duel, reaching, from Monday to Friday, 24.3% of the audience and 26.7% of women (vs. 22.4% and 23.3% of *Al posto Tuo*).

Thanks to the two lucky programmes with Gerry Scotti, the late afternoon confirms to be one of the strengths of the network. *Passaparola* obtains 26.1% and *Chi vuol essere milionario* 27.1%, over four points more than *La vita in diretta sera*, which does not manage to go beyond an average of 22.6%.

At the week-end *Buona Domenica* largely prevails over *Dom&nika In* achieving, in the first quarter of 2002, a share of 26.1% (over 22.9% of RAI I).

The first quarter of 2002 features the extraordinary success of TG5: in the 8 p.m. slot, Enrico Mentana's news has reached 30.4%, thereby nudging ahead of TGI, stable at 30.2% and thus becoming the reference for the news in a particularly significant moment in history because of international events.

- In **Prime Time**, *Striscia la Notizia* was once again very successful, and achieved, in the first three months of the year, an audience of 33.5% (with respect to 32.6% in the first quarter of 2001) and continues to perfectly introduce prime time programmes.

The *Filmissimi*, a now well established event on Mondays, obtain an average of 25.3% (vs 20.9% of *Lunedifilm* on RAI I). In particular, it is worth mentioning *Out of sight* (29.3%), *Nemiche Amiche* and *Se scappi ti sposo* (both at 28.8%) and *C'è posta per te* (26.2%).

Productions obtained an enormous success: on Fridays, under the insignia of slapstick and humour, *Marameo* obtained 29.4% and the first three releases of *Scherzi a Parte* 32.1%; on Saturdays, the eight shows of *C'è posta per te* broadcast in 2002 reached 29.2% and *Corrida* 33.3%.

Home produced dramas won the favour of the public as well. In particular: *Francesca e Nunziata*, the TV movie in which two generations of actors confronted each other in a difficult love story set in Campania in the XIXth century, peaked at 29%; *Il Sequestro Soffiantini*, based on a real story that occurred in 1997, 29.3% and *Incompreso*, a literature classic, also made with excellent actors, reached over 26% audience.



## Italia 1

2002 started in the best possible way for this network which, compared to the first quarter of last year, considerably increased its audience: 0.8 share points more in the Day Time, 1.1 in the Prime Time and, as a consequence, 0.8 in the full day.

Italia 1 continues to be the first choice for children aged 4-14 (25.5%), and the second, after Canale 5, for people aged 15-19 years (23.5%) and the third, after Canale 5 and RAI I, for people aged 15-34 years (16.6%).

Italia 1 - Total audience	Jan/Mar 2002	Jan/Mar 2001	Change
Full day	10.9%	10.1%	0.8%
Prime Time	11.7%	10.6%	1.1%
Day Time	10.7%	9.9%	0.8%

In particular:

- during **Day Time**, in the morning, the television series *Mac Gyver* obtained an excellent result, with an average of 14.7% from Monday to Friday, which led to a 2.8 share points growth in the time 10.30–11.30 over the same quarter of 2001 (14.5% vs. 11.7%).

In early afternoon, adults and children continue to enjoy *The Simpsons*: This programme achieved 13.2% of the audience, 41.3% of children and 23% of people aged 15-34; later, *What a Mess Slump e Arale* and *Che campioni Holly e Benji* totalled 14.4% and 13.3% respectively, and even 54.5% and 47.2% among children aged 4-14.

Productions achieved excellent results: *Saranno Famosi*, started on September 17, 2001 with 9.2%, markedly increased its audience, reaching 14% in the first months of 2002 with the afternoon programme shown every day from Monday to Friday, and 26.3% in the Saturday special edition (with averages in both cases higher than 40% for young people aged 15-24); *Sarabanda*, stable at 11.1% at the beginning of last year, grew to 12.3% gaining 1.2 share points; the same increase was achieved on Saturday in the share of *L'Assemblea* which, scheduled to 15.30, went from 12.7% in 2001 to 13.9% in the first quarter of 2002. Last, it is worth noting the positive start of *MPT Mi piaci tu*, which in its first week of being broadcast recorded an average of 12.1%, gaining one in four people in the 15-34 year bracket.

The comparison between the first quarter of 2002 vs. 2001 is positive also for the news: *Studio Aperto* improved by 2.2 points in its midday edition, going from 13.1% to 15.3%. In the evening, in its traditional position of 18.30, it reached 8.8%.

Late at night, some of the “cult” programmes of Italia 1 confirmed their success: on Mondays, *Zelig* in its sixth year reached an audience of 18.2%; on Thursdays, *Le Iene*, in their fifth year, achieved 15%.

Good results were also obtained by sports productions: on Sundays, *Controcampo* increased its audience by almost 1,5 points over the first quarter of 2001 going from 12.8% to 14.2%; *Pressing Champions League*, on the air on Tuesdays and Wednesdays, recorded 15.3% vs. 14.2% of the previous year.

- In the **Prime Time** good results were achieved by the evenings devoted to films. Among the many titles broadcast, it is worth mentioning: *Trappola sulle montagne rocciose* (16.2%), *Indiana Jones e il tempio maledetto* (15.4%), *The Peacemaker* (14.8%), *I predatori dell'arca perduta* (14.5%), *Il mondo perduto di Jurassic Park* (14.3%) and *Tutti gli uomini del deficiente* (14.2%).

The four Wednesdays devoted to the *Champions League* obtained on the whole a 20% audience, peaking at 21.8% with the match *Deportivo-Juventus*, that took the network to second place, after Canale 5, in audiences for that night.

Among productions, *Saranno Famosi* definitely gave the highest contribution in terms of audience; the first two Tuesdays in Prime Time achieved a 17.8% share, equal to an average audience of over five million people.



In the first three months of 2002, audience levels show, over the same period of the previous year, a reduction of nearly one point in all times.

Specifically, in Prime Time, Fridays and Saturdays had a rather difficult job, while during Day Time early afternoon was affected by highly competitive programmes on the other networks.

However, the network continued to win the hearts of its reference audience which remains loyal: 9.5% of women and 11.7% of people aged over 55 in the full day.

<b>Retequattro - Total audience</b>	<b>Jan/Mar 2002</b>	<b>Jan/Mar 2001</b>	<b>Change</b>
Full day	8.9%	9.8%	-0.9%
Prime Time	7.6%	8.4%	-0.8%
Day Time	9.3%	10.2%	-0.9%

In particular:

- In **Day Time**, in the morning *Innamorata*, the new soap opera set in present-day Perù, from January 28, 2002 on the air from 09.30 to 10.30, achieved an average of 10.9%; it is followed by *Febbre d'amore*, moved forward forty minutes, which grew by 0.4 points, from 8.7% at the beginning of the year, to today's 9.1%.

At lunch-time, *Forum*, now in its seventeenth year, continues to reach audience shares far higher than the network average (17.4%).

At week-ends, *Sabato Vip*, which ended 2001 with 16.6% average share, grew to 17%; with respect to the first quarter of 2001, there is an improvement also for *Il trucco c'è* (15.8% vs. 14.2%) and *La domenica del villaggio* (17.1% vs. 16.7%).

News audience shares are also growing: *TG4*, in its 13.30 edition, increased by 0.3 points over the first quarter of 2001 (9.4% compared to 9.1%); the 19.00 edition by 0.6 (9.0% compared to 8.5%).

Late at night, *I Bellissimi*, now a traditional programme for this network (79 late nights with these movies) continues to win the hearts of the audience. In particular, among the most successful ones, it is worth mentioning *Un nuovo giorno* (16.6%), *Una donna in carriera* (15.8%), *Amici per gioco...* (15.3%), *Music Box...* and *Poliziotti* (both at 14.8%), *Le amiche del cuore* (14.3%) and *Il principe delle maree* (14.1%).

- In **Prime Time**, Retequattro films, always featuring miscellaneous genres to meet all tastes, confirm to be a winning choice for this moment. In particular, the results of the 13 Sundays devoted to movies need be noted, with an overall average of 9.6% (*Ancora 48 ore* 13.1%, *Fino a prova contraria* 12.4%, *Il senso di Smilla per la neve* 11.8%, *Codice d'onore* 11.1%).

A positive result was achieved by *Viva Napoli*, the festival of Naples' songs in three shows, which obtained a 10.9% share, peaking at above 20% among people aged over 65.

Good results were obtained by the special edition of *I sette vizi capitali*, with 9.2%. Starting with the end of April 2002, this programme will be broadcast on Monday nights on Retequattro.

Lastly, it is worth noting the result of the *Uefa Cup match Milan – Hapoel Tel Aviv*, played on March 21, which won a 14.1% audience share.

## **Commercial television – International**

### **Telecinco Group**

Based on currently available data, during the first quarter of 2002 television advertising investments in Spain decreased significantly (-12.8%) with respect to the same period of the previous year, confirming – as was already the case in 2001 – the tendency of the main industry players to take on extremely aggressive commercial policies during a prolonged shrinkage of the market. In this context, Publiespana

advertising sales for Telecinco amounted to EUR 109.1 million, with a marked decrease (-21.6%) in this quarter. This result was affected by the overall weakness of the market, as well as by the negative shares achieved among the reference audience because of the publishing strategy of the state television which concentrated in the first part of the year on formats which had a great impact on the viewers. However, based on currently available evidence, regarding sales in April and May 2002, Telecinco should benefit already in the second quarter of 2002 by a recovery in overall advertising investments (in April, Telecinco advertising revenues were higher than in the same month 2001) and by a clear recovery of traditional audience shares, also thanks to the presence in the schedule of the new edition of *Big Brother*.

In the first three months of 2002, Telecinco achieved an audience share on the full day equal to 18.4% with a 2.5 points decrease over the same period of the previous year; while both Antena 3, the main private competitor, and TVE-I recorded a slight increase in audience, reaching 20.8% (20.6% at March 31, 2001) and 25.9% (25.7% at March 31, 2001) respectively. On the commercial target, Telecinco's audience share went down to 20.8% with respect to 23.4% in the same period of 2001; Antena 3 remained basically stable at 22.7% (22% in the first quarter of 2001), while TVE-I recorded a significant increase going from 20.5% to 21.9%.

The negative result of Telecinco advertising sales determined in the first quarter of 2002 a reduction in consolidated net revenues of EUR 24.5 million over the first quarter of 2001 and a decrease in operating result of EUR 31.2 million, with a limited increase in scheduling costs. The net quarterly result amounted to EUR 1.5 million, with a EUR 18.6 million decrease over March 31, 2001.

The equity valuation of the shareholding in the Telecinco Group, including the goodwill amortisation quota (equal to EUR 5 million), meant for the Mediaset group a net charge of EUR 4.4 million.

### ***Investment in KirchMedia***

In the first quarter of 2002, a progressive deterioration of the overall financial situation of the Kirch Group was recorded, caused by the high indebtedness mainly attributable to digital pay-television operations (Kirch Pay Tv) and by the acquisition of the Formula 1 worldwide rights. Kirch Media, sub-holding company of commercial television operations (52.5% of the ProSiebenSAT1 Group) and rights trading company was in turn involved in the financial crisis of the Kirch Group, mainly with respect to the purchase and trading operations of television rights that this company carries out on behalf of Kirch Pay Tv.

In order to face this situation, the Kirch Group started in this period an overall business and financial restructuring process of the Group, which included, among other things, the disposal of investments that were no longer considered to be strategic. In order to mainly focus on this process, on March 20, 2002 the representatives of the management of the ProSiebenSAT1 Media AG Group and Kirch Media GmbH & Co. KGaA informed their Supervisory Boards that they had decided to cancel the merger of the two companies and the subsequent floating at the Stock Exchange of the company resulting from that merger, already started in September 2001 and that was expected to be concluded by June 2002.

After the end of the first quarter of 2002, on April 8, following some preliminary attempts made by the main creditor banks and by minority shareholders aimed at facing the imminent cash crisis, Kirch Media filed for bankruptcy to the competent section of the Munich Court. The latter appointed a special administrator with the task of supervising by means of two new administrators that he appointed, the running of the company and to prepare, within two months, a restructuring plan to be submitted to the Court for assessment. During this preliminary stage, and following a possible declaration of bankruptcy, the company has continued its ordinary operations, while the corporate bodies (General Meeting and Supervisory Board) keep their powers, and shareholders keep their status.

While waiting to assess the restructuring plans that will be submitted and since, to date, there is no approved balance sheet and income statement for the Kirch Media Group for an objective assessment, at March 31, 2002 no adjustment to the value of the 2.28% stake held by Mediaset in Kirch Media (EUR 203.8 million) was made, as the provision for risks allocated at December 31, 2001 for a value (EUR 171.9 million) corresponding to the goodwill included in this investment was considered to be appropriate to reflect a possible lack of the main assumptions (put option versus the controlling shareholder Taurus Holding and the company flotation project) that were originally meant to guarantee the value of the capital invested by Mediaset in this shareholding.

Data regarding the first quarter of 2002 for the ProSiebenSAT1 Group floated at the stock exchange, and of which a 52.5% stake is held by Kirch Media, show a decrease (-4.7%) in advertising revenues, which is lower than the one recorded by the television market, and confirm the leading position of the group in the German advertising market. The operating result amounted to EUR 22 million with respect to EUR 39 million of the same period of the previous year.

## Multimedia and telecommunication operations

### *Multimedia division*

The Mediaset Group is present in the multimedia market through Mediadigit S.p.A., a company that started operations in 2000, which is in charge of operations regarding theme channels, Internet and teletext operations, with the objective of developing the synergy and *brand extension* opportunities regarding the traditional *core business* focused on television products, by making services and contents that can be broadcast on various platforms (Pay TV, Internet and Telecoms). Multimedia operations include the specialist magazine *MT La Macchina del Tempo*, published by R.T.I. S.p.A. and distributed since November 2000. These operations are supported by Publitalia '80 S.p.A. as exclusive concessionary of Internet and theme channels related advertising sales (the latter starting from the second half of 2001).

With reference to **theme channels**, the channels *Duel Tv*, *Comedy Life* (both starting from April 2000) and *MT Channel* (from January 2001), are distributed by Stream, while *Happy Channel* has been distributed on D+ since March 1998. At March 31, 2002 the overall number of subscribers to the bouquet of satellite broadcasters distributing Mediadigit channels amounted to 1,738,000, 798,000 subscribers of which regarding the three channels distributed on the Stream platform and 940,000 subscribers to the Basic package by Teletipiù, which offers *Happy Channel*. Overall revenues generated by the distribution to these two digital platforms of these channels amounted in the first three months of 2002 to EUR 5.1 million, an increase on the EUR 4.9 million in the first three months of 2001.

As to **Internet** based operations, the integration process of the operations of the Jumpy portal has now definitely started, following the acquisition by Mediadigit S.p.A. of this company branch in 2001.

The acquisition of the Jumpy portal allowed Mediadigit to speed up its development plan in the online industry, completing its publishing profile and significantly improving its market share. Jumpy, in March 2002, represented around 30% of all the page views of the whole Internet area of Mediaset.

In March 2002, the whole Group's own sites recorded on the whole around 132 million page views.

Sites regarding the *MOL* vertical portal and network sites contributed with 64 million of page views, four times the results of December 2001 (16 million page views). This result was supplemented, starting from January 2002 by the site *Il Milionario*, which totalled in the first three months of the year around 1.5-2 million page views per day. The News area (*Tgcom*, *TG5.it* and *TgFin*) totalled in March around 27 million page views. In this area, it is worth noting *Tgcom*'s performance, the Group's online news, which increased its monthly page views from around 16 million in January to around 22 million in March 2002.

Total revenues from the Group Internet operations amounted in the first three months of 2002 to EUR 1.3 million, an increase from the EUR 0.6 million in the same quarter of 2001.

With reference to **Teletext** operations (Mediavideo and interactive services), revenues in the first three months of the year amounted to EUR 0.9 million, compared to EUR 1.1 million of the same period of previous year. In this quarter, the graphic restyling of the Mediavideo brand was carried out, as well as that of contents layout, in order to make the product more appealing to television users and commercial customers.

### **Telecommunications**

At present, the Mediaset group is active in the field of telecommunications through the stakes held by Mediaset S.p.A. in Albacom S.p.A. (19.5%) and Olivetti S.p.A. (0.45%).

As already mentioned in the Board of Directors' report on operations in the 2001 Annual report, the value of the investment held by Mediaset S.p.A. in **Olivetti S.p.A.**, though higher than the corresponding amount of shareholders' equity, is kept in the financial statements at March 31, 2002 equal to the purchase value, with respect to the positive trend of operations in the quarter. It should also be pointed out that in the first quarter of 2002, the reduction of consolidated net financial debt is in line with the objectives established in the industrial plan of the Olivetti/Telecom Group, and expectations for a positive net result of the parent company Olivetti S.p.A. are confirmed for this year.

**Albacom S.p.A.** has now established its role of main operator alternative to Telecom Italia for the provision of fixed telephony services for the *business area*, and it showed a marked increase in economic results.

Based on the latest available estimate regarding the balance sheet and income statement situation at March 31, 2002, there is confirmed a marked improvement in the management of operations, as had already been noted in 2001. In particular, consolidated net result showed in the first three months of 2002 a loss of around EUR 25 million (- EUR 64 million in the same quarter of 2001), with a positive gross operating margin for the second quarter in a row. Because of this result, Albacom expects to close the fiscal year at March 31, 2002 with a positive gross operating result, one year before company plans. Company sales, in the year closed at March 31, 2002, amounted to around EUR 560 million with a 20.5% increase with respect to the previous year.

Because of this result, and a goodwill amortisation quota of EUR 0,5 million, the equity valuation of the stake in Albacom S.p.A. meant for the Mediaset Group, at March 31, 2002, an overall loss of EUR 5.5 million.

It should also be noted, lastly, that with respect to the coverage of the financial requirements of the company for the period November 2001/March 2002, Mediaset paid EUR 18.8 million in the first quarter of 2002, in line with its stake.

### **SIGNIFICANT EVENTS AFTER MARCH 31, 2002**

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- On April 8, 2002 Kirch Media, in which Mediaset Investment S.a.r.l. holds a 2,28% shareholding, filed a preliminary request for bankruptcy with the competent section of the Munich court. The special administrator appointed by the Court is supposed to prepare, within two months from this date ( a time that can be extended upon request of the Court), a financial restructuring plan in order to avoid the formal start of the bankruptcy procedure. It should also be noted, that on May 8, 2002 also Kirch Pay Tv, sub-holding company of the Kirch Group for digital pay television operations in Germany (an

activity that is actually carried out by the subsidiary company Première World), in turn filed a preliminary request for bankruptcy.

### **FORESEEABLE DEVELOPMENTS**

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- The results achieved in terms of advertising sales by Mediaset networks at the end of the first four months of 2002 confirm, in line with a trend that had already been outlined in the first quarter, the objectives forecast for the first part of the year, a period when advertising sales should remain on the whole lower than those obtained in the same period of the previous year. However, at the moment, the main indicators seem to confirm a recovery of advertising investments in the last months of the year, also with respect to the particularly negative results recorded in the same period of 2001.
- In the first four months of 2002, Mediaset networks showed an average share of 43.4% in the full day, with respect to 44.8% obtained in the same period of the previous year, confirming the nationwide leadership of Canale 5 and the audience growth of Italia 1 in line with the objectives to strengthen this network of reference for young people.
- Based on currently available evidence, regarding both advertising sales and television costs, the achievement of the objective for the year of an annual profitability basically in line with that of 2001 is confirmed.

for the board of Directors  
the Chairman