

## Press Release

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### **Mediaset Group Q1 2006**

#### Consolidated results

**Net revenues: €955.2 million**

**Ebit: €265.6 million**

**Net profit: €145.1 million**

#### Advertising revenues and TV ratings

##### Italy

**TV advertising revenues Publitalia: +2.3%**

**Ratings: Mediaset channels lead ratings  
in the 15-64 age range**

##### Spain

**TV advertising revenues Publiespana: +8.2%**

**Ratings: Telecinco Spain's leading channel  
in the commercial target**

The Board of Directors of Mediaset met today under the Chairmanship of Fedele Confalonieri to approve the management's report on the Mediaset Group's results for the first three months of 2006.

The Group's results in the first three months of the year reflect the good start to the TV season in the two geographic areas (Italy and Spain) of operations, both in terms of advertising sales and audience ratings.

In particular, in Italy, **Publitalia '80's TV advertising revenues** for the three channels grew by **2.3%** in the first three months of 2006 to reach €776.8 million, compared with €759.4 million in the same period of the previous year. A result that is decidedly positive in the context of an advertising market that in the first quarter of 2006 slowed down compared with the last year, especially in the FMCG sector which accounts for the largest segment of television advertising.

The **ratings** for Mediaset channels were also brilliant in the period.

In the first three months of 2006 Mediaset consolidated its national leadership across all time bands among viewers between the ages of **15 and 64**, who account for 70% of the Italian population and on whom 80% of advertising investments are targeted. **Mediaset's three channels lead in this premium audience segment with shares of 44.5% in prime time, 43.8% in the 24-hours, and 43.7% in day time.**

These audience figures are particularly positive considering that the schedules for the whole of February were characterised by the Winter Olympics in Turin, broadcast by Rai.

In order to counter the presumed popularity of this sporting event, Mediaset benefited from a far-sighted editorial decision based on the anticipation of the start of the Spring 2006 season. The effect of this was an increase in advertising revenues in line with those of the competitor and, consequently, neutralizing Rai's competitive advantage.

On the digital terrestrial pay-per-view front, during the first three months of 2006 around 470.000 new rechargeable pre-paid "**Mediaset Premium**" cards were sold and around 1,150,000 recharges were effected, for a total value of around €22.4 million. Since the launch of the new offer, in July 2005, the company has seen the sale of more than 1,900,000 rechargeable cards and more than 2,400,000 recharges, corresponding to net revenues of €85.8 million.

The **Telecinco Group** also produced excellent results in the first three months of 2006.

**Gross television advertising revenues of the advertising sales company Publiespana** reached a record level of **€223.6 million**, an increase of **8.2%** compared with the first quarter of 2005.

In the first three months of 2006 Telecinco reinforced its undisputed **leadership** in the reference **commercial target** (16-59 year-olds), that of most interest to advertisers, **both in the entire day (23%) and in prime time (24%).**

## **MEDIASET GROUP CONSOLIDATED RESULTS**

The Group's performance in the first three of 2006 can be summarised as follows:

- **consolidated net revenues** came to **€955.2 million**, compared with €910.7 million in the first quarter of 2005.
- **EBIT** came to **€265.6 million**, which shows a difference of €78.4 million compared with the same period of the previous year (€344.0 million) which benefited from a capital gain of €43.1 million deriving from the sales of a 1.9% stake in Telecinco.
- operating profit, as a proportion of consolidated net revenues (**operating profitability**), came to **27.8%**, compared with 37.8% in the first quarter of 2005.

- **profit before taxation** and minority interest came to **€261.5 million**, compared with €343.3 million for the first three months of 2005.
- **net profit** for the Group, net of estimated taxation, came to **€145.1 million**, compared with €198.7 million for the first quarter of the previous year.
- the Group's **net financial position** went from the -€358.0 million on 31 December 2005, to **-€114.9 million** on 31 March 2006.

## **A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA**

### **Italy**

- **consolidated net revenues** in the first quarter of 2006 came to **€728.1 million**, compared with the €697.4 million of the same period of the previous year.
- **EBIT** came to **€164.0 million**, compared with the €248.7 million of the first three months of 2005. This figure, as well as the abovementioned impact of the dynamics in the advertising market in 2006, was also affected by the fact that the Ebit figure for the first quarter of 2005 benefited from the capital gain deriving from the sale of a 1.9% stake in Telecinco.
- **profit before taxation** went from the €246.5 million of the first three months of 2005, to **€157.2 million** this time.
- **net profit** came to **€108.2 million**, compared with the €164.2 million of the first quarter of 2005.

### **Spain**

- in the first three months of 2005 the **consolidated net revenues** generated by the Telecinco Group came to **€227.8 million**, compared with the €213.3 million of the same period of the previous year.
- Telecinco's **operating profit** rose to **€101.6 million**, compared with the €93.1 million of the first three months of 2005.
- **pre-tax profit** came to **€104.4 million** compared with the €94.6 million of the first three months of 2005.
- **net profit** reached **€73.3 million**, compared with the €64.6 million of the first quarter of the previous year.

## FORECAST FOR THE YEAR

For the remainder of the year, in the face of trends in television costs in line with objectives, there continue to be uncertainties regarding advertising sales, both in Italy and Spain. The hoped for consolidation in the recovery of consumer spending over the coming months should favour a more sustained trend in advertising sales in the second part of the year, creating the basis for a level of consolidated operating profit from the Group's ordinary activities higher than that recorded in 2005.

### Italy

During the first four months of 2006 Mediaset's channels confirmed their leadership in the commercial target (the 15-64 age range) in all the time bands. In the same target Canale 5 remained in the top position, ahead of Rai 1 in all the reference bands.

### Spain

On average during the first four months of the year Telecinco confirmed its position as Spain's most popular channel in the whole day and in prime time with an audience share of 21.1% and 21.4% respectively, ahead of Antena 3 and TVE1, while the new competitor, Quatro, reached an average share of 5.4% in the whole day and 6.2% in prime time.

Cologno Monzese, 9 May 2006

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**Highlights from the consolidated income statement <sup>(\*)</sup>**

*in €m*

	Q1 2006	Q1 2005 (**)
<b>2005</b>		

<b>3,678.0</b>	Total consolidated net revenues	<b>955.2</b>	<b>910.7</b>
441.0	Labour costs	115.7	110.1
1,227.3	Procurement, services and other costs	356.1	296.1
<b>1,668.3</b>	<b>Operating costs</b>	<b>471.8</b>	<b>406.2</b>
<b>2,009.7</b>	<b>Gross operating profit</b>	<b>483.4</b>	<b>504.5</b>
808.7	Amortisation and depreciations	219.1	203.6
<b>1,201.0</b>	<b>Operating profit</b>	<b>264.3</b>	<b>300.9</b>
43.1	((Losses)/gains from equity disposals)	1.3	43.1
<b>1,244.1</b>	<b>EBIT</b>	<b>265.6</b>	<b>344.0</b>
1.9	Financial income /(charges)	(3.7)	0.3
(43.8)	Income/(charges) from investments	(0.4)	(1.0)
<b>1,202.2</b>	<b>Profit before taxation</b>	<b>261.5</b>	<b>343.3</b>
(454.6)	Income taxes	(79.8)	(112.3)
<b>747.6</b>	<b>Net profit from operations</b>	<b>181.7</b>	<b>231.0</b>
-	(Net profit from discontinued activities)	-	-
(144.2)	(Minority interest (profit)/loss)	(36.6)	(32.3)
<b>603.4</b>	<b>Profit for the Mediaset Group Mediaset</b>	<b>145.1</b>	<b>198.7</b>

## Highlights from the consolidated balance sheet

in €m

	31/03/2006	31/12/2005
Television rights	2.570,6	2.086,5
Goodwill and consolidation differences	368,7	368,8
Other tangible/intangible assets	870,7	852,8
Financial assets	90,0	131,5
Net working capital & other assets/liabilities	(562,0)	(70,8)
Severance indemnity reserve	(133,0)	(132,0)
<b>Net invested capital</b>	<b>3.205,0</b>	<b>3.237,0</b>
Group net equity	2.765,9	2.593,9
Minority interest	324,2	285,1
<b>Net equity</b>	<b>3.090,1</b>	<b>2.879,0</b>
<b>Net financial position</b>	<b>(114,9)</b>	<b>(358,0)</b>

(<sup>1</sup>) The report to 31 March 2006 is not subject to certification by the external auditors.

(<sup>2</sup>) A reclassification has been made of revenues and operating costs compared with the version published in 2005.