

Press Release

Mediaset Board Meeting 31 July 2008

APPROVAL FOR THE RESULTS OF THE FIRST HALF OF 2008

Consolidated Results

Net revenues: €2,272.1 million

Operating profit: €644.3 million

Net profit: €350.0 million

Italy

Publitalia sales grow: +2.2%

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

Mediaset Premium: revenues at €59.3 million

Spain

Operating profitability: 51.0%

Ratings: Telecinco Spain's leading channel

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the company's report on the first half of 2008.

MEDIASET GROUP: CONSOLIDATED RESULTS

Performance in the first six months of 2008 can be summarised as follows:

- the Mediaset Group's **consolidated net revenues grew by 9.4%** to reach **€2,272.1 million**, compared with €2,077.0 million in the first half of 2007.
- the Group's **EBIT** came to **€644.3 million**, compared with €699.9 million in the first half of the previous year. This variation is in part due to the benefits of non-recurring income of €23 million generated in the first half of 2007 by legislative changes on the use of leaving entitlement funds.
- **operating profitability** was **28.4%**, compared with 33.7% in the first half of 2007.
- **profit before taxation** and that attributable to third-party shareholders, amounted to **€583.9 million** compared with €681.9 million in the first half of 2007. This result was affected by higher financial charges resulting from the acquisitions made in the second half of 2007 (Endemol and Medusa).

- **net profit** attributable to the Group came to **€350.0 million** an increase on the €340.8 million of the first six months of the previous year and reflects an improvement in the tax rate following the reduction in ordinary rates of taxation from 2008 in both Italy and Spain as well as the (non-recurring) net income generated by adhering to the system for the fiscal redemption of assets introduced in Italy by the 2008 Budget.
- the Group's **net financial position** went from -€1,208.8 million on 31 December 2007 to **-€1,542.0 million** on 30 June 2008. This deficit is due to dividend distribution by both the parent company and Telecinco and to outlays for investments. Net of these items **characteristic net cash generation** amounted to **€473.6 million**, an increase on the €451.7 million of the same period of the previous year.

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

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- In the first half of 2008 **consolidated net revenues** amounted to **€1,709.6 million**, **an increase of 13.5%** on the €1,505.8 million of the same period of the previous year. The increase is due to the positive contribution of Publitalia, increased revenues from Mediaset Premium's pay per view activities, the network operator business and the consolidation of the revenues of the Medusa Group.

gross television advertising revenues came to **€1,555.5 million**, **an increase of 2.2%** on the first half of 2007. This result was achieved thanks to a particularly sustained increase in advertising sales in the first five months of the year, at the end of which the increase had reached 3%. In June advertising sales saw an expected slowdown due to the European Football Championship that was broadcast by Rai. Nevertheless, the result recorded by Mediaset's advertising arm was in contrast to the overall performance of the television advertising market which, on the basis of the latest Nielsen figures (for the first five months of the year), excluding the contribution of Publitalia, was down over the period (-1.4%).

Mediaset Premium: first half sales of pre-paid cards and recharges generated revenues of **€59.3 million**, a marked increase on the €36.2 million of the same period of last year.

- **EBIT** came to **€357.1 million**, compared with the €407.0 million of the first half of 2007.

- **total television costs** during the period remained in line with those of the same period of the previous year, confirming the objective for 2008 for an extremely contained rise in costs.
- **pre-tax profit** came to **€317.7 million**, compared with €379.9 million in the first six months of 2007.
- **net profit** rose to **€255.3 million**, compared with €234.7 million for the first half of 2007.

TV ratings: in the first six months of the year Mediaset channels confirmed their national leadership in all the time bands among viewers in the 15 to 64 year-old age range (the commercial target). During the period, Mediaset recorded a **42.2% share in prime time** and **42.6% in the 24 hours**.

Canale 5 is Italy's most popular channel in the commercial target with **23.1% in prime time** and **22.6% in the 24 hours**

Spain

- In the first six months of 2008 **consolidated net revenues** generated by the Telecinco Group came to **€563,0 million**, compared with €571.9 million (-1.6%) in the same period of the previous year. This result was decidedly ahead of the Spanish advertising market which, according to Infoadex figures, in the first six months of 2008 recorded a fall of 4.1%.
In particular, May and June saw a downturn in advertising expenditure generated by ongoing difficulties in the Spanish economy.
- a sharp focus on costs, which has resulted in a 1 percentage point drop compared with the same period of the previous year, allowed the Group to record an **EBIT** figure of **€287.2 million**, slightly down on the €293.0 million of the first half of 2007.
- at **51.0% operating profitability** remained among the highest among European broadcasters (51.2% in the first half of 2007).
- **pre-tax profit** went from €302.0 million in the first half of 2007 to **€266.2 million** in the first half of 2008.
- **net profit** amounted to **€198,9 million** compared with €211.6 million for the first half of 2007.

TV ratings: Telecinco consolidated its position as Spain's absolute leader with a **prime time share of 20.5%** and **19.1% in the 24 hours**.

FORECAST FOR THE YEAR

- In the month of July both Mediaset and Telecinco confirmed their ratings leadership in the commercial target in the 24-hours.
- July also saw a continuation of the positive trend in advertising sales for the Mediaset channels, confirming for the first seven months of the year the percentage growth recorded for the first half.
- Since 1 July 2008, the date of the launch of the new Mediaset Premium offer, to 27 July the revenues generated by the sale of Mediaset Premium pre-paid cards and recharges reached €27.9 million, a 67% increase on the €16.7 million of the same period of the previous year.

In the light of advertising sales performance in July, and assuming that in the second half of the year advertising revenues in both Italy and Spain remain in line with the trend in the last three months, the company expects to end the year with a higher consolidated net profit than that recorded in 2007, also as a result of the extremely contained rate of growth in television schedule costs, in line with budget objectives.

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, 31 July 2008

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

	1st half		Q2	
	2008	2007	2008	2007
Consolidated net revenues	2,272.1	2,077.0	1,173.2	1,112.1
Labour costs	263.8	217.5	135.9	101.6
<i>of which non-recurring income</i>		(23.0)		(23.0)
Procurement, services and other costs	817.9	712.2	391.9	343.0
Operating costs	1,081.8	929.8	527.8	444.6
Gross operating profit	1,190.3	1,147.2	645.4	667.4
Amortization and depreciations	546.0	447.3	256.9	223.3
Operating profit	644.3	699.9	388.5	444.2
((Losses)/gains from equity disposals)	-	-	-	-
EBIT	644.3	699.9	388.5	444.2
Financial income /(charges)	(36.3)	(19.5)	(19.7)	(10.6)
Income/(charges) from investments	(24.1)	1.5	(15.9)	0.7
Profit before taxation	583.9	681.9	352.8	434.3
Income taxes	(134.5)	(235.7)	(64.6)	(155.6)
Net profit from operations	449.4	446.2	288.2	278.7
(Net profit from discontinued activities)	-	-	-	-
(Minority interest (profit)/loss)	(99.4)	(105.4)	(59.1)	(62.5)
Profit for the Mediaset Group	350.0	340.8	229.1	216.2

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

	30/06/2008	31/12/2007
Television rights	2,843.6	2,351.5
Goodwill and consolidation differences	509.6	394.5
Other tangible/intangible assets	997.0	1,070.8
Financial assets	599.8	554.8
Net working capital & other assets/liabilities	(636.7)	(202.2)
Severance indemnity reserve	(97.2)	(102.2)
Net invested capital	4,216.0	4,067.2
Net Group assets	2,425.2	2,557.7
Shareholders' equity and minority interest	248.8	300.7
Net assets	2,674.0	2,858.4
Net financial position	(1,542.0)	(1,.,208.8)

(*) The reclassified figures in the report are not subject to certification by the external auditors