

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

Introduction

In March 2000 the Board of Directors of Mediaset S.p.A. decided to adopt the provisions of the Corporate Governance Code for listed companies. The company has continued since then to align its corporate governance system with Italian and international best practices, the recommendations of the Corporate Governance Code promoted by Borsa Italiana and the new legislation introduced by company law reform, keeping the shareholders and the market informed in this regard in its Annual Report on Corporate Governance.

I. CORPORATE GOVERNANCE SYSTEM

Mediaset has adopted the traditional administration and control system.

The **General Shareholders' Meeting**, duly convened, is the corporate body which expresses the wishes of the shareholders through its resolutions. Traditionally it appoints the Chairman. Resolutions passed in compliance with the law and the By-Laws are binding on all shareholders, including those absent or not in agreement.

The **Board of Directors** is endowed with the fullest powers of administration for the pursuit of the company's objectives. Elected every three years by the General Meeting, it generally appoints a Deputy Chairman, a Managing Director and an Executive Committee and determines their powers and those of the Chairman.

The **Executive Committee**, the **Remuneration Committee**, the **Internal Control Committee** and the **Governance Committee** are bodies established by the Board from among its members. While the Executive Committee is charged with important functions regarding the management of the Company and the Group, the other Committees' functions are strictly advisory and consultative.

The **Remuneration Committee** expresses opinions and makes non-binding proposals to the Board of Directors regarding the remuneration of directors who hold particular offices in Mediaset S.p.A., the general criteria of remuneration for executive managers of the Mediaset Group and stock option plans.

The **Internal Control Committee** assists the Board of Directors in performing the duties attributed to same by the Corporate Governance Code in respect of the internal control system.

The **Governance Committee** assesses the Code of Ethics adopted by the Company, which includes the principles that relate to corporate governance, presents proposals, where necessary, and provides the Board with support in evaluating the continued compliance of the independent Directors with the criteria of independence.

Finally, the **Board of Statutory Auditors** supervises compliance with the law and the By-Laws and has management control functions. The Board of Statutory Auditors is not liable for auditing, as the latter function is entrusted with an independent **Auditing Firm**, registered with the relevant special register, representing the external auditing body. The Independent Auditors are responsible for auditing that the company's accounts are properly kept during the year and that corporate events are correctly reflected in the Company's accounts. The Independent Auditors also verify that the corporate and consolidated financial statements correspond to the accounting entries and audits performed and that the same accounting documents are compliant with the applicable regulations.

The functions and method of operation of the corporate bodies are governed by law, by the Company's By-Laws and by the resolutions of the competent bodies.

The Company By-Laws are available for consultation in Italian and translated into English at the registered offices of the Company or on the corporate website at:
[www.mediaset.it \(/investor/governance/statuto_en.shtml\)](http://www.mediaset.it (/investor/governance/statuto_en.shtml)).

2. INFORMATION ON THE OWNERSHIP STRUCTURE (ART. 123-BIS OF THE CONSOLIDATED FINANCE ACT)*

* The information provided in the present Report is given as per the specified order (letters a)-m)) of art. 123-bis of the Consolidation Finance Act , as amended by art. 5 of Italian Law Decree n. 173 of 3 November 2008. It should be noted that art. 123-bis of the Consolidation Finance Act was amended by the abovementioned art. 5 of Italian Law Decree 173/2008, and the relevant provisions will apply to the reports referring to financial years starting after the date in which the Decree goes into effect (21.11.2008).

a) Share capital structure

Mediaset S.p.A. has a fully-paid up and subscribed share capital of EUR 614,238,333.28.

	N° of shares	% on share capital	Listed	Rights and obligations
Ordinary shares	1,181,227,564 (nominal value EUR 0.52 each)	100%	Borsa Italiana - Blue Chip segment -	Pursuant to law and Company By-Laws

The company did not issue any other financial instrument granting the right to subscribe newly-issued shares.

The company does not envisage any stock option incentive plan that would require an increase, even on a free basis, of the share capital.

b) Restrictions on share transfer

Pursuant to the Company's By-Laws, shares are registered, joint and freely transferable, unless otherwise prescribed by regulations concerning the representation, legitimization and circulation of the equity investment foreseen for stocks traded in the regulated markets.

c) Principal shareholdings

As at 17 March 2009, according to the information received also pursuant to Art. 120 of the Consolidated Finance Act, the principal shareholders in Mediaset S.p.A. (**) are the following:

Declarant	Direct shareholder	% of ownership on ordinary shares and on shares subject to voting
Berlusconi Silvio	Fininvest S.p.A.	38.618
Barclays Global Investors UK Holdings Ltd	Barclays Global Investors NA	3.382
	Barclays Global Investors Ltd.	1.110
	Barclays Global Fund Advisors	0.431
	Barclays Global Investors (Deutschland) AG	0.089
	Total	5.012
Capital Research and Management Company	Capital Research and Management Company	4.920
Mackenzie Cundill Investment Management Ltd.	Mackenzie Cundill Investment Management Ltd.	3.441
Abu Dhabi Investment Authority	Abu Dhabi Investment Authority	2.042

** Moreover, in the Consob website it is also specified that Silchester International Investors Ltd is a principal shareholder holding a 2.017% stake in the ordinary capital stock and in the voting stock.

As of the same date, Mediaset S.p.A. holds n. 44,825,500 of its Treasury shares, equal to 3.795% of the company's stock capital, regulated by the conditions set forth in Art. 2357-ter of the Italian Civil Code.

d) Preferred or special stock

No preferred stock or stock that confer special control rights have been issued.

e) Employee stockholdings: mechanism for exercising voting rights

There is no mechanism for exercising voting rights.

f) Restrictions on voting rights

Insofar as it is a financial intermediary registered in the special section of the general registry as mandated by Art. 113 of Italian Law Decree 385/1993 and subsequent amendments (Consolidated Banking Act) pursuant to the provisions set out in Art. 108 of Consolidated Banking Act and in Art. 1 of the Ministerial Decree (Ministry of the Treasury) n. 517/1998, any stockholder holding more than 5% of the stock capital in shares conferring voting rights may not exercise voting rights for the shares exceeding said percentage unless he meets the credit requirements specified therein. The same requisites are applied to anyone, regardless of the size of the shareholding owned, who controls the company as described in Art. 23 of the Consolidated Banking Act. In this case, voting rights are suspended for the entire shareholding.

g) Agreements between shareholders

The company is not responsible for agreements between shareholders pursuant to Art. 122 of the Consolidated Finance Act.

h) Provisions regarding change of control

No agreements are currently in place relevant for the purposes established in Art. 123-bis, par.1, letter h) of the Consolidated Finance Act.

i) Mandates Directors' indemnity in case of resignations, dismissal or contract termination following to public purchase offer

No agreements are currently in place relevant for the purposes established in Art. 123-bis, par.1, letter i) of the Consolidated Finance Act.

l) Appointment and replacement of directors and amendments of the Company's By-Laws

The company has adopted a traditional system of governance. The Board of Directors is appointed by the General Meeting from the names present on the nomination lists. For the appointment and replacement of directors the provisions set out in Art. 17 and the following of the Company's By-Laws apply. Pursuant to Art. 15, par. 2 and Art. 23, par. 3 of the Company's By-Laws and subject to the approval of the Extraordinary General Meeting, which is empowered to pass binding resolutions regarding the matter, the Board of Directors is responsible for the implementation of the resolutions adopted regarding mergers and spin-offs in the cases specified in Art. 2505, 2505-bis and 2506-ter of the Italian Civil Code, the establishment or shutting down of branches, the specification of the names of the Directors who officially represent the Company, and the reduction of the capital in case of withdrawal and the adaptation of the Company's By-Laws to

comply with enacted regulations. The Company's By-Laws is available for consultation in the Company's website:

[www.mediaset.it \(/investor/governance/statuto_en.shtml\)](http://www.mediaset.it (/investor/governance/statuto_en.shtml)).

m) Proxies for capital increases and authorisations for the re-purchase of Treasury Shares

There are no proxies for capital increases pursuant to Art. 2443 of the Italian Civil Code, or for the issuance of share-based financial instruments.

On 16 April 2008, the Shareholders' General Meeting conferred upon the Board of Directors the power to purchase, also through the sale of options or financial instruments and derivatives of Mediaset stock, up to a maximum amount of n. 118,122,756 and therefore within the confines of the law, of its own common stock at the nominal value of EUR 0.52 each (equal to 10% of the current stock capital), in one or more transactions, until ratification of the financial statements as at 31 December 2008 and in any case for a period not longer than 18 months from the date of the General Meeting's resolution. The above-indicated amount is covered by the reserves available as specified in the most recently regularly ratified financial statements.

Acquisitions are carried out as follows:

- i) acquisitions necessary for the implementation of the stock option plans of 2003/2005 and 2006/2008 must be carried out on the stock exchange of listing, using the operational criteria set forth in Art. 144-bis, par. b) and c) of the Issuers Regulation at a price not more than 20% above nor less than 20% below the reference price of the shares in the previous day of trading for each single transaction. These parameters are deemed sufficient to identify the range of values within which the acquisition is in the interest of the Company;
- ii) any possible additional acquisitions must be carried out on the stock exchange where the shares are listed, using the operational criteria set forth in Art. 144-bis, par. b) and c) of the Issuers Regulation at a price not more than 20% above nor less than 20% below the reference price of the shares in the previous day of trading for each single transaction. These parameters are deemed sufficient to identify the range of values within which the acquisition is in the interest of the Company.

Acquisition operations shall be carried out in compliance with Art. 2357 and following of the Italian Civil Code, Art. 132 of Italian Law Decree 58/98, Art. 144-bis of Consob regulation applying the provisions of Italian Law Decree n.58 of 24 February 1998, concerning the regulations of issuers ("Issuers Regulation") and in compliance with any other applicable regulation, including the provisions established in Directive 2003/6 and the relevant EU and national implementation regulations.

As of the end of the fiscal year, on 31.12.2008, the Company's stock portfolio included 44,825,500 Treasury Shares.

3. COMPLIANCE

After having examined and approved the contents of the proposal for updating the Company's Code of Ethics, drafted by the Committee for Governance, the Board of Directors on 1° March 2007, basically in line with the Corporate Governance Code promoted by Borsa Italiana, and in consideration of the applicable regulatory framework and the organisational structure of the Mediaset Group, approved the updating of the Mediaset S.p.A. Code of Ethics, ratifying the principles contained in the Corporate Governance Code issued by Borsa Italiana in March 2006.

The subsidiary Gestevisión Telecinco S.A., listed on the Madrid, Barcelona, Bilbao and Valencia exchange and the Spanish telematic market, as well as its subsidiaries, is subject to Spanish law and the Spanish system of corporate governance.

4. MANAGEMENT AND COORDINATION ACTIVITIES

Mediaset S.p.A. is subject to the de facto control of Fininvest S.p.A. in that said company owns 38.618 % of the company's shares. On 4 May 2004 Fininvest notified Mediaset that it would not carry out management and coordinating activities involving Mediaset itself, pursuant to art. 2497 and subsequent amendments and supplements of the Italian Civil Code. The Company acknowledged the communication served by Fininvest in the Board meeting of 11 May 2004. The declarations made by Fininvest are confirmed by the fact that Mediaset defines its strategic objectives independently and is fully autonomous in terms of management, organisational structure and business relations, not being subject to any management-related or coordination activity from Fininvest regarding its business activities. In particular, Fininvest does not give Mediaset orders, nor does it carry out technical, administrative or financial support activities in favour of Mediaset or its subsidiaries.

Pursuant to article 2497 bis and the following of the Italian Civil Code, Mediaset S.p.A. carries on management and coordination activities with regard to the following group subsidiaries: R.T.I. S.p.A., Publitalia '80 S.p.A., Digitalia 08 (formerly Promoservice Italia) S.r.l., Elettronica Industriale S.p.A., Video Time S.p.A., Media Shopping S.p.A., Mediaset Investimenti S.p.A., Medusa Film S.p.A., Medusa Cinema S.p.A., Medusa Multicinema S.p.A., Medusa Video S.p.A., X Content S.r.l. in liquidation, Med Due S.r.l. and TaoDue S.r.l..

5. BOARD OF DIRECTORS

5.1. MEMBERS

As stated in the By-Laws: "... The company shall be run by a Board of Directors composed of no fewer than five nor more than twenty-one Directors, who may be re-elected. The members of the Board of Directors shall be appointed by the Shareholders' General Meeting on the basis of lists presented by shareholders. Lists may only be presented by members or groups of members representing at least 2.5% of the share capital, including shares with voting rights at the ordinary Shareholders' General Meeting, or any different percentage established from time to time by the applicable law and which will be stated from time to time in the notice of convocation of the Shareholders' General Meeting called to resolve upon the appointment of the Board. Each list must include and clearly identify at least two candidates who may be classified as independent pursuant to the law in force.

Lists, accompanied by the candidates' professional résumés, including a complete description of their personal and professional qualifications and their eventual satisfaction of the requirements of independence pursuant to the applicable temporary norms, must be signed by the stockholders who present the lists and must be deposited at the company's registered offices at least 15 (fifteen) days prior to the date set for the first call of Shareholders' General Meeting. Upon submission of the lists, the details regarding the identity of the members who presented it must be specified along with the relevant percentage stake they hold and a certification released by a regularly authorised intermediary confirming their title thereto.

Shareholders other than those holding, also jointly, a control stake or a relative majority stake must also present a certification confirming that they do not have any relations with the candidates pursuant to law provisions. Within the same term, candidates are supposed to file confirmation of their acceptance and declare, under their own responsibility, that they are not subject to any causes that violate the requirements established by law in relation to eligibility and compatibility and that they satisfy all the requirements possibly established by the law in force and by the enacted regulations for Board members. Jointly with each individual list, also the additional information requested by the currently enacted laws, which will be specified in the relevant notice of convocation, must be deposited within the same term.

The Board of Directors is composed of 14 directors appointed on 20 April 2006, holding office until the date of the Shareholders' General Meeting called to resolve upon the approval of the financial statements as at 31 December 2008. The Board comprises six executive directors and eight non-executive directors, of whom four are independent.

Directors accept their office when they believe that they can devote the necessary time to diligently perform their duties, also in consideration of the number of offices held as director or auditor in other listed companies in regulated markets (including foreign markets), as well as in holding companies, banks, insurance companies or large-sized companies. Also in relation to the provisions set out in the Company's Code of Ethics and based on the information provided by those involved, the table below includes details regarding additional information about Board members and the list of offices they hold in the aforementioned companies as at 17 March 2009, excluding those held in Mediaset S.p.A.'s subsidiaries and associated companies.

Board of Directors

Table 1

Name	Office	In office since	List	Exec.	Non exec.	Ind.	Ind. TUF	% Board of Dir.	Other offices
Fedele Confalonieri	Chairman	20.04.2006	M	/				100	
Pier Silvio Berlusconi	Director	20.04.2006	M	/				62.5	2
	Vice Chairman	21.04.2006							
Giuliano Adreani	Director	20.04.2006	M	/				87.5	
	Managing Director	21.04.2006							
Marina Berlusconi	Director	20.04.2006	M		/			62.5	3
Pasquale Cannatelli	Director	20.04.2006	M		/			100	3
Paolo Andrea Colombo	Director	20.04.2006	M		/	/	/	87.5	4
Mauro Crippa	Director	20.04.2006	M	/				100	
Bruno Ermolli	Director	20.04.2006	M		/			87.5	3
Luigi Fausti	Director	20.04.2006	M		/	/	/	75	
Marco Giordani	Director	20.04.2006	M	/				100	
Alfredo Messina	Director	20.04.2006	M		/			100	4
Gina Nieri	Director	20.04.2006	M	/				100	
Carlo Secchi	Director	20.04.2006	M		/	/	/	100	7
Attilio Ventura	Director	20.04.2006	M		/	/	/	100	

Key

- List:** indicate M/m according to whether a director was elected from the majority or a minority list.
- Exec.:** tick if director can be qualified as an executive director.
- Non-exec.:** tick if director can be qualified as a non-executive director.
- Ind.:** tick if director can be qualified as an independent director according to the criteria established in the Company's Code of Ethics.
- Ind. TUF:** tick if a director satisfies the requirements concerning independence as established by Art. 148, paragraph 3, of the Consolidated Finance Act (TUF).
- % Board:** specify director's attendance (%) in Board meetings (the percentage of meetings attended out of the total number of Board meetings held during the financial year or after appointment).
- Other offices:** total number of offices held in other listed companies in regulated markets (including foreign markets), as well as in holding companies, banks, insurance companies or large-sized companies, with the exclusion of those offices held in Mediaset S.p.A.'s subsidiaries and associated companies.

In accordance with the provisions set out in the Company's Code of Ethics and based on the information provided by those involved, the table below includes detailed supplementary information regarding Committee members.

Committees

Table 2

Name	Office	Executive Committee	%	Governance Committee	%	Remuneration Committee	%	Internal Control Committee	%
Fedele Confalonieri	Chairman	C	100						
Pier Silvio Berlusconi	Vice Chairman	M	75						
Giuliano Adreani	Managing Director	M	100						
Nieri Gina	Director	M	100						
Luigi Fausti	Director			M	100			C	100
Alfredo Messina	Director							M	90
Carlo Secchi	Director							M	100
Bruno Ermolli	Director					C	100		
Paolo Andrea Colombo	Director			M	75	M	100		
Attilio Ventura	Director			C	100	M	100		

Key

- EC:** specify C/M if chairman/member of the Executive Committee.
- % EC:** specify director's attendance (%) in the meetings of the Executive Committee (the percentage of meetings attended out of the total number of executive committee meetings held during the financial year or after appointment).
- GC:** specify C/M if chairman/member of the Governance Committee.
- % GC:** specify director's attendance (%) in meetings of the Governance Committee (the percentage of meetings attended out of the total number of Governance Committee meetings held during the financial year or after appointment).
- RC:** specify C/M if chairman/member of the Remuneration Committee.
- %RC:** specify director's attendance (%) in meetings of the Remuneration Committee (the percentage of meetings attended out of the total number of Remuneration Committee meetings held during the financial year or after appointment).
- ICC:** specify C/M if chairman/member of the Internal Control Committee.
- % ICC:** specify director's attendance (%) in meetings of the Internal Control Committee (the percentage of meetings attended out of the total number of Internal Control Committee meetings held during the financial year or after appointment).

Below are brief summaries of the personal and professional résumés of each Director. Directors' individual résumés are available for consultation on the corporate website www.mediaset.it (Investor Center/Governance/assemblea degli azionisti/2006/ CVs of candidates to the Board of Directors).

FEDELE CONFALONIERI - Born in Milan on 6 August 1937, Fedele Confalonieri graduated in law at the Statale University of Milan. He is member of the Executive Committee and Council of Confindustria and Assolombarda. He is Chairman of the Associazione Televisioni Nazionali [National Television Association] in the framework of the Federazione Radio Televisioni [Radio and Television Federation]. He is also member of the Executive Committee of Assonime, the Association grouping Italian joint stock companies. He is Board member of "Il Giornale" Italian daily newspaper. Lastly, he is Board member of Gestelevision Telecinco SA.

PIER SILVIO BERLUSCONI - Born in Milan on 28 April 1969. He began his professional career in 1992 in the marketing office of Publitalia and then moved to the Italia 1 television network. In November

1996 he was appointed coordination manager for programme scheduling and programmes for all the Mediaset networks. In 1999 he was appointed R.T.I. Content Deputy General Manager. Since April 2000 he is Mediaset Group Deputy Chairman, Chairman and Managing Director of R.T.I. and Med Due S.r.l.. He is also Board member in the following companies: Fininvest S.p.A., Gestelevision Telecinco S.A., Medusa Film S.p.A., Arnoldo Mondadori Editore S.p.A. and Publitalia '80 S.p.A..

GIULIANO ADREANI - Born in Rome on 27 August 1942. He is Managing Director of Mediaset S.p.A., Chairman and Managing Director of Publitalia '80 S.p.A., Chairman of Digitalia 08 S.r.l., Board member in R.T.I., Gestelevision Telecinco S.A., Medusa Film S.p.A., Auditel, Board member and Deputy Chairman of Publiespana, member of the Executive Committee of the Unione del Commercio del Turismo dei Servizi e delle Professioni of the Province of Milan. . In 2003 he was appointed “Cavaliere del Lavoro” by the President of the Italian Republic. From 1962 to 1994, the year during which he joined the Mediaset Group, he worked at Sipra, an advertising concession company of Rai. In that company he was responsible for all the commercial and creative communication sectors concerning daily newspapers, magazines, radio and television. In 1991 he was appointed General Manager of the same company.

MARINA BERLUSCONI - Born in Milan on 10 August 1966. She joined the company at a very early age, being always involved in business management and development of the Group's economic and financial strategies. In July 1996 she was appointed Deputy Chairman of Fininvest S.p.A., a position she held until October 2005, when she became Chairman of the holding company. Since February 2003 she is Chairman of Arnoldo Mondadori Editore S.p.A. She is Board member of Mediobanca S.p.A..

PASQUALE CANNATELLI - Born in Soriano (Cz) on 8 September 1947. He graduated in Business Administration at the Cattolica University of Milan. He started his career in 1972 at Rank Xerox. In 1985 he joined Farmitalia Carlo Erba as Group Controller. He moved to Alitalia as Head of Finance and then also as Controller. He returned to Farmitalia covering the position of Head of Finance, Administration and Control of the Erbamont Group. In July 1997 he was appointed Board member in Mediaset S.p.A. and Central Director of planning and control. Since May 2003 he is Managing Director of Fininvest S.p.A. He is Board member in Arnoldo Mondadori Editore S.p.A., Mediolanum S.p.A. and AC Milan S.p.A..

PAOLO ANDREA COLOMBO - Born in Milan on 12 April 1960. He graduated in Business Administration at the Bocconi University of Milan. He is certified accountant and auditor. He is Board member in Eni S.p.A., Carlo Tassara S.p.A., Chief Statutory Auditor in Aviva Vita S.p.A., Interbanca S.p.A., GE Corporate Financial Services Italia S.r.l., Ceresio Sim and Statutory Auditor in Sirti S.p.A., Angelo Moratti SapA and Credit Agricole Assicurazioni Italia Holding S.p.A..

MAURO CRIPPA - Born in Rome on 26 April 1959. He is a professional journalist. He is also Board member of Società Europea Editrice de “Il Giornale” (since 1998), RTI S.p.A. (since 1999) and Class CNBC S.p.A. (since 2000). In 1987 he was appointed Head of the Corporate and Product Press Office of Arnoldo Mondadori Editore S.p.A. In 1994 he joined the Fininvest Group as Head of Media Relations. In 1996 he was appointed Central Director of Communication and Media Relations of Mediaset. Since 2007 he is Information General Manager of R.T.I. S.p.A..

BRUNO ERMOLLI - Born in Varese on 6 March 1939. He has been an entrepreneur for more than thirty years providing Professional Services for Management and Organisation Consulting. He teaches courses and seminars for entrepreneurs and managers. He is frequently contacted for collaboration

purposes with the Italian government in relation to his expertise in Public Management and Organisation of the Public Administration. From 1985 to 1989 he was President of the Federazione Nazionale del Terziario Avanzato [National Federation of the Advanced Service Sector]. From 1980 to 1982 he was President of the Associazione Nazionale delle Società di Consulenza di Direzione ed Organizzazione [National Association of Management and Organisation Consulting Companies]. In 1970 he established Sin&rgetica where he still covers the position of CEO. Sin&rgetica is one of Italy's leading company in the provision of advisory services Private Companies, Banks, Insurance Companies, Public Entities and Public Administrations. He was appointed "Cavaliere del lavoro" by the President of the Italian Republic. Currently, he is Deputy Chairman of Fondazione Teatro alla Scala, Board member of Arnoldo Mondadori Editore S.p.A., Mediolanum S.p.A. and Fininvest S.p.A..

LUIGI FAUSTI - Born in Ancona in 1929. He studied classics at the C. Tacito high school in Terni and law at the University of Rome. He joined Banca Commerciale Italiana as a clerk in 1947 and worked there uninterruptedly for 51 years covering different positions at various levels in several offices scattered throughout Italy. In 1984 he moved to the Bank's headquarters, holding responsibility for the entire Bank's Loan Department as Central Co-Director and, from 1987, as Central Director and "supervisor" of the same department. In May 1990 he was appointed Managing Director. In April 1994 he was appointed Deputy Chairman and Managing Director. In June 1996 he received an honorary degree in Business Administration from the University of Naples. In April 1997 he was appointed Chairman. In 1999 he was elected Honorary Chairman, a post he resigned in June of the same year following to disagreements over the Bank's strategies.

MARCO GIORDANI - Born in Milan on 30 November 1961. He graduated in Business Administration at the Bocconi University of Milan. In 2000 he was appointed Chief Financial Officer of the Mediaset Group. He is Board member of Gestelevision Telecinco S.A., Publitalia '80 S.p.A., Med Due S.r.l., Edam Acquisition Holding I Cooperatief U.A. and Medusa Film S.p.A. and Managing Director of R.T.I. S.p.A.. From 1998 to 2000 he worked at IFIL as Equity Control Manager. He was then appointed Board member and member of the Executive Committee of LA RINASCENTE S.p.A. as well as Board member of S.I.B. (Società Italiana Bricolage). In 1991 he was appointed Head of Finance of RINASCENTE GROUP, becoming Chief Financial Officer in 1997. In 1989 he joined the Rinascente Group as Manager of Operations and Board member of COMFACTOR S.p.A. In 1985 he began his professional career in the Audit Department at the UNILEVER ITALIA and then as Head of Administration at QUEST S.p.A..

ALFREDO MESSINA - Born in Colleferro (Rome) on 8 September 1935. After graduating in Business Administration, he developed his professional career in various companies holding a series of administrative posts. He worked as Production Group Controller at Olivetti and as Central Manager, Administration, Finance, Planning and Control at Alitalia. In 1989 he joined IRI as Central Manager, Planning and Control. In January 1990 he joined Fininvest S.p.A. as General Manager and in 1996 he was appointed Managing Director for the Group's administration and control, holding a supervision function over Large-Scale Retail, Insurance and Financial Products. Currently, he is Acting Deputy Chairman of Mediolanum S.p.A., Chairman of Mediolanum Assicurazioni S.p.A. and Mediolanum Vita S.p.A.. He is Board member of Gestelevision Telecinco SA and Molmed S.p.A..

GINA NIERI - Born in Lucca on 2 December 1953. She graduated in Political Sciences at the University of Pisa, specialising in Journalism and Mass Communication at the LUISS university in Rome. She has been working in the commercial television sector since 1977, the year during which she acted as General

Secretary at FIEL, Italy's first association of "free" broadcasters. She then moved to FRT (Federazione Radio Televisione – Radio Television Federation) acting as Director until 1990, when she joined the FININVEST GROUP as Head of Communications with Business Associations. Since 28 April 1999 she is Board member of R.T.I. S.p.A. She is also member of the Council of Assolombarda and invited member of the Executive Committee. Since 20 May 2003 she is member of the Council of Confindustria. Since 21 June 2004 she is Deputy Chairman of the Campus Multimedia Consortium (a consortium set up by Mediaset and the Libera Università di Lingue e Comunicazioni IULM). Currently, she is Head of Institutional, Legal Affairs and Strategic Analysis at Mediaset and Deputy Chairman of R.T.I. S.p.A..

CARLO SECCHI - Born on 4 February 1944. He is professor of European Economic Policies at the Bocconi university of Milan, for which he acted as Dean from 2000 to 2004. He is Director of the Istituto di Studi Latino Americani e dei Paesi in Transizione. He was member of the European Parliament during the IV legislature (1994-1999), during which he was appointed deputy chairman of the Economic and Monetary Committee. He was member of the Senate of the Italian Republic during the XXII legislature (1994-1996). He is member of the executive committees of Foundations and technical-scientific Institutes, including the Scientific Committee of IReR (Lombardy regional research institute). He is Deputy Chairman of ISPI (International policy study institute, Milan), Chairman of the Italian group of the Trilateral Commission. Currently he is Board member in several Italian companies: Veneranda Fabbrica del Duomo and Fondazione Teatro alla Scala. He is Board member of TEM (Tangenziali Esterne di Milano) S.p.A., Pirelli & C. S.p.A., Parmalat S.p.A., Italcementi S.p.A., Allianz S.p.A., Sviluppo del Mediterraneo S.p.A. and Centrale Finanziaria Generale. He is Chairman of Quantica SGR. He is author of books and numerous articles on international commerce and economy, economic integration and European issues.

ATTILIO VENTURA - Born on 6 February 1936. He graduated in Business Administration at the Cattolica University of Milan. He attended a Master course of Economics and Finance at the Seton Hall University of South Orange (US) and a specialisation course at Merrill Lynch, New York. Foreign Exchange Broker since 1967 and member of the Executive Committee of the Foreign Exchange Brokers since 1981. From 1985-1988 he was Deputy Chairman of the Borse Valori Executive Committee. From 1988 to 1992 he was Chairman of the Borse Valori Executive Committee and from 1992 to 1995 he was Borse Valori Board Chairman. From 1996 to 1998 he was Board member of Banca Nazionale del Lavoro S.p.A. From 2004 to date, he is Deputy Chairman of the "Fondazione Aretè" of the San Raffaele Hospital of Milan. Currently, he is Board member Aedes s.g.r. and Ceresio Sim.

The companies Arnoldo Mondadori Editore S.p.A. and Mediolanum S.p.A. belong to the Fininvest Group, which Mediaset is also part of.

Maximum number of offices held in other companies

Pursuant to article 1.4 of the Company's Code of Ethics, for the purpose of issuing its orientation about the maximum number of offices held as director or auditor in other listed companies, holding companies, banks, insurance companies and large-sized companies, that are considered compatible with the diligent performance of the duties entailed in the position of Mediaset director, the Board of Directors establishes general criteria, differentiating them according to the relevant role (executive or non-executive or independent),

nature and size of the companies, plus whether or not the companies belong to the Mediaset group and, lastly, whether the same directors are also members of the committees appointed from among Board members.

In this respect, based on the information received from each individual Director or other information in its possession, the Board of Directors verifies - on an annual basis - the offices held as director and/or auditor by the directors in the afore-mentioned companies and publishes them in the Annual Report on Corporate Governance.

Before accepting the office, all company directors are committed to assessing in advance their readiness to devote the necessary time to the diligent performance of their duties, considering also the relevant responsibilities and the number of offices held as director and/or auditor in other listed companies in regulated markets (including foreign markets), holding companies, banks, insurance companies or large-sized companies.

Based on the proposal made by the Governance Committee, the Board meeting of 11 March 2008 resolved to adopt the following orientation regarding the maximum number of offices:

- an executive director should not be:
 - I. an executive director in another listed company (in the Italian market or in foreign markets) and/or in a holding company, bank, insurance company or large-sized company (shareholders' equity exceeding Euro 10 billion) and
 - II. a non-executive director or auditor - or member of another control body - in more than five listed companies (in the Italian market or in foreign markets), and/or in holding companies, banks, insurance companies or large-sized companies (shareholders' equity exceeding Euro 10 billion);
- a non-executive director should not be:
 - I. an executive director in more than three listed companies (in the Italian market or in foreign markets), and/ or in holding companies, banks, insurance companies or large-sized companies (shareholders' equity exceeding Euro 10 billion) or a non-executive director or auditor - or member of another control body - in more than five listed companies (in the Italian market or in foreign markets) and/or holding companies, banks, insurance companies or large-sized companies (shareholders' equity exceeding Euro 10 billion), or
 - II. a non-executive director or auditor - or member of another control body - in more than ten listed companies (in the Italian market or in foreign markets), holding companies, banks, insurance companies or large-sized companies (shareholders' equity exceeding Euro 10 billion).

The offices held in Mediaset or in other Mediaset Group companies are not taken into account for the purpose above.

In the event in which the afore-mentioned limits are exceeded, directors are committed to promptly inform the Board, which will assess the situation in the light of the Company's interest, inviting the director to make the appropriate decisions.

The Board orientation will be implemented upon renewal of the appointment of the Board, whose mandate expires concurrently with the approval of the 2008 Financial Statements.

In view of the appointment of a new Board, the current outgoing Board wishes that the company shareholders consider the need not to reduce the quality level of the mix of skills that is necessary to rely on a well balanced Board, that includes different professionals who know the company in terms of organisation and business, and who, therefore, can contribute with their managerial expertise and/or specific business knowledge to the decision-making process. It is also recommended to maintain the ratio currently existing in the Board between independent and non-independent directors (based on the requirements established in the Company's Code of Ethics), specifically considering the amount of time that any director can effectively dedicate to the Board. The time dedicated by each director for the accomplishment of the relevant duties must also be valued considering the orientation expressed by the Board in relation to the maximum number of offices held in other companies. Lastly, it is also recommended that the same criteria are adopted governing the orientation to be kept by the company, the composition of the Board and, in particular, in relation to the newly appointed Directors and, specifically, the independent directors, in order to provide them with the possibility of understanding, from the moment they hold office, the business in which the company operates and, hence, diligently performing their duties.

The Board requires that candidates for the position of independent directors meet the independence requirements established by article 3 of the Company's Code of Ethics in addition to those established by law.

5.2. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is the collegiate body which governs the company. It plays a key role in the company organisation, performing the functions and holding the responsibilities inherent to providing the strategic and organisational orientation, as well as verifying the availability of the necessary controls to monitor the performance of the company and the Group. The system adopted for the delegation of powers ensures the Board of Directors' central role in the framework of business and corporate organisation.

In the company By-Laws the following is established: *"The Board of Directors shall have all the powers of ordinary and extraordinary management of the company. The Board may grant powers to one or more of its members, including those qualified also as Managing Director, subject to the provisions set out in Article 23 of the company's By-Laws, which provides that the following powers shall remain exclusive competence of the Board:*

- *the stipulation of any contract or legally-binding relationship whatsoever between the company and any shareholder holding 5% or more of the company's share capital (or any company belonging to the same group of the shareholder, i.e. any of the company's controlled subsidiaries, any holding company or controlling partners and any subsidiary company controlled by the latter) for a total amount exceeding €13,000,000.00;*
- *the stipulation of any contract or legally-binding relationship whatsoever for a total amount exceeding €130,000,000.00;*

- *the issuing of non-convertible bonds pursuant to the restrictions set out in Article 2412 of the Italian Civil Code and up to a maximum of €300,000,000.00, subject to the fact that any issue exceeding the afore-mentioned maximum amount must be resolved upon by an Extraordinary Shareholders' General Meeting.”*

The Board may appoint one or more Deputy Chairmen and grant all or part of its powers to one or more of its members, including those qualified also as Managing Director, subject to the provisions set out in article 2381 of the Italian Civil Code and article 23 of the Company's By-Laws. It may also appoint an Executive Committee, to which powers may be granted, except for those reserved by law to the Board.

In addition, the Board may establish other committees, also comprising members who are not board members, establishing their duties, powers and compensation, if due, as well as composition and operation.

The activities accomplished by the delegated committees are subject to reporting to the Board on the occasion of the Board meetings. The Board meets regularly as required by law and according to a working schedule. It is organised and operates in order to guarantee an effective and efficient performance of its functions.

In 2008 the Board of Directors met eight times. The average duration of each meeting was approximately 2 hours. Directors' attendance (%) in Board meetings is reported in the previous table I of this Report.

In 2009 four Board meetings have been scheduled for the approval of the relevant interim accounts. To date, two Board meetings have already been held. After the appointment of the new Board by the Shareholders' General Meeting, the newly appointed Board shall proceed with the making of all the appropriate resolutions.

Pursuant to Mediaset Code of Ethics, in 2008 the Board performed the activities it is entitled to and responsible for. These activities will continue in 2009, and specifically relate to the following:

- scrutiny and approval of the strategic, operating and financial plans of the company and the group, the corporate governance of the company and the structure of the group;
- valuation of the appropriateness of the organisational, administrative and accounting structure of the company with particular reference to the internal control system and the management of conflicts of interest; this valuation, which proved successful, was supported by a special report, drafted by the delegated bodies, illustrating the different operating and control structures implemented by the company;
- identification of subsidiaries having strategic relevance in terms of size and business reach with concurrent valuation of the appropriateness of the organisational, administrative and accounting structure of the same subsidiaries with particular reference to the internal control system and the management of conflicts of interest; also this valuation on the subsidiaries having strategic relevance proved successful and was supported by a special report, drafted by the delegated bodies, illustrating the different operating and control structures implemented by the same subsidiaries;

- positive valuation of the general performance of the company, with special attention paid to the information received from the Executive Committee, the Chairman, the Deputy Chairman, the Managing Director and the Internal Control Committee with verification of actual results against budget results on a regular basis;
- scrutiny and early approval of transactions having strategic, economic or financial relevance for the Company, its subsidiaries and, specifically, those with related parties. The general criteria for the definition of “relevant transactions” are specified in chapter 13 below;
- valuation of the internal control system regarded as adequate, fully operating and effective during the Board of 17 March 2009, following to the periodic reports received by the persons responsible for the monitoring of the internal control system and by the Internal Control Committee itself.

Board’s self- assessment

Being close to office expiry and in consideration of the positive experience of past years, the Board believed it necessary, also for 2008, to proceed with the performance of a self-assessment test regarding its size, composition and operation as well as the size, composition and operation of its Committees, based on the same self-assessment criteria adopted in the past. The Board meeting of 30 September 2008 was entirely dedicated to this item and, as usual, the Board empowered the Governance Committee with the drafting of the topics and issues to be discussed.

Compared to past board reviews (2006 and 2007), the Board and its members received a positive valuation, though room for further improvement was also identified. This allowed to identify specific actions aimed at making the organisation more effective and the Board operation more efficient through the organisation of structured meetings with the management and also through an update on the evolution of the international scenario specifically targeting the media sector.

In the meeting of 16 December 2008, the Board performed a thorough analysis of the issues raised by the Governance Committee and gave a positive overall assessment of the Board and its Committees, confirming the satisfaction of the Board members for the results attained.

In particular, in 2008, the Board managed to adequately face the different projects that have characterised the financial year of reference and constantly played a key role in the corporate organisation framework. The Board is responsible for all the strategic, legal, organisational and administrative aspects, as well as the verification of the availability of the necessary controls to monitor the performance of the company and the group.

The atmosphere within the Board was constructive and positive and this also led to an open and transparent dialogue in full respect of the contribution provided by each single director, aiming at pursuing decisions based on a broad consensus. The Board decision-making process was based on prompt and effective information flows corroborated by timely reports. The presence of the Chief Financial Officer in the Board and his constant updates, as well as the presence of executive managers for the discussion of specific issues, provided qualified and exhaustive information. Directors were provided with all the necessary documents in due advance to allow them to prepare themselves to the discussion of the relevant items. The management has always been available for the provision of any additional information relative to the items subject to discussion.

5.3. CORPORATE OFFICERS

Chairman

The Chairman is traditionally appointed by the Shareholders' General Meeting. The Shareholders' General Meeting of 20 April 2006 confirmed Fedele Confalonieri as Chairman of the company.

In the meeting of 21 April 2006, the Board granted its Chairman all ordinary and extraordinary administrative powers up to a maximum amount of EUR 13,000,000.00 by single transaction, with the exception of the powers which fall within the exclusive competence of the Board pursuant to article 23 of the Company's By-Laws. Pursuant to the Company's By-Laws, the Company is represented by the Chairman of the Board.

Board members are committed to know the duties and responsibilities inherent to their offices. The Chairman is responsible for making the Board constantly updated on the main legal and regulatory modifications and supplements that affect the company, also in collaboration with the Head of Corporate Affairs and the Board Secretary.

The Chairman coordinates the work of the Board and chairs Board meetings. The Chairman, or any person in authority, is responsible for the convocation of the Board. Board meetings are convened based on the assumptions that all directors have been given the possibility of gaining full knowledge about the items on the agenda and gather useful information to constructively participate in the Board proceedings. For this purpose directors are provided with information on the items on the agenda in due advance prior to the Board meeting.

Vice Chairman

In the meeting of 21 April 2006, the Board confirmed Pier Silvio Berlusconi as Vice Chairman, granting him, by resolutions on 21 April 2006 and 8 May 2007, all ordinary and extraordinary administrative powers up to a maximum amount of EUR 10,000,000.00 by single transaction, and in any case excluding the granting of loans and the powers which fall within the exclusive competence of the Board pursuant to article 23 of the Company's By-Laws. Pursuant to the Company's By-Laws, the Company is represented by the Vice Chairman.

The Vice Chairman represents the Company in the case of the Chairman's absence or impediment. The replacement of the Chairman by the Vice Chairman for representation purposes should per se be regarded as evidence of the Chairman's absence or impediment and relieves third parties from any liability and verification obligation.

Managing Director

In the meeting of 21 April 2006 the Board confirmed Giuliano Adreani as Managing Director, granting him ordinary administrative powers up to a maximum amount of EUR 5,000,000.00 by single transaction, and in any case excluding the granting of loans and the powers which fall within the exclusive competence of the Board pursuant to article 23 of the Company's By-Laws, and those relating to the Chairman.

Pursuant to the Company's By-Laws, the Company is represented by the Managing Director.

Executive Committee

In the meeting of 21 April 2006 the Board appointed an Executive Committee composed of four members, who will remain in office for the period of office of the Board of Directors, and, specifically, these are: Fedele Confalonieri, Chairman; Pier Silvio Berlusconi, Deputy Chairman; Giuliano Adreani, Managing Director, being appointed by right pursuant to the Company's By-Laws, and Gina Nieri, Director.

The Board granted the Executive Committee all ordinary and extraordinary administrative powers up to a maximum amount of EUR 130,000,000.00 by single transaction, and in any case excluding the powers which fall within the exclusive competence of the Board pursuant to article 23 of the Company's By-Laws.

In 2008 the Executive Committee met eight times. The average duration of the meetings was approximately one hour. Directors' attendance (%) in the Committee's meetings is specified in the previous table 2 of this Report. Eight meetings are scheduled in 2009. One meeting has already been held.

Information to the Board

The directors are provided with information regarding the items on the agenda in due advance prior to board meetings. In any case, during board meetings all the items on the agenda are thoroughly presented, analysed and discussed to give directors the possibility of making a knowing decision.

For this purpose, directors' meetings are periodically organised with special reference to the independent directors, with the management of Mediaset and its subsidiaries, in order to provide them with a general overview of the structure of the Group as a whole and a broad understanding of its business. The above is intended to put them in a position to effectively perform their functions.

Delegated activities are constantly reported to the Board and the Statutory Auditors by the relevant delegated committees pursuant to the criteria established by article 1 of the Company's Code of Ethics attached hereto, article 20 of the Company's By-Laws and the provisions of current legislation.

During the first board meeting, the Chairman, Deputy Chairman, Managing Director, Executive Committee, Directors with special powers and, more in general, the delegated committees, report to the Board Directors and the Statutory Auditors about the state of completion of the projects entrusted to them and the activities included in their duties. In the Company's By-Laws it is established that: *"the Board and the Statutory Auditors are periodically informed, at least on a quarterly basis, by the board's delegated committees and subsidiary officers about the company's general performance, future foreseeable developments as well as on the most significant transactions from an economic and financial viewpoint and any transaction in which directors themselves may have an interest, on their own account or through third parties, or that is subject to the influence of any person, if any, that is in a position to exercise control and coordination activities over the company. For reasons of urgency or necessity, this information may also be provided through written reports"*.

5.4. OTHER EXECUTIVE DIRECTORS

In addition to the Chairman, Vice Chairman and Managing Director, the following three executive directors are also members of the Board:

- Mauro Crippa - General Information Manager, R.T.I. S.p.A.;
- Marco Giordani - Chief Financial Officer, Mediaset S.p.A., and Managing Director, R.T.I. S.p.A.;
- Gina Nieri - Division Manager, Institutional and Legal Affairs and Strategic Analysis, Mediaset S.p.A. and Vice Chairman, R.T.I. S.p.A.

5.4 BIS. NON-EXECUTIVE DIRECTORS

Non-executive directors provide their contribution through their specific skills in the business and in the board discussions and also provide their contribution, as institutionally required, in the making and in the adoption of resolutions compliant with the company's interest.

5.5. INDEPENDENT DIRECTORS

The Board values the independence of its non-executive members by focusing on the substance rather than the form. Directors are not generally regarded as independent in the cases described below, including without limitation:

- a) if they directly or indirectly control the company, also through subsidiaries, holding companies or third parties, or are in a position to exercise dominant influence over the company, or participate in a shareholders' agreement through which one or more persons may exercise control or dominant influence over the company;
 - b) if they are, or have been in the preceding three fiscal years a significant representative of the company, one of its subsidiary with strategic relevance or a jointly controlled company, or an entity that, jointly with others or through a shareholders' agreement, controls the company or is in a position to exercise dominant influence over the same company;
 - c) if they, directly or indirectly (e.g. through subsidiaries or companies of which they are significant representatives, or in their capacity as partners of a professional firm or a consulting firm), have or have had in the preceding fiscal year a significant commercial, financial or professional relation: with the company, one of its subsidiaries, or any of its significant representatives; with a person who, jointly with others or through a shareholders' agreement, controls the company or, in the case of a company or an entity, with the relevant significant representatives; or are, or have been in the preceding three fiscal years, an employee of the afore-mentioned entities;
 - d) if they receive, or have received in the preceding three fiscal years, from the company or a subsidiary or holding company, a significant additional compensation with respect to the "fixed" emolument of non-executive director of the company, including participation in incentive plans linked to the company's performance and stock option plans;
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- e) if they have been directors of the company for more than nine years in the last twelve years;
- f) if they are directors in a subsidiary company;
- g) if they are executive directors in another company in which an executive director of the company is a director;
- h) if they are shareholders or directors of a company or of a legal entity belonging to the same network as the company entrusted with the company's auditing activities;
- i) if they are close relatives of a person who holds any of the positions listed in the above paragraphs.

For the purpose of the foregoing, "relevant persons" in the company are: the legal representative, the Board Chairman, the executive directors and executive managers with strategic responsibilities in the relevant company.

With specific reference to competences, the Board believed it necessary to adopt additional criteria, assuming that the independent directors are required to have sufficient knowledge of the economic and business environment in which the company operates. Moreover, it would be preferable that they possess competences accrued in similar markets and/or sectors, such as for example:

- television (public and/or private) or cinema;
- media and telecommunications;
- advertising and marketing;
- university lecturing in Italian and/or foreign universities on subjects pertinent to the core business of the Group, or, in other words, economics, finance, law, accounting and communication science and techniques;
- the financial sector.

The Board periodically assesses the satisfaction of the independence requirements of the directors, also with the support of the Governance Committee.

Mediaset S.p.A. Board includes four independent directors who meet the independence requirements established by article 148 of the Consolidated Finance Act and those indicated above referring to the Company's Code of Ethics.

Each independent director is committed to promptly inform the Board about any defaulting situations in terms of compliance with the independence requirements.

The Governance Committee supported the Board in the assessment of the independence requirements of the Directors over time. These were in fact confirmed in the Board Meeting of 23 June 2008. In the meeting of 30 September 2008, the Statutory Auditors verified that the procedures and the criteria adopted by the Board to ascertain directors' independence requirements were correct.

The number and the skills of the independent directors are adequate in relation to the Board composition and the business activities pursued by Mediaset. In addition, they allow for the establishment of committees from among Board members, which will be described in detail in this report.

In order to enable the independent directors to perform their duties effectively, in addition to the Chairman's activities ensuring that the Board as a whole is constantly kept up to date on the main legislative and regulatory amendments and supplements introduced over time that affect the company, targeted meetings of the independent directors are periodically organised with the top management of Mediaset and its subsidiaries in order to provide a general overview of the structure of the Group as a whole and a better understanding about its business activities. Statutory Auditors, too, participate in these initiatives. The independent directors, assisted by the Board Secretary, participated in various activities aimed at increasing their understanding and knowledge about corporate events and facts, including, without limitation business, organisation, technology and the market. In 2008, the independent directors continued their activity of in-depth analysis of the group. In the meeting of 14 July 2008, the independent directors discussed with the top management of Medusa Film, a subsidiary company acquired in July 2007, topics regarding the relevant acquisition procedure, the management and exploitation of film rights, the main competitors in the market and the geographical distribution, and the sales figures of Medusa theatres; with the top management of Digitalia '08, an advertising concession company operating on the digital terrestrial platform, they discussed topics regarding the initiatives, content and, in brief, the current sales figures of the Group's digital business with particular reference to Mediaset Premium, the digital terrestrial platform of Mediaset and Internet.

In September the independent directors met the top management of Gestelevision Telecinco S.A., a Spanish subsidiary based in Madrid and listed on the Madrid Stock Exchange, to discuss the organisation of the company and the business in which the Spanish leading commercial television broadcaster is currently operating also in the light of the changed regulatory framework in the country.

The independent directors met once without the other directors on 14 July 2008. During the meeting the independent directors analysed the Group's main economics; monitored the Board's Self-Assessment process; learned about developments in legislation and the regulatory framework of reference and examined the strategic aspects and critical issues. The manifest participation of the parties involved and the satisfactory level of quality and quantity of the information supplied allowed the independent directors to further increase their knowledge about the Group, enabling them to also increasingly knowingly contribute as directors and expressed a favourable opinion about the Group's management. The Board of Directors was informed about the positive outcome of the meeting.

5.6. LEAD INDEPENDENT DIRECTOR

The Board decided not to opt for the recommendation of Borsa Italiana to appoint a "lead independent director" as it considers that the current corporate governance structure ensures both ongoing flows of information to all directors, both executive and non-executive, independent and non-independent, and also ample active involvement in the Company's management.

6. USE OF CONFIDENTIAL INFORMATION

Privileged information

During 2006, the Board approved of the review of the Mediaset Group “Management and disclosure of privileged information” policy, governing the internal management and disclosure to the public of privileged information, and proceeded with the development of a Company’s “Register of persons having access to privileged information” (Insider Registry) subject to ongoing updating activities, pursuant to article 115-bis of Italian Law Decree 58 of 24 February 1998.

This guideline had been previously examined by Mediaset S.p.A. Internal Control Committee which gave its opinion in favour for the relevant adoption.

The afore-mentioned guideline applies to members of the corporate bodies and employees of Mediaset S.p.A. and its subsidiaries, who have access to privileged and/or relevant information except for the listed company Gestevisión Telecinco S.A. and its subsidiaries, in consideration of the fact that Gestevisión Telecinco is committed to keep its own Insider Registry to fulfil its disclosure obligations with respect to privileged information vis-à-vis the Spanish market and in compliance with the from time to time applicable law regulations.

Pursuant to the Company’s Code of Ethics attached hereto, the Chairman, the Deputy Chairman and the

Managing Director are committed to collaborate in order to ensure the correct management of corporate information.

Mediaset directors and statutory auditors and, in general, all the parties falling within the category referred to in the previously mentioned guideline are committed to regard all the documents and information and, specifically, relevant and privileged information, acquired in the accomplishment of the relevant duties as strictly confidential.

Disclosures to the competent authorities and the market must be performed pursuant to currently applicable law provisions, fully observing provisions concerning information parity and those established in the guidelines above described.

The company proceeded with the dissemination of the afore-described procedure to the employees of the company and its subsidiaries.

Upon the request made by the Board, the Mediaset S.p.A. Chief Financial Officer is charged with the ongoing monitoring of the implementation and updating of the afore-mentioned guideline, also in the light of the best practices adopted in the field and for the purpose of ascertaining its effectiveness. The Chief Financial Officer periodically reports to Mediaset S.p.A. Internal Control Committee and the Statutory Auditors in this respect.

In compliance with the law in force, the company established the Registry of the persons, who have access to relevant and/or privileged information concerning the company and its subsidiaries (Insider Registry) as a consequence of the accomplishment of their duties or in correlation with their functions within the company.

Moreover, the company has also identified a Person Responsible for the updating and conservation of the Insider Registry in Mediaset S.p.A. Corporate Affairs.

The establishment, management and updating of the Insider Registry are governed by the corporate "Management and disclosure of privileged information" policy.

Internal dealing

On 1 April 2006 the internal dealing rules adopted by Mediaset S.p.A. through its Code of Ethics issued in November 2002, were replaced by new regulations, which introduced a legal obligation of disclosure to the public and Consob of all the transactions performed by the relevant persons and by the persons closely related to them involving financial instruments issued by the company.

The company adopted the afore-mentioned obligations and specifically:

- identified the Person Responsible for the collection, management and disclosure of communications to the market. In the Mediaset Group this function is performed by Mediaset S.p.A. Corporate Affairs, which was previously also in charge of the Company's preceding Code of Ethics;
- identified, also in the light of the clarifications provided by Consob in its Circular Letter DME/6027054 of 28 March 2006 in the matter of understanding the meaning of the term "relevant", those relevant subsidiaries whose equity book value exceeds 50% of Mediaset S.p.A. assets, as reported in the most recently approved financial statements;
- established a procedure aimed at directly monitoring the corresponding relevant value of its subsidiaries and identified those persons in charge of providing the relevant disclosures from among its executive managers;
- informed the persons concerned about this and the obligations correlated thereto.

In compliance with Consob recommendation as per its Circular Letter dated March 2006, the company has created a special section in its website (www.mediaset.it) dedicated to "Internal Dealing" (investor/governance/internaldealing_en.shtml/).

7. COMMITTEES WITHIN THE BOARD

The Board may establish committees composed of members who are not board directors. The Board establishes their duties, powers and compensation, if any, in addition to their composition and operation. Committees with members who are not board directors only have an advisory function.

In 2006, the Board set up two additional advisory committees from among its members: the Governance Committee and the Remuneration Committee, in addition to the previously established Internal Control Committee.

The Committees report to the Board. Each Committee develops a calendar of meetings for the current year.

Committees established and operating within the Board comply with the criteria set forth in article 6 of Mediaset Code of Ethics (composition, drafting of the minutes, business information flows, access to outside consultants, attendance of non-members in meetings upon request made by the Committee with specific reference to single items on the agenda). The Committees have adopted their own operating rules.

In 2007, the Board of Directors provided individual Committees with sufficient financial resources for the accomplishment of the relevant tasks, within the budget limits approved by the Board.

7.BIS GOVERNANCE COMMITTEE

The Governance Committee was established on 21 April 2006 and comprises three non-executive, independent Directors holding office for the same period of validity of the Board, and specifically:

Attilio Ventura	Chairman – Independent Director
Paolo Andrea Colombo	Independent Director
Luigi Fausti	Independent Director

In 2008, the Governance Committee met four times. The Directors' attendance (%) in Committee's meetings is reported in the previous table 2 of this Report.

Committee meetings were attended, in general, by the Chief Statutory Auditor or any other Statutory Auditor as well as, upon the Committee's Secretary request, the heads of the specific corporate functions and external advisors invited to expand on particular issues.

Functions

The Board entrusted the Governance Committee with the tasks specified in the Company's Code of Ethics, and, specifically, Corporate Governance is responsible for:

- the assessment of the Company's Code of Ethics, containing corporate governance principles that the Board follows in the accomplishment of its functions, and formulation of possible proposals;
- the adoption of the instructions given and requests made by the Board with particular reference to the reviews of Company's Code of Ethics;
- supporting the Board in the assessment of the ongoing availability of the requirements of independence requested from the independent directors.

In 2008 the Committee carried out the activities pertaining to its sphere of competence, which continued in 2009, and, specifically, it:

- supported the Board in the decision-making process regarding the maximum number of offices that a director or statutory auditor may hold in other companies;
- examined the "Directors' Report on Corporate Governance" relative to the 2007 financial year;
- constantly monitored the implementation of the Company's Code of Ethics adopted in March 2007;
- assisted the Board in the annual assessment of the availability of the requirements of independence requested from its directors;
- developed the issues to be included in the Board self-assessment test;
- examined the "Directors' Report on Corporate Governance" relative to the 2008 financial year;
- supported the Board in the decision-making process regarding the applicability of the provisions set out in the Company's Code of Ethics to the newly acquired companies. Such provisions, in fact, include, among others, the identification of subsidiaries having a strategic relevance in terms of size and business reach.

The Committee adopted its own operating rules and minutes were taken of all of its meetings. The Head of Corporate Affairs chairs the committee meetings acting as Committee Secretary. The Secretary, in agreement with the Committee's Chairman, is responsible for forwarding all the documents available that can be of support for the discussion of the items on the agenda, to all Corporate Governance Committee members prior to the relevant meetings.

In the meeting of 1 March 2007, the Board resolved upon providing the Corporate Governance Committee with financial resources amounting to EUR 100 thousand for the accomplishment of the relevant tasks, within the budget limits approved by the Board.

Committee members also receive an attendance fee for each meeting in which they have attended, as established by the Shareholders' General Meeting of 20 April 2006.

8. APPOINTMENT COMMITTEE

The Board opted for not establishing any Appointment Committee from among its members in consideration of the fact that the Company's By-Laws already include a provision regarding the presentation of lists of candidates to be appointed Directors and Statutory Auditors in the Board.

9. REMUNERATION COMMITTEE

The Remuneration Committee was established on 21 April 2006 and comprises three non-executive Directors, the majority of whom is independent, holding office for the same period of validity of the Board, and specifically:

Bruno Ermolli	Chairman – Non executive Director
Paolo Andrea Colombo	Independent Director
Attilio Ventura	Independent Director

No one of the directors concerned attended the meetings of the Remuneration Committee, during which proposals were made to the Board in relation to compensation-related items.

In 2008 the Remuneration Committee met once. Directors' attendance (%) in the Committee's meetings is reported in the previous table 2 of this Report.

The Chief Statutory Auditor attended the meeting and appointed a secretary, who also chaired the meeting.

Functions

The Board entrusted the Remuneration Committee with the tasks specified in the Company's Code of Ethics. Specifically, the Remuneration Committee is responsible for submitting proposals to the Board and for the carrying out of periodic assessments in relation to the following aspects:

- emoluments acknowledged to directors holding specific positions in Mediaset SpA, including the provision that part of their compensation be linked to the Company's financial performance and attainment of other specific targets;
- general remuneration criteria applicable to Mediaset Group executive managers (fixed/variable portion, MBO reference parameters, assessment and regulation criteria for emoluments/compensation relative to offices held in other Group companies);

- criteria, categories of beneficiaries, amount, terms, conditions and methods of application of corporate stock option plans.

In relation to the afore-mentioned tasks and based on the instructions provided by the Board, in 2008, the Remuneration Committee drafted a proposal concerning the allocation of the option rights for the year 2008, that relate to the 2006/2008 Stock Option Plan, including the identification of the categories of beneficiaries, areas of operation and total number of option rights subject to allocation, broken down by brackets.

The Remuneration Committee adopted its own operating rules and minutes were taken of all of its meetings.

In the meeting of 1 March 2007, the Board resolved upon providing the Remuneration Committee with financial resources amounting to EUR 200 thousand for the accomplishment of the relevant tasks, within the budget limits approved by the Board.

Committee members also receive an attendance fee for each meeting in which they have attended, as established by the Shareholders' General Meeting of 20 April 2006.

10. DIRECTORS' COMPENSATION

Directors' compensation is fixed at a sufficient level to attract, retain and motivate directors having those professional skills that are deemed necessary for the successful management of the company.

Executive directors' compensation is calculated in order to make their interest be aligned with the pursuit of the shareholder value creation primary focus in the medium-long term.

Directors' compensation is shown below as well as in Table I of the Explanatory Notes to the Company's financial statements.

Table I
Compensation to Directors and Statutory Auditors, General Managers and Executive Managers with strategic responsibilities (*)

Full name	Position held in Mediaset. S.p.A.			Emoluments (1)				
	Position	Term of mandate	End of mandate (4)	Emoluments at the office	Benefits in kind	Bonus and other incentives	Other Remunerations	
Confalonieri Fedele (2)	Chairman of the Board	01.01.2008 - 31.12.2008	31.12.2008	1,548,000.00	10,041.81		1,978,824.94	
Berlusconi Pier Silvio (2)	Deputy Chairman	01.01.2008 - 31.12.2008	31.12.2008	1,027,000.00	1,651.89		425,896.19	
Adreani Giuliano (2)	Managing Director	01.01.2008 - 31.12.2008	31.12.2008	531,000.00	7,228.32		2,496,019.14	
Berlusconi Marina	Director	01.01.2008 - 31.12.2008	31.12.2008	21,000.00				
Cannatelli Pasquale (3)	Director	01.01.2008 - 31.12.2008	31.12.2008	24,000.00				
Colombo Paolo Andrea	Director	01.01.2008 - 31.12.2008	31.12.2008	27,000.00				
Crippa Mauro (2)	Director	01.01.2008 - 31.12.2008	31.12.2008	24,000.00	4,439.32	150,000.00 (5) 50,000.00 (6)	573,480.18	
Ermolli Bruno	Director	01.01.2008 - 31.12.2008	31.12.2008	24,500.00				
Fausti Luigi	Director	01.01.2008 - 31.12.2008	31.12.2008	41,000.00				
Giordani Marco (2)	Director	01.01.2008 - 31.12.2008	31.12.2008	24,000.00	4,894.92	250,000.00 (5) 150,000.00 (6)	799,819.25	
Messina Alfredo (2)	Director	01.01.2008 - 31.12.2008	31.12.2008	33,000.00			84,000.00	
Nieri Gina (2)	Director	01.01.2008 - 31.12.2008	31.12.2008	32,000.00	4,750.29	200,000.00 100,000.00 (6)	644,130.83	
Secchi Carlo	Director	01.01.2008 - 31.12.2008	31.12.2008	34,000.00				
Ventura Attilio	Director	01.01.2008 - 31.12.2008	31.12.2008	31,000.00				
Giussani Alberto	Chairman of the Board of Statutory Auditors	16.04.2008 - 31.12.2008	31.12.2010	62,000.00				
Bianchi Martini Silvio	Statutory Auditor	16.04.2008 - 31.12.2008	31.12.2010	41,333.33				
Giampaolo Francesco Antonio (2)	Chairman of the Board of Statutory Auditors	01.01.2008 - 16.04.2008		31,000.00			113,258.72	
Perotta Riccardo (2)	Statutory Auditor	01.01.2008 - 16.04.2008		20,666.67			17,175.00	
Vittadini Francesco (2)	Statutory Auditor	01.01.2008 - 31.12.2008	31.12.2010	62,000.00			137,374.77	

(*) *Managers with strategic responsibilities in Mediaset S.p.A. are Company Directors.*

- (1) *The fees specified exclusively refer to the period in which office is held.*
- (2) *Other responsibilities held in subsidiary companies as per table below.*
- (3) *For this responsibility, the fee is directly paid to the company.*
- (4) *The members of the Board of Directors hold office until the financial statements as at 31.12.2008 are approved and the members of the Board of Statutory Auditors hold office until the financial statements as at 31.12.2010 are approved.*
- (5) *The exact sum, that will be established and delivered after the approval of the financial statements, will be consequent to the achievement of the objectives to which it was correlated.*
- (6) *Bonus relating to FY 2007 paid in FY 2008.*

The compensation acknowledged to non-executive directors is proportional to their commitment, including also their possible participation in one or more committees.

On 20 April 2006 the Shareholders' General Meeting resolved upon the annual gross amount to be paid to the Board equal to EUR 232,000.00 and divided as follows:

- EUR 24,000.00 to the Board Chairman;
- EUR 16,000.00 to each Board member.

the possibility of drawing partial amounts during the year was also granted to them.

The same Shareholders' General Meeting resolved upon a gross attendance fee to be acknowledged to Board members amounting to EUR 1,000.00 and also including a 50% supplement in favour of the Chairman in relation to the latter's attendance in both Board and Committee meetings.

2006/2008 Stock Option Plan

The Shareholders' General Meeting of 20 April 2006, for the purpose of fostering employee loyalty and increasing involvement and motivation in the Group's corporate operations and activities, approved the creation of a Stock Option Plan based on its Treasury shares in favour of the eligible employees of the company and its subsidiaries, with a duration of three years starting from 2006. Eligible employees are selected by the Company's Board of Directors from among the key people holding strategic positions for the achievement of the Group's strategic results. In addition, approval was also given for similar projects involving the shares of directly or indirectly controlled subsidiaries and affiliated companies of the holding company, should the Company's Board of Directors deem it appropriate.

As a result, the Shareholders' General Meeting entrusted the management of the 2006/2008 Stock Option Plan to the Company's Board of Directors, granting it all the powers necessary for the selection of the eligible candidates, the determination of performance targets, the assignment of option rights and all aspects regarding the implementation of the stock option plan. In particular, the Company's Board, with specific reference to 2008 fiscal year:

- identified the eligible participants in the 2008 plan;
 - allocated the option rights;
 - defined that the exercise price for the options is the normal price of Mediaset ordinary shares resulting from the mathematical average of the reference prices reported by Borsa Italiana S.p.A. in the period extending from the allocation date and the same day of the previous calendar month in compliance with the tax regulation in force;
 - established that the options can be exercised upon achievement of the yearly economic and financial performance targets, such as "ROE" and "Free – cash flow". The fulfilment of the exercise conditions will be verified by the Board for every year of the plan within the first six-month period of the year following the year in which the options were allocated;
 - established that the options allocated for 2008 can be exclusively exercised 36 months after the date of allocation, subject to fulfilment of the afore mentioned conditions for the exercise of the options.
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The 2003/2005 and 2006/2008 stock option plans resulted in the following stock option allocations on Mediaset shares:

Year 1/1 - 31/12	Number of participant to Plant	Options rights attributed for the purchase of company shares	Exercise price	Exercise period only allowed in one purchase	Check of compliance with the criteria established by the Board of Directors
2004	130	3,415,000	EUR 9.07	23.6.2007/22.6.2009 (*)	Rights to exercise
2005	132	3,774,500	EUR 9.60	23.6.2008/22.6.2011 (*)	Rights to exercise
2006	128	3,716,000	EUR 8.92	26.7.2009/25.7.2012 (*)	Options rights non available for the exercise as a result of unmet pre-requisites
2007	43	3,130,000	EUR 7.87	29.6.2010/28.6.2013	Rights to exercise
2007	1	100,000	EUR 7.73	18.7.2010/17.7.2013	Rights to exercise
2008	46	3,290,000	EUR 4.86	24.6.2011/23.6.2014	Rights to exercise

(*) In the meeting of 28 June 2007, the Board of Directors approved the new exercise dates of 2004, 2005 and 2006 plans in order to comply with the new regulation in force.

2003/2005 Stock Option Plan

To date options have been allocated to exercise the rights on n. 7,189,500 Mediaset shares, corresponding to 0.61% of the Company's share capital, the requirements of which have been met.

2006/2008 Stock Option Plan

To date options have been allocated to exercise the rights on n. 6,520,000 Mediaset shares, corresponding to 0.55 % of the Company's share capital, the requirements of which have been met, and n. 3,716,000 Mediaset shares, corresponding to 0.31 % of the Company's share capital, the requirements of which have not been met.

Table 2

Stock option rights assigned to Directors, General Managers and Executive Managers with strategic responsibilities(*)

(values in EUR)

Full name	Position held	Options held at the beginning of the year 01/01/2008			Options assigned during the year 2008			Options exercised during the year 2008			Options expired during the year 2008		Options held at the end of the year 31/12/2008		
		Number of options	Exercise price	Expiry date	Number of options	Exercise price	Expiry date	Number of options	Exercise price	Market price at the exercise	Number of options	Number of options	Exercise price	Expiry date	
Fedele Confalonieri	Chairman	170,000	1) 9.07	22.06.2009											
		340,000	2) 9.60	22.06.2011											
		450,000	3) 7.87	28.06.2013											
					450,000	4.86	23.06.2014								
Pier Silvio Berlusconi	Deputy Chairman	150,000	1) 9.07	22.06.2009											
		300,000	2) 9.60	22.06.2011											
		360,000	3) 7.87	28.06.2013											
					360,000	4.86	23.06.2014								
Giuliano Adreani	Managing Director	110,000	1) 9.07	22.06.2009											
		220,000	2) 9.60	22.06.2011											
		270,000	3) 7.87	28.06.2013											
					270,000	4.86	23.06.2014								
Mauro Crippa	Director	62,000	1) 9.07	22.06.2009											
		62,000	2) 9.60	22.06.2011											
		100,000	3) 7.87	28.06.2013											
					100,000	4.86	23.06.2014								
Gina Nieri	Director	62,000	1) 9.07	22.06.2009											
		62,000	2) 9.60	22.06.2011											
		100,000	3) 7.87	28.06.2013											
					100,000	4.86	23.06.2014								
Marco Giordani	Director	62,000	1) 9.07	22.06.2009											
		62,000	2) 9.60	22.06.2011											
		100,000	3) 7.87	28.06.2013											
					100,000	4.86	23.06.2014								

1) Options allocated in 2004

2) Options allocated in 2005

3) Options allocated in 2007

4) On 28 June 2007, the Board of Directors approved the proposal for the change in the dates of exercise in order to adjust to the regulation concerning of the 2004 and 2005 stock option plans.

(*) Mediaset S.p.A. managers with strategic responsibilities are Company Directors.

Below is Table 3 relative to “Equity investments of directors and statutory auditors, general managers and executive managers with strategic responsibilities in the company and its subsidiaries pursuant to SCHEME 3) of Annex 3C) of the afore-said regulation “ as better detailed in the Explanatory Notes to the Company’s 2007 financial statements.

Full name		Invested Company	Number of share held as at 31/12/2007	Number of shares purchased	Number of shares sold	Number of share held as at 31/12/2008
Confalonieri Fedele	B. of Dir.	Mediaset S.p.A.	1,029,000	48,000	-	1,077,000
Adreani Giuliano	B. of Dir.	Mediaset S.p.A.	322,100	7,000	-	329,100 (1)
Berlusconi Marina	B. of Dir.	Mediaset S.p.A.	-	570,000 (2)	-	570,000 (2)
Berlusconi Pier Silvio	B. of Dir.		-	-	-	-
Cannatelli Pasquale	B. of Dir.	Mediaset S.p.A.	76,500	-	-	76,500
Colombo Paolo Andrea	B. of Dir.	Mediaset S.p.A.	1,000 (3)	-	-	1,000 (3)
Crippa Mauro	B. of Dir.	Mediaset S.p.A.	14,795	-	11,200	3,595
Ermolli Bruno	B. of Dir.	Mediaset S.p.A.	19,000	-	-	19,000
Fausti Luigi	B. of Dir.		-	-	-	-
Giordani Marco	B. of Dir.		-	-	-	-
Messina Alfredo	B. of Dir.		-	-	-	-
Nieri Gina	B. of Dir.	Mediaset S.p.A.	5,500	-	-	5,500
Secchi Carlo	B. of Dir.		-	-	-	-
Ventura Attilio	B. of Dir.		-	-	-	-
Giussani Alberto	Int. Aud.		-	-	-	-
Bianchi Martini Silvio	Int. Aud.		-	-	-	-
Vittadini Francesco	Int. Aud.		-	-	-	-

(*) *Mediaset S.p.A. Executive managers with strategic responsibilities are Company Directors*

(1) *of which 7,000 shares owned by the spouse*

(2) *shares acquired through a subsidiary*

(3) *of which 500 shares owned by the spouse.*

As of the Board meeting of 16 April 2008, the terms of Antonio Francesco Antonio Giampaolo, Chief Statutory Auditor, and Riccardo Perotta, Statutory Auditor, who had no stake in the Company, expired.

A more detailed analysis regarding the stock option plans adopted by the Company is provided in the Explanatory Notes to the Company’s financial statements.

II. INTERNAL CONTROL COMMITTEE

As previously stated, pursuant to the provisions established in the Company's Code of Ethics, the Board is responsible for assessing the adequacy of the internal control system with respect to the Company's own characteristics, by ensuring that its assessments and decisions regarding the internal control system, the approval of the Company's financial statements and interim reports, as well as the Company's relations with the independent auditing firm it relies upon, are corroborated by sufficiently effective and exhaustive preliminary activities. To this end, on 21 April 2006, the Board resolved upon the establishment of an Internal Control Committee, with the assistance of which it carried out the tasks for which it is responsible in compliance with the provisions set out in the Company's Code of Ethics. The Internal Control Committee comprises three non-executive Directors the majority of whom are independent, holding office for the same period of validity of the Board. These Directors, having a specific knowledge and expertise in accounting and financial matters, are:

Luigi Fausti	Chairman – Independent Director
Alfredo Messina	Non executive Director
Carlo Secchi	Independent Director

In 2008, the Internal Control Committee met ten times and, on that occasions, upon the Committee's specific request, persons were invited, who were not members of the same committee and who reported exclusively on some specific items on the agenda of the relevant meeting. These were the person responsible for Internal Control, the Supervision and Control body, the manager responsible for the drafting of corporate accounting documents, representatives of the independent auditing firm, heads of specific corporate functions in relation to the company and/or the group as well as, if deemed necessary, external advisors.

The Chief Statutory Auditor or any other Statutory Auditor attended the meetings.

Directors' attendance (%) in the Committee's meeting is reported in the previous table 2 of this Report.

Functions

In addition to assisting the Board in the accomplishment of the latter's tasks in the matter of internal control pursuant to Art. 10.5 of the Company's Code of Ethics attached hereto, the Internal Control Committee is responsible for the functions listed in article 11.1 of the same Code. Furthermore, in 2008, the Board entrusted the Internal Control Committee with the carrying out of the due analyses in order to verify compliance with the "Guidelines relative to Mediaset transactions having a strategic, economic and financial relevance and, in particular, transactions with the related parties" approved by the Board on 18 December 2007 pursuant to Consob existing and future regulations in the matter (Consob document governing transactions with the related parties to be issued on 9 April 2009) , as well as the drafting, when necessary, of a proposal for amendment or supplement of the same guidelines.

Specifically, the Internal Control Committee:

- positively valued the "2007 Activity Plan" drafted by the Person responsible for Internal Control;
 - requested, in line with the international standards governing internal auditing, a "Quality Assurance Review" of internal auditing activities from an independent and certified auditing firm. This project, presented by the Internal Auditing Function, included the verification of compliance of the Company's internal auditing activities with the international standards and Auditors' specific Code of Conduct. The same project was examined and discussed by the Internal Control Committee. It includes a self-assessment process for the afore-listed activities carried out by the Mediaset Group Internal Auditing Central Function in collaboration with Pricewaterhouse Coopers Advisory, acting as auditing advisor, and the subsequent certification provided by an external, independent and qualified auditor. The project was illustrated to the Board and is expected to be completed in 2009;
 - requested and received from the competent corporate functions, an update to further forward to the Board, regarding the impact of Italian Law n.123 of 3 August 2007 and the subsequent Italian Law Decree n.81 of 9 April 2008 in the matter of health and safety in the work place as well as Italian Law Decree n.231 in the matter of measures against money laundering and financing of terrorist activities. The Internal Control Committee reported to the Board thereupon;
 - acknowledged the activities carried out for the purpose of assisting the Person Responsible for the drafting of the corporate accounting documents pursuant to Italian Law n.262/2005 in the matter of assets management in view of the release of the relevant certification for the separate and consolidated financial statements as at 31 December 2007, as provided for in Art. 154 bis, paragraph 5 of the Consolidated Finance Act;
 - acknowledged the drafting and implementation, by the competent corporate functions, of the Mediaset Group Accounting Manual, giving its favourable opinion on the work accomplished. The Accounting Manual includes guidelines for the drafting of separate and consolidated financial statements of the Mediaset Group, based on the IAS/IFRS international accounting principles;
 - examined the recommendations made by Deloitte & Touche in the auditing firm's relevant letter and positively assessed the comments made and the relevant suggestions, as well as the work carried out by the Mediaset Group Management to give execution thereto;
 - assessed, in collaboration with the Person Responsible for the drafting of the corporate accounting documents and the auditing firm Deloitte & Touche S.p.A., the accounting principles adopted by the Mediaset Group and their compatibility for the purpose of consolidated reporting and considered the same as correctly applied;
 - acknowledged and positively assessed the Independent Auditors' Reports on Mediaset S.p.A. financial statements as at 31 December 2007 and on the Mediaset Group's consolidated financial statements as at 31 December 2007 (Deloitte & Touche S.p.A.);
 - examined and positively assessed the proposal made by Deloitte & Touche S.p.A., the external auditing firm, in relation to "Fast Closing". This specifically relates to the assistance provided upon early closing and approval of the interim accounts as at 30 June 2008, based on the new
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timing introduced through the adoption of the EU Directive governing “Transparency” and decided to submit such proposal to the Board;

- examined the proposal made by the advisory firm Pricewaterhouse Coopers Advisory regarding the support for the accomplishment of some activities correlated to the updating of the Models of Organisation, Management and Control pursuant to Italian Law Decree n.231/2001 adopted by some Group companies, following to amendments and/or supplements that have been introduced with reference to the enacted regulations in the matter of health and safety in the work place as well as in the matter of measures against money laundering. Said support would also be extended to the carrying out of a preliminary analysis relative to the applicability of “cross-border crimes” pursuant to Italian Law Decree 146/06. In this respect the Internal Control Committee released its opinion in favour;
 - examined and positively assessed the “2008 Activity Plan” drafted by Reconta Ernst & Young S.p.A. specifically dealing with auditing activities. Approving of a motivated proposal made by the Statutory Auditors, the Shareholders’ General Meeting of 16 April 2008 resolved upon entrusting the afore-mentioned company with the formal auditing of the separate and consolidated financial statements as well as the limited auditing activities on the interim accounts for the years 2008-2016;
 - acknowledged that none of the Mediaset Group companies, established and subject to laws other than those applicable in the European Union, fall within the category envisaging the application of Art. 36 of Consob Market Regulation. Specifically, the analysis carried out revealed that none of the afore-mentioned companies (and any non-EU subsidiary) is controlled and that, in any case, the same companies are not relevant based on both quantitative (assets and revenues) and qualitative criteria (dominant influence on the economic and financial position of the Mediaset Group) envisaged by article 151 of Consob Issuers Regulation. The Internal Control Committee requested that these results are presented to the Board;
 - acknowledged and approved of the summary of the periodic Reports drafted during the year of reference by the Internal Auditing Function and positively assessed, among others, the implementation of control measures by the Medusa Film S.p.A. management, a company acquired in 2007, and the subsequent adjustment to other Group companies;
 - acknowledged the reports drafted by the Person Responsible for Internal Control in relation to “the valuation of the Mediaset Group internal control system” for the year 2007 and as at 30 June 2008, approving of the relevant comments made therein;
 - acknowledged the interim Reports drafted by the competent Supervision and Control body within Mediaset in relation to the audits carried out and the initiatives undertaken in compliance with Italian Law Decree 231/01;
 - acknowledged the “2008 Audit Plan” drafted by the subsidiary Gestelevision Telecinco S.A., whose objectives include the adjustment of the Telecinco Group to the principles envisaged in Italian Law Decree 262/2005, as requested by Mediaset. The Company’s representatives shall provide, on a half-year basis, the Internal Control Committee with an update on the relevant audits carried out by Telecinco itself, without prejudice to the autonomy, scrutiny and approval of the competent corporate bodies of the Spanish listed company;
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- acknowledged, with specific reference to the issue regarding the acquisition and management of rights, the new organisational guideline in the matter of “Planning, acquisition and management of rights” adopted by the Mediaset Group and the relevant new aspects introduced as compared to the previously enforced procedure. The modifications also referred to the structure, content and procedure for the approval of the “List of institutional suppliers of rights”. In particular, the list, prepared by RTI S.p.A. Rights Function, does not only include RTI suppliers of rights, but also the suppliers for other group subsidiaries. The list, in fact, also comprises suppliers of sports rights, information rights, entertainment rights and similar, in addition to the already existing film and mini-series rights. The procedure establishes that the lists, collected in one single document under the title of “List of institutional suppliers of rights”, are approved by the Boards of RTI and its subsidiaries; that they are examined by Mediaset S.p.A.’s corporate bodies – the Internal Control Committee and the Executive Committee, each for their own competence – and, lastly by the Board.
- acknowledged the periodic updates of the “List of institutional suppliers of rights” prepared by RTI S.p.A. rights Function;
- acknowledged and positively assessed the completion of the project – “Risk officer – Enterprise Risk Management” focusing on the internal system of corporate risk management. The final results of the project, contained in the relevant Report on the valuation of the main corporate risks, drafted by the Executive Director charged with the task of supervising the correct operation of the internal control system, were presented to the Board.

Lastly, the Board requested the assistance of the Internal Control Committee to verify some transactions with related parties pursuant to the provisions set out in the relevant “Guidelines on strategically relevant transactions with related parties” approved on 18 December 2007 and implemented by the Mediaset Group, in order to express an opinion on the economic conditions and/or performance criteria and/or technical aspects and/or the legitimacy of the same transactions. In this respect, having performed all the necessary and/or useful analyses, the Committee provided the Board with its opinion in favour in relation to the transactions mentioned above.

During the first months of 2009, the Internal Control Committee continued the activities and, in particular, three meetings were held in which the Committee’s members:

- positively assessed the “2009 Activity Plan” drafted by the Person Responsible for the Internal Control;
 - examined and positively assessed the “2009 Activity Plan” drafted by Reconta Ernst & Young S.p.A. with specific reference to auditing activities;
 - acknowledged the updates regarding the audits carried out in 2008 by the Spanish subsidiary Gestevisión Telecinco S.A. and the relevant “2009 Audit Plan”. In particular, the company will be committed, during 2009, to continuing the adjustment to the provisions set out in Italian Law Decree 262/2005;
 - acknowledged the activities carried out by the Person Responsible for the drafting of the corporate accounting documents pursuant to Italian Law n.262/2005 in the matter of assets management in view of the release of the relevant certification for the separate and
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consolidated financial statements as at 31 December 2008, as provided for in Art. 154 bis, paragraph 5 of the Consolidated Finance Act;

- assessed, in collaboration with the Person Responsible for the drafting of the corporate accounting documents and the auditing firm Reconta Ernst & Young S.p.A. and the Statutory Auditors, the accounting principles adopted by the Mediaset Group and their compatibility for the purpose of consolidated reporting and considered the same as correctly applied;
- acknowledged and approved of the summary Reports released upon the closing of FY 2008, drafted by the Internal Auditing Function;
- acknowledged the report drafted by the Person Responsible for the Internal Control regarding “the valuation of the Mediaset Group internal control system” relative to 2008 and approved of the relevant comments contained therein.
- met the new collegiate Supervision and Control Body, appointed by the Board of Director on 16 December 2008 consequently the adoption of the new Company Organisation, Management and Control Model pursuant to Italian Law Decree 231/2001.

During the performance of the afore-mentioned activities and based on the reports received from the Person Responsible for Internal Control, no significant events have occurred that need to be commented upon. As a result, the Internal Control Committee regarded the Internal Control System as adequate.

In addition, in the light of the audits carried out by the Person Responsible for Internal Control and the “Policy for the management of the internal control system” adopted by the person in charge of the supervision and operation of the internal control system, based on the guidelines provided by the Board in the meeting of 28 June 2007, the Internal Control Committee invited the Board to confirm that the internal control system is fully operative and effective pursuant to the provisions set out in the Company’s Code of Ethics.

The Chief Statutory Auditor or any other Statutory Auditor attended the meetings of the Internal Control Committee.

The Internal Control Committee adopted its own operating rules and minutes were taken of all of its meetings.

The meetings are chaired by the Head of Corporate Affairs, acting as Committee Secretary. The Secretary, in agreement with the Committee’s Chairman, is responsible for forwarding all the documents available that can be of support for the discussion of the items on the agenda, to all Internal Control Committee members prior to the relevant meetings.

In the accomplishment of its duties, the Internal Control Committee, by means of the Board Secretary, accessed all the information and the Company’s own and/or the Group’s functions for the purpose above described and/or availed itself of the collaboration of external consultants.

In the meeting of 1 March 2007, the Board resolved upon providing the Internal Control Committee with financial resources amounting to EUR 350 thousand on a yearly basis, for the accomplishment of the relevant tasks, within the budget limits approved by the Board.

Committee members also receive an attendance fee for each meeting in which they have attended, as established by the Shareholders' General Meeting of 20 April 2006.

12. INTERNAL CONTROL SYSTEM

The internal control system comprises rules, procedures and organisational structures suitable for the implementation of a sound, consistent and correct corporate management aiming at attaining pre-established targets through an adequate process that includes the identification, measurement, management and monitoring of the main risks.

In compliance with art. 10.5 of Mediaset S.p.A. Code of Ethics, the Board, in collaboration with the Internal Control Committee:

- 1) defines the guidelines of the internal control system for the purpose of correctly identifying, measuring, managing and monitoring the main risks which the company and its subsidiaries are exposed to, and also defines the necessary criteria that the same entities must implement to face such risks in view of a sound and correct management of the company;
- 2) appoints an Executive Officer, charging him with the supervision of operation of the internal control system;
- 3) assesses, at least once in a year, the adequacy, effectiveness and correct operation of the internal control system;
- 4) describes the main elements of the internal control system in the Corporate Governance Report, expressing its opinion in relation to the system's global adequacy.

In addition, the Board is responsible for carrying out functions inherent to the internal control system, making reference to the organisation models and the best practices adopted at the national and international levels. Special attention is paid to organisation and management models pursuant to Italian Law Decree 231/2001.

In compliance with article 10.5 a) of the Company's Code of Ethics, on 28 June 2007 the Board, with the opinion in favour of the Internal Control Committee, established guidelines for the purpose of correctly identifying, measuring, managing and monitoring the main risks which the company and its subsidiaries are exposed to, and also defined the necessary criteria that the same entities must implement to face such risks in view of a sound and correct management of the company.

These guidelines make reference to the Enterprise Risk Management Framework in relation to the control procedures applicable to the internal control system. These guidelines led to the implementation of the "Policy for the management of the Internal Control System", adopted by the Executive Officer mentioned above and defining the elements composing the internal control system.

Based on Enterprise Risk Management criteria, any design of an internal control system must rely on the definition of the corporate strategy. Based on the same criteria, corporate objectives are broken down into the following categories:

- strategic: high level targets, in line and supporting the Company's mission;
- operating: correlated to the effective and efficient use of resources;

- reporting: correlated to the reliability of external and internal reporting;
- compliance: correlated to the compliance with the applicable laws and regulations.

Mediaset Group internal control system must be in a position to identify and measure the main risks that the company faces and that may prevent it from attaining the afore-mentioned objectives, in consideration of the characteristics of the core business of Mediaset S.p.A. and its subsidiaries, based on the following criteria:

- nature of risk, with specific reference to strategic, operating, reporting and compliance risks;
- risk propensity to jeopardize the Company's ability to attain targets;
- ability to adequately manage the identified risk.

A correct corporate risk monitoring activity must rely on an effective internal control system that can adequately support an acceptable level of risk. Specifically, the Mediaset Group internal control system includes the following activities:

- systematic monitoring by the management, of the main risks that the company faces, aiming at identifying and implementing, if necessary, corrective actions, to improve existing controls;
- performance of periodic audits on the adequacy and effectiveness of the internal control system, as well as prompt implementation of targeted controls in case of identification of weakness within the same system;
- reporting rules on the adequacy and effectiveness of the internal control system.

To this end, the Executive Officer charged with the supervision of operation of the internal control system is responsible for providing that the Mediaset Group Internal Control System:

- promptly reacts to significant risk conditions, by implementing adequate controls;
- ensures an adequate level of separation between operating and controlling functions, so as to avoid situations in conflict of interest in the tasks assigned in the framework of corporate processes;
- ensures that systems and procedures are used for the accurate registration of corporate events and facts from an operating and administrative-accounting viewpoint; and develops reliable and well-timed information flows within and outside the Group;
- develops criteria for prompt communication of the main risks and deviations of control to the competent Group functions, thus facilitating the identification and timely implementation of the relevant corrective actions.

According to Mediaset S.p.A. Code of Ethics, from the operating viewpoint, the Internal Control System is supported by:

- Risk Office, responsible for the process regarding corporate risk management through process definition, monitoring and consolidation, in accordance with the Enterprise Risk Management model;
- Internal Auditing, responsible for the performance of auditing activities aimed at assessing the correct operation of the internal control system and monitoring its effectiveness.

In the meeting of 17 March 2009, following to the reports received from the persons responsible for the supervision of the Internal Control System and from the Internal Control Committee, the Board acknowledged the internal control system as being adequate, fully operating and effective.

12.1. EXECUTIVE OFFICER RESPONSIBLE FOR THE SUPERVISION OF OPERATION OF THE INTERNAL CONTROL SYSTEM

In the meeting of 1 March 2007, the Board, with the opinion in favour of the Internal Control Committee, appointed Fedele Confalonieri, Board Chairman, responsible also for the supervision of operation of Mediaset S.p.A. internal control system until expiry of the Board and, precisely, until the date of approval of the financial statements as at 31 December 2008, charging him with the duties envisaged in Mediaset Code of Ethics.

As previously specified, the executive officer responsible for the supervision of operation of the internal control system specifically carried out the following activities:

- implementation of the guidelines issued by the Board through the adoption of the Enterprise Risk Management Policy, with the opinion in favour of the Internal Control Committee;
- supervised the adjustment of the internal control system to the operating, legislative and regulatory framework conditions;
- identification of the main risks (strategic, operating, financial and compliance) that the company faces, taking into account the characteristics of the core business of the company and its subsidiaries, based on the guidelines defined by the Board in relation to the internal control system. The analysis and valuation of the main business processes and business support processes, which had already started in 2007 with the entire involvement of the Group's management, led to presentation, in the first semester of 2008, of the results - contained in the report drafted by the Executive Officer in charge -, achieved by the Internal Control System (and, specifically, the results regarding the process underlying the identification and valuation of corporate risks) to the Board on 31 July 2008.

12.2. PERSON RESPONSIBLE FOR INTERNAL CONTROL

In the meeting of 21 April 2006 the Board appointed Aldo Tani, already Head of Internal Auditing within the Mediaset Group, also Person responsible for Internal Control. Aldo Tani was subsequently also re-confirmed in the Board meeting of 1 March 2007 upon the proposal made by the Executive Officer responsible for the supervision of operation of Internal Control System and with opinion in favour of the Internal Control Committee pursuant to the provisions established in article 10.6 of the Company's Code of Ethics. The Person Responsible for Internal Control is charged with the performance of the activities set out in the provisions contained in the Company's Code of Ethics.

In particular, pursuant to article 13 of the Company's Code of Ethics, the Person Responsible for Internal Control

- a) ensures that the internal control system is always adequate, fully operating and effective;
 - b) is not liable for any operating area and does not hierarchically report to any operating area manager;
 - c) has direct access to all useful information for the performance of his duties;
 - d) relies on adequate resources to perform his functions;
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- e) reports to the Internal Control Committee, the Statutory Auditors and the Executive Officer responsible for the supervision of operation of the internal control system. In particular, he reports on the procedures targeting risk management, compliance with the specifically designed risk reduction plans and expresses an opinion on the suitability of the internal control system to support an acceptable risk profile.

The Board did not establish any specific compensation in favour of the Person Responsible for Internal Control, as the same person already receives an overall amount that also covers the responsibilities correlated to Internal Auditing.

The Board did not allocate any amount to the Person Responsible for Internal Control in relation to the performance of the relevant functions, as the same person avails himself of the Internal Auditing Function for the performance of the relevant activities.

To support the technical opinion expressed on the adequacy of the internal control system, the Person Responsible for Internal Control analyses and shares in advance the following items:

- the results contained in the Audit Plan with the Group Internal Auditing function;
- the results of the risk valuation and management process with the Risk Officer and the Person Responsible for the drafting of the corporate accounting documents, in order to identify the main corporate risk areas.

The Person Responsible for Internal Control maintains periodic information flows with the bodies and corporate structures having supervision authority or exercising a monitoring activity on the internal control system, including, without limitation, the Person Responsible for the drafting of the corporate accounting documents, the independent auditing firm, the Statutory Auditors and the Supervision and Control Bodies pursuant to Italian Law Decree 231/01, each for its own competence.

12.3. ORGANISATION MODEL PURSUANT TO ITALIAN LAW DECREE 231/2001

The Board of Mediaset S.p.A. adopted an Organisation, Management and Control Model pursuant to Italian Law Decree 231/2001 (the “Organisation Model”) in its first draft on 29 July 2003 and subsequently supplemented it by means of the resolutions made on 18 December 2003, 7 November 2006 and 16 December 2008.

Through the adoption of its own Organisation Model – intended as a set of general and operating rules –, Mediaset S.p.A. relies on a general set of behaviour principles and procedures, that respond to the requirements set out in Italian Law Decree 231/01, governing the prevention of crimes and administrative crimes both in terms of monitoring the relevant implementation and the possible imposition of sanctions.

The Organisation Model adopted, in fact, includes principles, rules, provisions and organisation schemes that are referred to the management and control of the Company’s core business. The Organisation Model is contained in a summary document that comprises the general rules deemed suitable for preventing the crimes specified in Italian Law Decree 231/01. In the definition process for the Organisation Model, Mediaset S.p.A. drew inspiration from consolidated principles in the matter of corporate governance and internal control. Based on such principles, in fact, a risk

management and control system that is consistent with the provisions set out in the previously mentioned Italian Law Decree 231/2001:

- I. identifies and develops a mapping of the “activity areas at risk”, that is, those corporate areas which may be involved in potential risk of crime, and of the “instrumental processes” that could eventually lead to crimes, intended as processes in which, theoretically, conditions may be developed which may facilitate the development of crimes;
- II. analyses the potential risks for the “activity areas at risk” and for the “instrumental processes” identified as above described, with particular reference to the occurrence of crimes;
- III. analyses the potential risks and valuates the system adopted by the company to prevent crimes and, if necessary, defines or adjusts the relevant actions to be undertaken.

The Company then proceeded with the analysis and valuation of the effectiveness of the existing organisation, management and control systems and with the definition in writing of the enforced corporate practices aimed at preventing crimes, as identified in Italian Law Decree 231/2001.

After having defined in writing the existing corporate practices regarding the organisation, management and control systems adopted by the Company as well as after having updated the relevant procedures and rules governing corporate behaviour, Mediaset S.p.A. identified those corporate procedures which could be referred to the Organisation Model. It then proceeded with collecting them in specific documents kept in the Company’s files, presenting them – from time to time – to targeted Recipients and, in any case, making them available also through the Company’s intranet network. The procedures and behaviour rules that can be referred to the Organisation Model obviously complement all the other organisation guidelines, organisation charts, instructions, as well as the system adopted for the granting of powers and power-of-attorney holders (being the same functional to the same Model), used or implemented within the Company and that were not subject to modification by virtue of Italian Law Decree 231 / 2001.

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In 2007 and 2008, the Supervision Authority provided an update to the Internal Control Committee and to the Board every six months.

In the meeting of 26 February 2008, the Board acknowledged the enactment of a new Consolidation Money Laundering Act (Italian Law Decree n. 231 of 21 November 2007), which introduced a number of measures aimed at enhancing the implementation of a preventive strategy to resist money laundering-related criminal activities and terrorist financing activities. In particular, the money laundering crime was included in the list of crimes as a result of the fact that it may be correlated to an administrative crime between entities (Art. 63).

In 2008, additional regulatory measures were passed, which further extended the list of the so-called “precondition crimes”. In particular, Italian Law n.48 of 18 March 2008, upon ratification and execution of the Convention of the European Council on IT crimes, drafted in Budapest on 23 November 2001, included article 24-bis in the afore-mentioned Law 231/2001, making specific reference to “IT crimes” and the “unlawful treatment of data”. It should also be noted that, following implementation of article 1 of the afore-mentioned Italian Law 123/07 , Italian Law

Decree n.81 of 9 April 2008 dealt with the purpose of providing an organic and unified framework, that could group together all the different provisions in the matter of health and safety in the work place, which had changed over time, and thus replaced the norm that had represented for ages the sector's cornerstone, that is, Law Decree n.626 of 19 November 2004 and subsequent amendments and supplements.

In the light of such amendments, with the possibility of also resorting to external advisors, Mediaset S.p.A. established a work team responsible for valuating the impact of the new regulations and the need for amendments and/or supplements relevant for the Company's own Organisation Model or adopt new procedures/rules of behaviour or modify the existing ones.

Based on the above rules, an analysis of the composition of the Supervision and Control Body was performed after which the company retained that the option of a collegiate body would provide better guarantees, particularly in the case in which the members are also external, in any way possessing a validated corporate knowledge and professional specific skills in the matter of supervision, consulting or in the framework of some specific "precondition crimes".

Therefore, based on the foregoing, a number of new proposals have been designed, envisaging amendments and revisions of the Organisation Model adopted by Mediaset S.p.A.. These proposals have been submitted to the Company's Board, which approved them, on 16 December 2008.

- With specific reference to the modifications above mentioned, the following should be noted: extension of the crimes which may entail administrative liability on the side of the Company;
- transformation of the Supervision and Control Body from a multi-person to a collegiate body;
- subsequent adjustment of some corporate procedures that can be ascribed to the Organisation Model.

The Supervision and Control Body was transformed into a collegiate body and is currently composed of three members. These are:

Sergio Beretta	Chairman – External consultant
Aldo Tani	Internal Audit Director and Person in charge for internal control
Michele Pirotta	External consultant

This option was regarded as the most suited in that it includes both the need to entrust this function and responsibility with persons having an in-depth knowledge of the corporate and business organisation of the Company; and the guarantee that the autonomy and independence requirements, which the Supervision and Control Body must necessarily rely upon, are met.

In the same meeting of 16 December 2008, the Board ascertained that the members of the Supervision and Control Body met the reputation requirements – similarly to those requested from Company's Directors – and the professionalism requirements, suitable to cover the relevant offices. The Board also ascertained that the same members did not have any incompatibility issues or find themselves in situations of conflict of interest with other functions and/or offices, such that their independence and freedom of action and decision could be compromised.

The Supervision and Control Body is responsible for the performance of the following activities:

- i. monitoring of compliance with the provisions contained in the Organisation Model and/or the relevant corporate procedures ascribable to it by the parties involved, with consequent identification and reporting of any default and/or deviating behaviour as well as identification of the areas most at risk, also based on the violations already identified;
- ii. monitoring of the effectiveness and efficiency of the Organisation Model to prevent crimes and offences pursuant to Italian Law Decree 231/01 with specific reference to the individual corporate function and activity performed;
- iii. ensuring that the Organisation Model is valid and effective over time;
- iv. monitoring of the necessity to review the Organisation Model in case of identification of necessary adjustments and/or supplements following to amendments introduced through new regulations, modifications in the Company's organisation structure and/or changes in the core business performance or in case of relevant violations in the provisions contained in the Organisation Model and/or in the procedures referred thereto or correlated to the Company's operating areas;
- v. collection of all the corporate documentation and information useful for the accomplishment of its duties and in accordance with its own responsibilities, from all the entities involved in the Organisation Model;
- vi. verification that all the necessary training and information sessions are organised in favour of all the entities involved in the Organisation Model to increase their awareness about the principles, values and behaviour rules contained in the Organisation Model and in the relevant corporate procedures correlated thereto, also based on the requests for clarifications and indications that shall be from time to time collected;
- vii. verification of the effectiveness of the training and information sessions aimed at increasing the awareness about the principles, values and behaviour rules contained in the Organisation Model and in the relevant corporate procedures correlated thereto; and assessment of the level of knowledge acquired by all the entities involved in the Organisation Model with particular emphasis on those operating in the context of "activity areas at risk" and "instrumental processes";
- viii. periodic reporting to corporate bodies;
- ix. collection, processing and filing of relevant communications and information forwarded by the various corporate functions in relation to the Organisation Model and the corporate procedures correlated thereto; maintenance of all the outcomes deriving from the accomplishment of such activity through reports.

Mediaset S.p.A. Organisation Model is available for consultation in the Company's website at [www.mediaset.it \(corporate/impresa/modello231_01_en.shtml\)](http://www.mediaset.it/corporate/impresa/modello231_01_en.shtml).

12.4. INDEPENDENT AUDITORS

After the approval of the financial statements as at 31 December 2007, the contract assigned to Deloitte and Touche S.p.A. expired and, pursuant to law, it was not possible to renew it. The Statutory Auditors were in charge of formulating a motivated proposal to the Shareholders'

General Meeting of 16 April 2008 in relation to the assignment of the auditing contract to a different auditing firm. After having thoroughly examined and analysed all the essential elements characterising the proposals received and, specifically, the scope of the contract, the objectives of the auditing activities, the working criteria, the requirements of independence, the fees requested and the amount of expenses to be reimbursed, and also in consideration of the inherent protection objectives, the Shareholders' General Meeting resolved upon assigning to the auditing firm Reconta Ernst & Young S.p.A. the auditing activity regarding Mediaset S.p.A. for the 2008-2016 financial years. Subsequently, the same Shareholders' General Meeting held on 16 April 2008 also resolved upon assigning to the same auditing firm Reconta Ernst & Young S.p.A. the auditing activity regarding the separate and consolidated financial statements as well as the limited auditing activity regarding the interim accounts, for the 2008-2016 financial years, in compliance with the joint provisions set out in articles 156 and 159 of Italian Law Decree n.58 of 24 February 1998.

12.5.PERSON RESPONSIBLE FOR THE DRAFTING OF THE CORPORATE ACCOUNTING DOCUMENTS

In the meeting of 20 April 2006, the Shareholders' General Meeting resolved upon the adjustments to be applied to the Company's By-Laws in order for it to comply with the new regulations introduced in the matter of assets management. Following to the foregoing, article 28 was included in the Company's By-Laws which, based on the afore-mentioned enacted law provisions, establishes that the Company is responsible for appointing a person responsible for the drafting of the accounting documents.

The Board of Directors on 17 July 2007, appointed the Person Responsible for the drafting of the accounting documents in the person of Mr. Andrea Goretti, already Company's Head of Administration and Foreign Equity Investments Control, with all requirements established by the company by law and by law, vesting him with all the powers and liabilities necessary for the accomplishment of the relevant duties. The duration in office corresponds to the duration in office of the Board and, therefore, until the date of approval of the financial statements as at 31 December 2008.

The Person Responsible for the drafting of the accounting documents is in charge of accomplishing the activities established in article 154 bis of the Consolidated Finance Act, and, specifically:

- the development, in co-operation with the responsible functions, of adequate administrative and accounting procedures for the drafting of the separate and consolidated financial statements, interim accounts reports as well as any other disclosures to the market and in relation to accounting matters;
 - the release of a written statement certifying compliance of the Company's activities and disclosures to the market and in relation to accounting matters – also referring to interim accounts – with the relevant accounting documents, accounting entries and books;
 - the certification - including the drafting of a report in compliance with the model provided for in the relevant Consob regulation, to be attached to the annual financial statements, interim accounts reports and the consolidated financial statements, confirming full compliance with the procedures above indicated during the period which the relevant documents refer to, as well as full compliance of the same documents with the accounting
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entries and accounting records and their correspondence in providing a true and correct description of the economic and financial position of the Company and its subsidiaries included in the consolidation area;

- the valuation, in co-operation with the Internal Control Committee and the Statutory Auditors, of the correct application of the accounting principles and, with reference to the whole Group, of their comparability for consolidated reporting purposes.

The Person Responsible for the drafting of the accounting documents is vested with the necessary powers relating to the organisation and management of the activities assigned pursuant to the currently enacted law provisions, the Company's By-Laws and the Board, including:

- relying on the support of the persons responsible for the competent functions, the implementation of a business organisation system aimed at facilitating the definition of roles and responsibilities of the resources involved in the corporate functions relative to accounting and financial reporting of the separate and consolidated financial statements, interim accounts reports and any other disclosures to the market and in relation to accounting matters;
- the correct application of the administrative and accounting procedures relative to accounting and financial reporting of the separate and consolidated financial statements, interim accounts reports and any other disclosures to the market and in relation to accounting matters;
- resort to the collaboration, if applicable, of the Internal Auditing function in relation to the performance of the audits regarding the proper application of the administrative and accounting procedures pursuant to article 154 bis, paragraph 3 of Italian Law Decree n. 58 of 24 February 1998. This activity is currently carried out by the Risk Office function which had been specifically established for this purpose;
- resort to the function responsible for the identification and management of the adequate resources to support him in the fulfilment of the duties assigned pursuant to article 154-bis of Italian Law Decree n.58 of 24 February 1998;
- supervision and regulation of specific information flows and co-ordination with the model established pursuant to Italian Law Decree n. 231 of 8 June 2001 and the procedures regulating the treatment of confidential information within the Company, including the drafting and dissemination of press releases in compliance with article 114 of Italian Law Decree n. 58 of 24 February 1998 and article 66 of the Issuers Regulation.

For the financial year 2008, the Person Responsible for the drafting of the accounting documents, relying on the support of the Risk Office function and assisted by external advisors, implemented a plan for the valuation, adjustment and documentation of the Internal Control System in relation to the main corporate processes entailed in the Group operating companies (Mediaset, RTI, Videotime, Elettronica Industriale, Publitalia, Medusa Film and Gestelevision Telecinco) in compliance with the provisions set out in Italian Law 262/05.

In particular, the following activities have been performed:

- identification and valuation of the corporate processes and risks;

- updating, if applicable, of Group operating criteria, processes and controls identified in preceding years, which have been subject to further development;
- analysis of the adequacy of the controls implemented in relation to administrative-accounting and financial aspects;
- test performance and control reporting to verify compliance with the administrative-accounting procedures;
- development of a remediation plan, aimed at eliminating potential flaws in control performance;
- monitoring of the defined remediation activities and testing of the relevant control measures adopted.

The certification, released in accordance with the model established by Consob regarding the adequacy and application of the relevant procedures, their compliance with accounting entries and records as well as their correspondence in providing a true and correct description of the economic and financial position of the Company and its subsidiaries included in the consolidation area, underwritten by the Person Responsible for the drafting of the accounting documents and by the Company's President, was attached to the Company's 2008 financial statements.

It should also be noted that, pursuant to Mediaset Code of Ethics, the Person Responsible for the drafting of the accounting documents is in charge of valuating, in collaboration with the Internal Control Committee and the Statutory Auditors, the correct implementation of the relevant accounting principles and, with reference to the Group, their comparability for consolidated reporting purposes. This activity was carried out in the first months of 2009.

13. DIRECTORS' INTERESTS AND TRANSACTIONS WITH RELATED PARTIES

In the meeting of 18 December 2007, based on the opinion in favour expressed by the Internal Control Committee, the Board approved the Guidelines relative to the transactions having a strategic, economic and financial relevance for Mediaset and, in particular, those completed with the related parties.

These Guidelines identify transactions having a strategic, economic and financial relevance for the company and its subsidiaries and, in particular, those with the related parties which are subject to the analysis and approval of the Board pursuant to Mediaset S.p.A.'s Code of Ethics.

Here below is a description of those transactions that need to be subject to the prior analysis and approval of Mediaset S.p.A. Board:

- stipulation of any contract or legally binding relation, including an amount higher than EUR 13,000,000.00 by single transaction, with a shareholder of the Company, holding an equity interest exceeding 5% (or companies belonging to the same group of the shareholder, including subsidiaries, holding companies or partnerships with a controlling interest and subsidiaries of the latter companies);
 - stipulation of any contract or legally binding relation, including an amount higher than EUR 130,000,000.00 by single transaction, with any party and under any form;
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- issue of non-convertible bonds within the limits established by article 2412 of the Italian Civil Code and, in any case, up to a maximum amount of EUR 300,000,000.00, subject to the fact that any bonds issued exceeding the afore-mentioned limits must be resolved upon by an extraordinary Shareholders' General Meeting;
- transactions implying disclosures from the Company in the form of a memorandum document, drafted pursuant to Consob regulations;
- transactions involving amounts larger than EUR 65,000,000.00 with any party and under any form, concerning :
 - a) the acquisition or disposal of businesses or business units, assets and other activities;
 - b) the acquisition or disposal of equity investments;
 - c) the establishment of companies and partnerships or strategic alliances with a duration of over 3 years, excluding temporary aggregations of enterprises;
 - d) the granting of loans or guarantees, both real and personal;
 - e) the underwriting of loan contracts, credit lines or other payable credit transactions;
 - f) the stipulation of transactions;
- issue of financial instruments;
- merger or spin-off transactions with any party, for which the total value of the assets of the incorporated company (merged) or the assets subject to spin-off is equal to or exceeds 3% of Mediaset total net worth, resulting from the latest consolidated financial statements.

Transactions, that individually considered, do not exceed any of the afore-specified parameters, but are part of the Company's strategic plan, are also regarded as "strategically relevant". Therefore, they have to be subject to the prior analysis and approval of the Board in the case in which, taken as a whole, they exceed said parameters.

Based on the Group operation, the Board is responsible for the prior analysis and approval of the transactions regarded as "strategically relevant".

For the purpose above described, relating to the analysis and approval of the transactions regarded as "strategically relevant" by the Board, Mediaset delegated bodies provide the Board with adequate information regarding Mediaset interest in the completion of the transaction in question, the investment feasibility and sustainability from a financial viewpoint, and consistency with Mediaset strategic plans.

Upon the Board's instruction, Mediaset delegated bodies are responsible for ensuring that the directors of subsidiary companies receive information about the criteria adopted to identify the "strategically relevant" transactions.

The transactions listed here below qualify as transactions with related parties. These transactions are subject to the prior analysis and approval of Mediaset S.p.A. Board:

A) transactions with related parties involving an amount greater than EUR 13,000,000.00 that by scope, nature and development time, fall outside the perimeter of the Company's ordinary management, being atypical, unusual and based on non standard conditions.

In relation to the scope, these transactions include:

- transactions of financial nature (such as, for example, the granting or underwriting of loans, guarantees and collaterals, transactions on securities and, in general, financial instruments.);
- transactions concerning industrial property rights, including trademarks and patents;
- transactions concerning real estate properties (including also leasing transactions), which are not instrumental in the context of the Company's core business;
- agreements of commercial or industrial nature with a duration of over five years, which also include exclusive rights obligations or restrictions to the performance of the Company's core business activities;

In relation to the nature and development time, these transactions include:

- transactions under completely atypical or unusual conditions (including, without limitation, those transactions that by scope or nature are not consistent with Mediaset S.p.A. core business and its directly and/or indirectly controlled companies, and that present non standard critical elements in connection to the relevant conditions and the risks inherent to the nature of the counterparty or the expected development time) and under non standard conditions (including, without limitation, those transactions based on conditions dissimilar from those usually applied to entities other than the related parties).

For the sake of clarity, below is a description of those transactions that may fall within the category of those under atypical and unusual conditions:

- the time gap between contract stipulation and performance (i.e., contracts in which the Company's performance is anticipated without reason vis-à-vis the performance of the other party);
 - the stipulation of contracts with deferred performance beyond a reasonable term also in the light of the performance itself (i.e. contracts the performance of which is deferred by over three years, thus also implying the necessity to review the relevant price);
 - the stipulation of contracts with a content that is essentially identical and that repeats itself at pre-established intervals (as a portion of a larger and more complex single transaction);
 - transactions including agreements on atypical prices (i.e. barter with assets other than fungible and easily disposable financial instruments) or including a counter-performance that relates to the provision of services which are not fungible and are instead difficult to replace or entailing transfer of receivables or taking on of payables;
 - transaction defined through non-leading or uncertified brokers in the area in which the transaction is completed;
 - transactions defined on fiscal year end or quarter end cut off dates, so as to change or affect the financial statements representation or the interim half-year or quarterly reports;
 - transactions regarding the repurchasing of assets formerly sold to the same entity, in absence of situations implying the termination of previously stipulated agreements or the exercise of formerly agreed rights;
- B) transactions with related parties involving an amount greater than EUR 130,000,000.00 by single transaction;
- C) transactions involving an amount greater than EUR 13,000,000.00, by single transaction, with a shareholder of the Company, holding an equity interest exceeding 5% (or companies belonging to the same group of the shareholder, including subsidiaries, holding companies or partnerships with a controlling interest and subsidiaries of the latter companies);
- D) transactions with related parties involving an amount greater than EUR 65,000,000.00, under any form, including:
- a) the acquisition or disposal of businesses or business units, assets and other activities;
 - b) the acquisition or disposal of equity investments;
 - c) the establishment of companies and partnerships or strategic alliances with a duration of over 3 years, excluding temporary aggregations of enterprises;
 - d) the granting of loans or guarantees, both real and personal;
 - e) the underwriting of loan contracts, credit lines or other payable credit transactions;
 - f) the stipulation of transactions.

Transactions, that individually considered, do not exceed any of the afore-specified parameters, but are part of the Company's strategic plan, are also regarded as "strategically relevant". Therefore, they have to be subject to the prior analysis and approval of the Board in the case in which, taken as a whole, they exceed said parameters.

- E) merger or spin-off transactions with related parties, for which the total value of the assets of the incorporated company (merged) or the assets subject to spin-off is equal to or exceeds 3% of Mediaset total net worth, resulting from the latest consolidated financial statements;
- F) transactions implying disclosures from the Company in the form of a memorandum document, drafted pursuant to Consob regulations (article 71 bis of the Issuers Regulation);

Identification of the related parties

Pursuant to the international accounting principle IAS 24, related parties are:

- a) entities that directly and/or indirectly through parent companies or subsidiaries, holding companies or through intermediaries (to be considered, in turn, as related parties):
 - control Mediaset S.p.A.;
 - are controlled by Mediaset S.p.A., also jointly;
 - share with Mediaset S.p.A. the same controlling entity;
 - hold a shareholding in Mediaset S.p.A., enabling them to exercise considerable influence upon it;
 - jointly control Mediaset S.p.A.
- b) Mediaset S.p.A. associated companies;
- c) entities under joint control with Mediaset S.p.A.;
- d) entities with strategic responsibility in the entity or in its parent company with powers and responsibilities in the matter of planning, administration and control in the entity or its parent company (Mediaset S.p.A. Directors and Statutory Auditors as well as Mediaset S.p.A. Directors with strategic responsibility, General Managers and Auditing Companies);
- e) close relatives of the persons indicated in the preceding points a) and d);
- f) entities subject to the control, also joint control, including dominant influence of one of the persons indicated in the preceding points d) and e), in which the same entities hold, both directly or indirectly, a significant share of the voting rights.

Procedure regarding the approval and performance of transactions with related parties

All the transactions performed with related parties, also through subsidiaries, including therefore also those transactions which are not submitted to the prior analysis and approval of the Board, shall have to be resolved upon and/or performed in compliance with the relevant correctness and fairness criteria in terms of procedures and content.

The Board is provided with adequate information regarding the nature of the transaction, the relevant performance criteria, the conditions, also financial, correlated to the same transaction, the valuation process, the scope and the underlying motivations as well as the potential risks for the company. For the sake of clarity, but without limitation:

- a) level of correlation between the parties;
 - b) specification of the main characteristics and conditions - contractual and financial – of the transaction;
 - c) Mediaset S.p.A. interest in the transaction.
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With respect to the transactions completed with related parties, the directors granted with the necessary powers or the executive managers responsible for the transaction are liable for keeping the relevant information in the Company's files.

Transactions subject to the prior analysis and approval of the Board will go through the following procedure:

- transactions with related parties involving an amount greater than EUR 13 million and lower than EUR 130 million: subject to the prior analysis of the Mediaset S.p.A. Control Committee;
- transactions with related parties involving an amount greater than EUR 130 million: based on the nature and characteristics of the transaction, the Board will request the support either of the Internal Control Committee or of one or more experts, or both, for the purpose of collecting an exhaustive share of information to reach an opinion regarding the economic conditions and/or performance criteria and/or technical aspects and/or validity of the transaction itself.

For those transactions which are not subject to the prior analysis and approval of the Board, the delegated bodies and the executive managers responsible for the transaction are liable to collect, file and make available to the Board, individual Board members and the Statutory Auditors all the necessary information regarding the main characteristics of the transactions referred to hereinabove.

Interest holding Directors

Before starting the discussion on the item, any Director is liable for promptly providing exhaustive information to the other Directors and Statutory Auditors, about any interest, also potential, that, on his/her own account or on the account of third parties, regardless of any situation of conflict, the same Director has in any specific transaction. The Director is liable for providing information about the foregoing with specific reference to the nature, terms, scope and reach. In case of the Managing Director, the latter is committed to abstaining from performing the transaction in question.

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In compliance with the Spanish law, the listed subsidiary Gestevisión Telecinco S.A. is solely subject to Spanish law and the Spanish Corporate Governance regulations. As a result, the principle established in the Borsa Italiana Corporate Governance Code, reflected in Mediaset S.p.A.'s Code of Ethics, according to which the Company's Board "is responsible for the prior analysis and approval of the transactions accomplished by the company and its subsidiaries, when such transactions are regarded as strategically relevant, is applicable to neither Telecinco nor its subsidiaries.

14. APPOINTMENT OF STATUTORY AUDITORS

The Shareholders' General Meeting appoints the Board of Statutory Auditors, composed of three standing auditors and two alternate auditors, whose office lasts three financial years and expires on the date of the Shareholders' General Meeting called for the approval of the financial statements of the third financial year after appointment. Statutory Auditors may be re-elected

Statutory Auditors must be registered with the Italian Registry of Certified Public Accountants of the Ministry of Justice and shall have performed auditing activities for at least three years.

Statutory Auditors shall meet the requirements established in the from time to time applicable laws and regulations. The Board is liable for verifying the satisfaction of the afore-mentioned requirements.

In compliance with the Company's By-Laws, Statutory Auditors are elected according to a transparent procedure which is based on the presentation of lists by shareholders. Each individual candidate may exclusively be included in one single list, or otherwise be regarded as ineligible.

The appointment procedure governed by article 27 of the Company's By-Laws is available in the Company's website at [www.mediaset.it](http://www.mediaset.it/investor/governance/statuto_it.shtml) (investor/governance/statuto_it.shtml).

15. STATUTORY AUDITORS

The lists, including information on the candidates' characteristics, are published in the Company's website at [www.mediaset.it](http://www.mediaset.it/investor/governance/2008/assemblea_en.shtml) (/investor/governance/2008/assemblea_en.shtml).

Statutory Auditors' résumés are available for consultation in the Company's website at [www.mediaset.it](http://www.mediaset.it/investor/governance/organi_en.shtml) (/investor/governance/organi_en.shtml).

The Shareholders' General Meeting of 16 April 2008 resolved upon the appointment of the Statutory Auditors, whose office will expire on the date of approval of the financial statements as at 31 December 2010. The table below specifies the Statutory Auditors in office.

Name and Surname	Office	In office from	State	Independent from Code	% Board of Stat. Audit. meeting participation	Other offices
Alberto Giussani	Chairman of the Board of Statutory Auditors	16/04/2008	m	/	100	5
Silvia Bianchi Martini	Statutory Auditor	16/04/2008	M	/	100	
Francesco Vittadini	Statutory Auditor	16/04/2008	M	/	100	27
Antonio Marchesi	Alternate Auditor	16/04/2008	M	/		3*
Mario D'Onofrio	Alternate Auditor	16/04/2008	m	/		10*

Key:

Title: specify whether chairman, acting auditor or alternate auditor.

List: specify M/m, according to whether a statutory auditor was elected from a list voted by a majority or a minority.

Independent: tick, if a statutory auditor can be qualified as independent according to the criteria set by the Company's Code of Ethics, including a specification at the bottom of the table, of possible amendments or supplements to the afore-said criteria.

% Attendance: specify attendance (%) of a Statutory Auditor in the meetings (to calculate the percentage, reference was made to the number of meetings in which a statutory auditor has participated out of the total number of meetings held during the financial year or from appointment).

Other offices: specify the number of offices held in other companies pursuant to Book V, Title V, sections V, VI and VII of the Italian Civil Code.

*No office as effective component of statutory auditors in issuing Company

Here below is a personal and professional summary résumé of each single Statutory Auditor.

ALBERTO GIUSSANI – Born in Varese on 23 August 1946. He graduated in Business Administration at the Cattolica S. Cuore University of Milan. He is registered with the Italian Registry of Certified Accountants since 1979 and with the Italian Registry of Certified Auditors since 1995. He is full professor of Professional Procedures and International Accounting at the Cattolica S. Cuore University of Milan. He is Board member of Credito Artigiano S.p.A., Fastweb S.p.A. and Seat Pagine Gialle S.p.A.. He is member of several Associations and Foundations. He is author of several publications in the matter of reporting and invited speaker in numerous conferences.

SILVIO BIANCHI MARTINI – Born in Lucca on 12 gennaio 1962. He is full professor of Business Administration at the Faculty of Economics of the University of Pisa and professor of Business Strategy and Policy at the Bocconi University in Milan. He is a certified accountant registered with the Italian Registry of Certified Accountants at the Tribunal of Lucca since 1998. He is also registered with the Italian Registry of Certified Auditors since its establishment. He is Board member of Banco di Lucca S.p.A. and member in the executive and control bodies of industrial and service companies.

FRANCESCO VITTADINI – Born in Bellano on 25 May 1943. He graduated in Business Administration at the Bocconi University of Milan. He is registered with the Italian Registry of Certified Accountants of Monza since 1971. He is Statutory Auditor in companies operating in the following sectors: industrial, financial, insurance, communication and media, including DMT S.p.A. and Mediolanum S.p.A..

MARIO D'ONOFRIO – Born in Naples on 9 September 1947. He graduated in Business Administration in 1972. He is registered with the Italian Registry of Certified Accountants since 1978 and with the Italian Registry of Certified Auditors since 1995. He is Board member of Autostrade Meridionali S.p.A., Chairman of the Corporate Governance Committee of Autostrade Meridionali and Statutory Auditor of some industrial companies, among which Grimaldi Group and Aversa.

ANTONIO MARCHESI – Born in Milano on 6 June 1946. He is registered with the Italian Registry of Certified Auditors and with the Italian Registry of Certified Accountants of Varese. He has been professor of Sports Management at the Faculty of Business Administration of the University of Turin and currently is co-ordinator of the sports area at the SBS Master of the Cà Foscari - Verde Sport University in Venice. He is Statutory Auditor in Telecom Group companies and Basf Italia; alternate auditor in Mol Med and Olivetti and single member of the Supervision Committee of the Milan Group.

The previously elected Statutory Auditors (Francesco Antonio Giampaolo, Chief Statutory Auditor; Riccardo Perotta and Francesco Vittadini, Acting Auditors; and Giancarlo Povoleri, Alternate Auditor) terminated their office upon the date of approval of the financial statements as at 31 December 2007 (Shareholders' General Meeting of 16 April 2008)

Name and Surname	Office	In office from	State	Independent from Code	% Board of Stat. Audit. meeting participation	Other offices
Francesco Antonio Giampaolo	Chairman of the Board of Statutory Auditors	28/06/2007	M	/	100	36
Riccardo Perotta	Statutory Auditor	29/04/2005	M	/	100	13
Francesco Vittadini	Statutory Auditor	28/06/2007	M	/	100	27
Giancarlo Povoleri	Alternate Auditor	29/04/2005	M	/		32*

No changes have occurred in the composition of the Board of Auditors as of the closing date.

During the financial year of reference, fifteen meetings were held, 6 of which were attended by the former Statutory Auditors and the remaining 9 by the newly appointed Statutory Auditors.

On 11 March 2008, the Statutory Auditors confirmed that they meet the independence requirements requested from them and also verified the same requirements in relation to the independent auditing firm, by specifically focusing on the relevant compliance with regulatory provisions as well as the nature and the scope of the services provided to Mediaset and its subsidiaries by the same independent auditing firm and the entities belonging to the same network. The Statutory Auditors did not have any comments in that respect.

With specific reference to the requirements requested from the Statutory Auditors, it should be noted that the Statutory Auditors currently in office meet all the relevant requirements established by law.

The Statutory Auditors currently in office have established an ongoing flow of information with the Internal Audit function and with the Internal Control Committee.

16. SHAREHOLDER RELATIONS

The Board spares no efforts in promoting an ongoing dialogue with the shareholders, based on the understanding of their reciprocal roles. For this purpose, economic and financial information (financial statements, interim half-year and quarterly accounts reports, presentations to the financial community and the stock price trends relating to the financial instruments issued by the company) as well as data and documents of general interest to the shareholders (press releases, composition of the corporate bodies and committees, By-Laws, Shareholders' General Meeting Regulation, Board minutes, as well as documents and information in the matter of corporate governance and the organisation model pursuant to Italian Law Decree n. 231/2001) are made available in the company website (www.mediaset.it).

For the purpose of establishing an ongoing relation with the Company's shareholders based on the understanding of their reciprocal roles, Mediaset S.p.A. Board appointed Marco Giordani, already Group's Chief Financial Officer directly reporting to the Chairman, Person Responsible for the management with the shareholders.

To this end, the Chief Financial Officer avails himself of two functions reporting to him:

- Corporate Affairs, responsible for Retail and Institutional Investor relations (Consob, Borsa Italiana);
- Investor Relations, responsible for the relations with the financial community (Financial Analysts, Institutional Investors, Rating Companies).

Corporate Affairs and Investor Relations contact names and telephone numbers are published in the Company's website at www.mediaset.it.

Pursuant to the provisions set out in the Company's Code of Ethics, in the meeting of 11 November 2008, the Board regarded the Company's structures charged with the accomplishment of the afore-mentioned duties, as appropriate in that they guarantee an effective and ongoing support activity to the Financial Community and the competent Authorities involved.

17. SHAREHOLDERS' GENERAL MEETINGS

The Shareholders' General Meeting, duly convened, represents all the shareholders and the relevant resolutions made pursuant to the law in force are binding on the same shareholders, both absent or in disagreement. The ordinary and extraordinary Shareholders' General Meeting is held at the Company's headquarters or elsewhere in Italy in the cases and according to the relevant provisions in the matter.

The Board promotes initiatives aimed at encouraging Shareholders' participation in the general meetings and facilitating their exercise of rights, by reducing the restrictions and the obligations which make it difficult and onerous for them to participate and exercise their voting right.

Pursuant to article 11) of the Company's By-Laws *"The Shareholders' General Meeting may be attended by those Shareholders, who have filed with the Company relevant intermediary communication, as provided for in article 2370, paragraph 2 of the Italian Civil Code, at least two working days prior to the date scheduled for each single Shareholders' General Meeting. The filing of the intermediary communication does not prevent any shareholder from making any stock transactions before the date of the General Meeting. In this case, the purchaser of the shares may attend the Shareholders' General Meeting only if it has fulfilled all the formalities specified in the preceding paragraph at least two working days prior to the date scheduled for each single Shareholders' General Meeting"*.

Any shareholder entitled to participate in the Shareholders' General Meeting may be represented by written proxy pursuant to the law.

Generally, all the Company's directors participate in the Shareholders' General Meetings. These meetings also give Shareholders an opportunity to collect information about the Company in full compliance with the provisions governing the treatment of privileged information.

In the meeting of 9 April 2001, the ordinary Shareholders' General Meeting resolved upon the adoption of the "Shareholders' General Meeting Regulation", available for consultation and downloading in the Company's website at: www.mediaset.it (investor/azionisti/guidaazionista_it.shtml), governing the proceedings of the Company's ordinary and extraordinary Shareholders' General Meetings.

This Corporate Governance Report is drafted in compliance with article 124 bis of the Consolidated Finance Act, article 89 bis of the Consob Issuers Regulation and article IA 2.6 of the Instructions to Borsa Italiana Regulation.

Issuer: Mediaset S.p.A.

Website: www.mediaset.it

Financial year to which this Report refers: closing date as at 31 December 2008

Date of approval: 17 March 2009

CODE OF CORPORATE GOVERNANCE MEDIASET S.P.A.

Article I – Role of the board of directors

I.1 The board of directors is the collegiate body which governs the company. It meets at regular intervals and is organised and operates in such a way as to perform its functions in an effective and efficient manner.

The directors act and pass resolutions independently and with full knowledge of the facts, pursuing the priority of creating value for the shareholders.

Pursuant to the provisions of the company bylaws in effect, the broadest possible powers of ordinary and extraordinary management of the company are conferred upon the board of directors, which is granted authority to perform all the actions held to be most appropriate in the pursuit of the company objects.

The board of directors may appoint one or more Vice Chairmen and grant authority to one or more of its members, also with the qualification of Managing Director, to perform all or some of its powers, without prejudice to the provisions of article 2381 of the Italian Civil Code and article 23 of the Company Bylaws. It may also appoint an Executive Committee, to which to delegate some or all of its powers, except for those reserved by law for the board of directors.

The board of directors may establish other committees, also comprising members who are not board directors, establishing their duties, powers and any remuneration, in addition to their composition and method of operation.

Delegated activities form the subject of reports to the board of directors during board meetings. Article 20 of the bylaws makes provision that the directors and the audit board be informed at least every quarter, by the board's delegated committees or officers or by others, about the company's general performance and foreseeable prospects, and about any significant transactions in terms of its profitability, finances, assets and liabilities, as well as any transactions in which the any director has a personal or representative interest or which have been influenced by any person in a position to exercise control and coordination over the company. The corresponding information shall also be provided in relation to the company's controlled subsidiaries. Where required for reasons of urgency or convenience, this information may also be given to its proper recipients by letter.

I.2 In detail the board of directors:

- a) examines and approves the company's strategic, operating and financial plans, in addition to the corporate structure of the group it heads;
 - b) evaluates the adequacy of the organizational, administrative and accounting structure of the company and its strategically significant subsidiaries, with particular regard to the internal control system and the management of conflicts of interest;
 - c) delegates and revokes the powers of the Chairman, the Vice Chairman, the Managing Director and the Executive Committee, specifying limitations and the manner in which they must be exercised;
 - d) establishes, after examining the proposal of the special committee and consulting the audit board, the remuneration of the directors who are appointed to particular positions within
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- the company and, if the shareholders' meeting has not already done so, determines the total amount to which the board directors are entitled;
- e) evaluates the general performance of the company, with special regard to the information received from the Executive Committee, the Chairman, the Vice Chairman, the Managing Director and the Internal Control Committee, and periodically verifies the results achieved against those planned;
 - f) examines and approves in advance transactions carried out by the company and its subsidiaries with a significant impact on the company's profitability, assets and liabilities or financial position, with special regard to transactions in which one or more directors hold an interest on their own behalf or on behalf of third parties and, in more general terms, to transactions involving related parties; to this end, the board shall establish general criteria for identifying these transactions;
 - g) evaluates, at least once a year, the size, composition and performance of the board of directors and its committees, identifying where necessary new professional figures whose presence on the board is considered to be appropriate;
 - h) provides information, in the annual report on corporate governance, on the application of this article I and, in particular, on the number of meetings of the board and of the executive committee, if any, held during the fiscal year, plus the percentage attendance of each director.
- I.3 Directors accept directorships when they deem that they can devote the necessary time to the diligent performance of their duties, also in consideration of the number of offices held as director or auditor in other companies listed on regulated markets (including foreign markets), as well as in financial companies, banks, insurance companies or companies of considerable size.
- On the basis of the information received from the directors, the board annually records the positions of director or auditor held by the directors in the aforementioned companies and discloses them in the annual report on corporate governance.
- I.4. The board issues guidelines regarding the maximum number of engagements as director or auditor in the types of companies referred to in the above paragraph that may be considered compatible with the effective performance of a director's duties. To this end, the board establishes the general criteria, differentiating them according to the commitment entailed by each role (executive or non-executive or independent director), in addition to the nature and size of the companies in which the positions are held, plus whether or not the companies form part of the group; it may also take into account the participation of the directors in committees established within the ranks of the board.
- I.5 If for organisational reasons the shareholders' meeting authorises departures, on a general and preventive basis, from the rule prohibiting competition, pursuant to Article 2390 of the Italian Civil Code, the board of directors assesses each such departure, reporting on any critical issues at the next shareholders' meeting. To this end, directors inform the board on accepting their appointment of any activities exercised in competition with the company and of any effective modifications that ensue.
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Article 2 – Composition of the board of directors

2.1 The board of directors is made up of executive and non-executive directors.

The following are executive directors:

- the directors to whom the board of directors has granted individual management powers, as well as directors with management duties within the company or in one of its strategically significant subsidiaries, or in the controlling company when the directorship also concerns the company;
- the Chairman, Vice Chairman and Managing Director of the company or of a strategically significant subsidiary;
- directors who are members of the executive committee.

The distribution of powers among executive directors is based on the principle of the distinction of competences.

The granting of powers exclusively in cases of urgency to directors who are not provided with management powers is not enough, per se, to cause them to be identified as executive directors, unless such powers are actually exercised with considerable frequency.

2.2 Non-executive directors bring their specific expertise to board discussions and contribute to balanced decisions being taken, with special regard to areas where conflicts of interest may exist.

The number, competence, authority and time availability of non-executive directors is such as to ensure that their judgement has a significant impact on the board's decisions.

2.3 The directors are aware of the duties and responsibilities relating to their office. The chairman of the board of directors makes his/her best efforts to encourage the directors to participate in initiatives aimed at increasing their knowledge of the real business situation and its dynamics, also having regard to the relevant regulatory framework, so that they may carry out their role effectively.

Article 3 – Independent directors

3.1 The general meeting appoints the board of directors, ensuring that there is an adequate number of independent directors.

3.2 An adequate number of non-executive directors are independent, in the sense that they do not maintain, nor have recently maintained, directly or indirectly, any business relationships with the company or persons linked to the company, of such a significance as to influence their independent judgement.

3.3 The board of directors evaluates the independence of its non-executive members with regard to the content rather than the form. Directors are not generally considered to be independent in the following cases, which are given by way of example and without limitation:

- a) if they directly or indirectly control the company, also through subsidiaries, trustees or a third party, or are able to exercise dominant influence over the company, or participate in a shareholders' agreement through which one or more persons may exercise control or considerable influence over the company;
- b) if they are, or have in the preceding three fiscal years been a significant representative of the company, of a strategically significant subsidiary or of a company under joint control, or

- of an entity controlling the company or able to exercise a considerable influence over same, also jointly with others through a shareholders' agreement;
- c) if they have, or had in the preceding fiscal year, directly or indirectly (e.g. through subsidiaries or companies of which they are significant representatives, or in their capacity as partners of a professional firm or of a consulting company) a significant commercial, financial or professional relationship:
 - with the company, one of its subsidiaries, or any of its significant representatives;
 - with a subject who, jointly with others through a shareholders' agreement, controls the company or, in the case of a company or an entity, with the relevant significant representatives;
 - or are, or have been in the preceding three fiscal years, an employee of the aforementioned subjects;
 - d) if they receive, or have received in the preceding three fiscal years, from the company or a subsidiary or holding company, a significant additional remuneration with respect to the "fixed" remuneration of non-executive director of the company, including participation in incentive plans linked to the company's performance and stock option plans;
 - e) if they have been directors of the company for more than nine years in the last twelve years;
 - f) if they are directors in a subsidiary company;
 - g) if they are executive directors in another company in which an executive director of the company is a director;
 - h) if they are shareholders or quotaholders or directors of a legal entity belonging to the same network as the company appointed to audit the accounts of the company;
 - i) if they are close relatives of a person who holds any of the positions listed in the above paragraphs.

For the purposes of the above, the legal representative, the chairman of the board of directors, the executive directors and executives with strategic responsibilities in the relevant company, must be considered as "significant representatives".

- 3.4 The number and competences of the independent directors shall be adequate in relation to the size of the board and the business performed by the company; moreover, they must be such as to enable the constitution of committees within the board, according to the indications set out in the Code.
 - 3.5 With regard to their competences, independent directors are required to have sufficient knowledge of the economic and business environment and preferably possess competences in similar environments and/or sectors to those in which the company operates, such as for example:
 - television (public and/or private) or cinema;
 - media and telecommunications;
 - advertising and marketing;
 - university lecturing in Italian and/or foreign universities on subjects pertinent to the core business of the Group, or in other words, economics, finance, law, accounting and communication science and techniques;
 - the financial sector.
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- 3.6 The board of directors periodically assesses the independence of the directors, with the support of the governance committee.

After the appointment of directors who represent themselves as independent, and subsequently at least once a year, the board of directors, on the basis of the information provided by said directors, also by means of statements signed by same, evaluates those relations which could be or appear to be such as to jeopardize the independent judgement of these directors.

The board of directors notifies the result of its assessments at the first meeting after the appointment, by issuing a press release to the market and, subsequently, in the annual report on corporate governance, specifying, with adequate reasons, whether any criteria have been adopted other than those indicated in these criteria.

- 3.7 The audit board shall ascertain, in the framework of the duties attributed to it by the law, the correct application of the assessment criteria and procedures adopted by the board for assessing the independence of its members. The outcome of such controls is notified to the market in the annual report on corporate governance or in the report of the audit board to the shareholders' meeting.
- 3.8 The independent directors meet at least once a year without the other directors in attendance, when called by the most senior independent director.

Article 4 – Chairman of the board of directors

- 4.1 The Chairman holds the competences and exercises the powers conferred upon him/her by the law, the bylaws and the board of directors.

The Chairman also exercises the operating and management powers conferred upon him/her.

The Chairman also represents the company pursuant to the bylaws.

- 4.2 The Chairman coordinates the work of the board of directors and chairs board meetings. Board meetings are called by the Chairman or by his/her deputy.

The directors are notified of the call to meet, pursuant to the bylaws, in such a way as to allow them to gain full knowledge about the items on the agenda and gather the useful information needed for them to participate effectively in the work of the board.

For these purposes the directors are provided with information regarding the items on the agenda a suitable period in advance of board meetings. In any case, during board meetings they are provided with a detailed, wide-ranging and comprehensive presentation of all matters, in such a way as to allow them to take informed decisions on the matters to discuss.

Article 5 – Treatment of corporate information

- 5.1 All the directors and members of the audit board shall keep the documents and information acquired in the performance of their duties confidential and comply with the procedure adopted by the company for the internal handling and disclosure to third parties of such documents and information.
- 5.2 Communications to the authorities and the public are made pursuant to the terms and in the manner stipulated by current legislation, consistently with the principle of parity of information.
- 5.3 The Chairman, the Vice Chairman and the Managing Director liaise to ensure that corporate information is handled correctly; to this end they submit proposals for approval to the board of
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directors regarding a procedure for the internal handling and disclosure to third parties of documents and information concerning the company, with special regard to price sensitive information.

Article 6 – Establishment and operation of internal committees of the board of directors

- 6.1 The board of directors establishes one or more committees among its members to act in a consulting role and make proposals as set out in the articles below.
- 6.2 The establishment and operation of board directors' committees comply with the following criteria:
 - a) committees are made up of at least three members;
 - b) the duties of individual committees are specified in the resolution which established them and may be supplemented or amended by a subsequent resolution of the board of directors;
 - c) the minutes are taken of the meetings of each committee;
 - d) in the performance of their duties, internal committees have the right to access the necessary company information and functions, according to the procedures established by the board of directors, as well as to avail themselves of external advisers. The company makes adequate financial resources available to the committees to perform their duties, within the limits of the budget approved by the board;
 - e) persons who are not members of the committee may participate in the meetings of each committee, at the invitation of same with regard to individual items on the agenda;
 - f) the board of directors provides comprehensive information, in the annual report on corporate governance, on the establishment and composition of committees, on the duties and authority conferred upon them and the activity actually performed during the fiscal year, specifying the number of meetings held and the relevant percentage participation of each member.

Article 7 – Appointment of directors

- 7.1 Directors are appointed by means of a transparent procedure, which provides, inter alia, timely and adequate information on the personal and professional qualifications of the candidates.
- 7.2 Lists of candidates, accompanied by exhaustive information on their personal characteristics and professional qualifications and indicating where appropriate their eligibility to qualify as independent directors as defined in Article 3, are lodged at the company's registered office at least fifteen (15) days before the date fixed for the shareholders' meeting at first call. The lists, complete with information on the qualifications of the candidates, are published promptly on the company website.

Article 8 – Remuneration committee and remuneration of directors

- 8.1 The remuneration of directors is fixed at a sufficient level to attract, maintain and motivate directors endowed with the professional skills needed to manage the company successfully.
 - 8.2 The remuneration of executive directors is specified in such a way as to align their interests with the priority objective of creating value for shareholders in the medium-long term.
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- 8.3 The remuneration of non-executive directors is proportional to the commitment required from each of them, taking into account their possible participation in one or more committees. Non-executive directors may not be beneficiaries of equity based remuneration plans, unless so decided by the shareholders' meeting, which shall also give the relevant reasons.
- 8.4 The board of directors shall establish among its members a remuneration committee, made up of non-executive directors, the majority of whom are independent.
- 8.5 The Remuneration Committee presents proposals to the board of directors and performs periodic assessments of:
- the remuneration of directors holding specific positions in Mediaset SpA, with the provision that a part of this remuneration is linked to the economic results reported by the company and/or the achievement of other specific objectives;
 - the general remuneration criteria applied to Mediaset Group directors (fixed/variable portion, mbo reference criteria, assessment and regulation criteria for emoluments/remuneration with regard to offices in Group companies);
 - the criteria, categories of beneficiary, amount, terms, conditions and manner of application of stock option plans.
- 8.6 The Chairman of the audit board or another auditor assigned by the chairman participates in the work of the committee.
- 8.7 No directors shall participate in meetings of the remuneration committee in which proposals are submitted to the board of directors regarding their own remuneration.

Article 9 - Governance committee

- 9.1 The board of directors establishes a governance committee on which non-executive and independent directors sit.
- 9.2 The Governance Committee:
- assesses the company's Code of Corporate Governance, containing the corporate governance principles followed by the board of directors in the performance of its duties, and formulates proposals;
 - performs the duties assigned to it by the board of directors, with special regard to the review of the Code of Corporate Governance adopted by the company;
 - supports the board in its assessment of the continuing independence of independent directors.
- 9.3 The Chairman of the audit board or another auditor assigned by the chairman participates in the work of the committee.

Article 10 – Internal control system

- 10.1 The internal control system is the set of rules, procedures and organizational structures addressed to ensuring that the company is managed soundly, correctly and consistently with the goals established, by identifying, measuring, managing and monitoring the main risks.
- 10.2 An effective internal control system contributes to the protection of corporate assets, the efficiency and effectiveness of its business transactions, the reliability of financial information, and compliance with laws and regulations.
- 10.3 The board of directors assesses the adequacy of the internal control system with respect to the features of the company.
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- 10.4 The board of directors ensures that its assessments and decisions regarding the internal control system, the approval of the company's balance sheets and half yearly reports, as well as the relationships between the company and the external auditor, are supported by adequate preparatory work. For these purposes, the board of directors establishes an internal control committee, made up of non-executive directors, the majority of whom are independent. At least one member of the committee must have adequate experience in accounting and finance, to be evaluated by the board of directors at the time of his/her appointment.
- 10.5 The board of directors, with the assistance of the internal control committee:
- a) defines guidelines for the internal control system, in such a way that the main risks to which the company and its subsidiaries are exposed are correctly identified, and adequately measured, managed and monitored, also establishing the criteria for determining whether such risks are compatible with the sound and correct management of the company;
 - b) appoints an executive director in charge of supervising the functionality of the internal control system;
 - c) evaluates, at least once a year, the adequacy, effectiveness and actual operation of the internal control system;
 - d) describes the basic components of the internal control system and its assessment of the overall adequacy of same in the annual report on corporate governance.
- 10.6 The board of directors, as proposed by the executive director in charge of supervising the functionality of the internal control system and after consulting the internal control committee, appoints and revokes the person in charge of internal control.
- 10.7 The board of directors exercises its functions with regard to the internal control system in due consideration of the reference models and best practices adopted in Italy and internationally. Particular attention shall be addressed to the organization and management models adopted pursuant to legislative decree 231, June 8, 2001.

Article 11 - Internal control committee

- 11.1 In addition to assisting the board of directors in the performance of its duties as set out in point 10.5, the internal control committee:
- a) assesses, on a joint basis with the executive responsible for preparing the company's accounting documents and the auditors, the correct application of the accounting principles and, in the case of groups, the consistency of same for the purposes of preparing the consolidated balance sheet;
 - b) at the request of the executive director appointed for this purpose, expresses opinions on specific issues relating to the identification of the main risks to which the company is exposed, as well as on the design, implementation and management of the internal control system;
 - c) reviews the work plan prepared by the officers in charge of internal control as well as the periodic reports prepared by them;
 - d) assesses the proposals submitted by firms of auditors seeking to be engaged, in addition to the work plan prepared for the audit and the results described in the report and the letter of recommendations, if any;
 - e) supervise the validity of the audit process;
 - f) perform any additional duties assigned to it by the board of directors;
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- g) report to the board, at least once each half year, at the time of approval of the balance sheet and the half yearly report, on the work performed and on the adequacy of the internal control system.

11.2 The chairman of the audit board or another auditor designated by the chairman of the board shall participate in the work of the committee.

Article 12 - Executive director in charge of supervising the functionality of the internal control system

The executive director in charge of supervising the functionality of the internal control system:

- a) identifies the main business risks, taking into account the characteristics of the activities carried out by the company and its subsidiaries, and submits them periodically for the board of directors to review;
- b) implements the guidelines defined by the board of directors, making provision for the design, implementation and management of the internal control system, in addition to constantly monitoring its overall adequacy, effectiveness and efficiency; the executive director also makes adjustments to this system in accordance with changes in operating conditions and the legislative and regulatory framework;
- c) makes proposals to the board of directors regarding the appointment and revocation of the person in charge of internal control;
- d) fixes the remuneration of the person in charge of internal control after consulting the internal control committee.

Article 13 - Person in charge of internal control

13.1 The person in charge of internal control:

- a) ensures that the internal control system is always adequate, fully operational and effective;
- b) is not responsible for any operating divisions and does not report hierarchically to any manager of operating divisions;
- c) has direct access to all useful information for the performance of his/her duties;
- d) is provided with adequate means to perform the functions assigned to him/her;
- e) reports to the internal control committee, the audit board and the executive director in charge of supervising the functionality of the internal control system. In detail, the person in charge of internal control reports on the procedures involved in risk management, on compliance with the plans defined to reduce same and formulates his/her evaluation of the internal control system to achieve an acceptable overall risk profile.

13.2 The company establishes an internal audit function. The person in charge of internal control is responsible for the internal audit function.

Article 14 – Directors' interests and transactions with related parties

14.1 The board of directors adopts measures aimed at ensuring that the transactions in which directors have an interest, either on their own behalf or on behalf of third parties, and that the transactions carried out with related parties, are performed in a transparent manner and are substantially and formally correct.

- 14.2 The board of directors, after consulting the internal control committee, establishes approval and implementation procedures for the transactions carried out by the company, or its subsidiaries, with related parties. In detail, it defines the specific transactions which must be approved after consulting the internal control committee and/or with the assistance of independent experts.
- 14.3 The board of directors adopts operating solutions to facilitate the identification and adequate handling of those situations in which a director holds an interest on his/her behalf or on behalf of third parties.

Article 15 - Members of the statutory audit board

- 15.1 Statutory auditors are appointed by means of a transparent procedure which provides, inter alia, timely and adequate information on the personal and professional characteristics of the candidates.
- 15.2 The statutory auditors also act independently vis-à-vis the shareholders who elected them.
- 15.3 The company adopts suitable measures to ensure the effective performance of the typical duties of the audit board.
- 15.4 Lists of candidates, accompanied by detailed information on their personal characteristics and professional qualifications, are lodged at the company's registered office at least fifteen (15) days prior to the date fixed for the shareholders' meeting at first call. The lists, complete with information on the characteristics of the candidates, are published promptly on the company website.
- 15.5 The statutory auditors are independent professionals. The audit board verifies compliance with said criteria after appointment and subsequently on an annual basis. The outcome of such verification is published promptly in the annual report on corporate governance.
- 15.6 The statutory auditors accept the appointment when they believe that they can devote the necessary time to the diligent performance of their duties.
- 15.7 The statutory auditors who have an interest, either directly or on behalf of third parties, in a certain transaction of the company, must promptly and exhaustively inform the other auditors and the chairman of the board as to the nature, terms, origin and extent of their interest.
- 15.8 The audit board monitors the independence of the auditing firm, verifying both compliance with the provisions of the law and regulations governing the matter, as well as the nature and extent of services other than accounting control provided to the company and its subsidiaries by the same auditing firm and the entities belonging to the same network.
- 15.9 In the framework of their activities, the auditors may ask the internal audit function to assess specific operating areas or company transactions.
- 15.10 The statutory audit board and the internal control committee promptly exchange material information regarding the performance of their respective duties.

Article 16 - Shareholder relations

- 16.1 The board of directors endeavours to engage in an ongoing dialogue with the shareholders based on an understanding of their reciprocal roles.
 - 16.2 The board of directors makes its best efforts to ensure that significant information regarding the company is made promptly available to shareholders in an easily accessible form, to allow them to exercise their rights in an informed manner. For this purpose, the company
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publishes a special section on its website, in which the aforementioned information is available, with particular reference to procedures to attend shareholders' meetings and exercise voting rights at them, as well as the documentation relating to items on the agenda of shareholders' meetings, including the lists of candidates for the positions of director and auditor, complete with a description of the relevant personal characteristics and professional qualifications.

- 16.3 The board of directors identifies a person in charge of shareholder relations and periodically evaluates the adequacy of the business structure responsible for this function.

Article 17 - General meetings

- 17.1 The board of directors promotes initiatives to encourage the broadest possible attendance of shareholders at general meetings and to facilitate the process of exercising their rights.
- 17.2 The board of directors makes its best efforts to limit restrictions and fulfilments which make it difficult and burdensome for shareholders to attend shareholders' meetings and exercise their voting rights.
- 17.3 All directors usually attend shareholders' meetings. Shareholders' meetings also provide an opportunity to disclose information regarding the company to the shareholders, in compliance with the rules governing price-sensitive information. In particular, the board of directors reports to the shareholders' meeting as regards work performed and planned, as well as making its best efforts to ensure that the shareholders receive adequate information about the elements needed for them to make informed decisions on matters which are the competence of the shareholders' meeting.
- 17.4 The board of directors submits regulations to the shareholders' meeting for approval, setting out the procedures to be followed for ordinary and extraordinary shareholders' meetings to be held in an orderly and effective manner, without prejudice to the right of individual shareholders to express their opinions on the matters under discussion.

Text approved by the board of directors, March 1, 2007
