

Meeting of Board of Directors 8th November 2005

APPROVAL 2005 NINE MONTHS RESULTS

Consolidated results

Net revenues: €2,609.8 million

Ebit: €889.3 million

Net profit: €464.6 million

Advertising revenues and TV ratings

Italy

TV advertising revenues Publitalia: +3.7%

**Ratings: Mediaset channels lead ratings in 24-hours
since beginning of 2005**

SPAIN

TV advertising revenues Publiespana: +21.4%

Ratings: Telecinco Spain's leading channel

The Board of Directors of Mediaset met today under the Chairmanship of Fedele Confalonieri to approve the management's report on the Mediaset Group's results for the first nine months of 2005, prepared in compliance with the new international accounting principles (IAS/IFRS), the obligatory standard for the consolidated accounts of European listed companies from 2005.

The Group's results in the first nine months of the year reflect the excellent performance of the TV seasons in the two geographic areas (Italy and Spain), both in terms of advertising sales and audience ratings.

In Italy, **Publitalia '80's TV advertising revenues** for the three channels grew in the first nine months of 2005 by €73.8 million (**3.7%**) compared with the same period of the previous year to reach **€2,086.2 million**. In spite of an advertising market that

continues to suffer the effects of weak consumer spending, the performance of sales for Mediaset's channels remained, also in the third quarter, in line with the growth rate recorded in the first six months of the year. The result is particularly significant when compared with the figure for the same period of the previous year that was marked by extraordinary growth (+9.9% in the 2004 compared with the first nine months of 2003).

Also the ratings for Mediaset's channels were excellent. For the entire period under consideration (January-September 2005) Mediaset's channels led the 24-hour ratings with **42.6%**.

Mediaset's leadership is even stronger in the **commercial target** of 15-64-year olds, the group of most interest to advertisers, at **44.7% in the 24-hours**.

On the digital terrestrial front, the **pay per view** offer in the third quarter recorded sales of **1.2 million new re-chargeable pre-paid cards "Mediaset Premium"** and around **700,000 re-charges**, for a total of **€49 million**.

In Spain also the **Telecinco Group** achieved excellent results in the first nine months of 2005.

The **advertising revenues** of Publiespana for the period came to **€640.8 million**, an **increase of 21.4%** compared with the same period of the previous year.

In the first nine months of 2005, Telecinco confirmed its position as Spain's most popular channel in all the time bands.

In particular in the 24-hours the channel achieved a **22.5%** share, its best result in the last four years. Meanwhile, in **prime time**, there was a further improvement with a **23.7% share**.

In the commercial target (13-54-year olds), Telecinco consolidated its undisputed leadership with a 24.9% share.

MEDIASET GROUP CONSOLIDATED RESULTS

The Group's performance in the first nine of 2005 can be summarised as follows:

- **consolidated net revenues** came to **€2,609.8 million**, compared with €2,399.0 million in the first nine months of 2004 (**+ 8.8%**).
- **EBIT** came to **€889.3 million**, an **increase of 17.9%**, net of amortizations and depreciations for €591.6 million.
- operating profit as a proportion of consolidated net revenues (**operating profitability**) reached **34.1%**, compared with 31.4% in the first half of 2004.
- **profit before taxation** and minority interest **grew by 14.5%**, up from €766.3 million in the first half of 2004, to **€877.5 million** for the first nine months of 2004.

- **net profit** for the Group, net of estimated taxation, came to **€464.6 million**, compared with €412.1 million for the first half of the previous year (**+12.7%**).
- the Group's **net financial position** went from the +€62.0 million on 31 December 2004, to **-€163.9 million** on 30 September 2005.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- **consolidated net revenues** in the first nine months of 2005 grew by **4.7%** compared with the same period of the previous year, rising from €1,852.5 million to **€1,938.9 million**.
- **total television costs** (labour costs + TV operating costs + amortizations of TV rights), showed an increase of 4.8%, a fall in the growth rate compared with the first half of the year.
- **EBIT**, including a capital gain of €40.9 million, deriving from the sale of a 1.9% stake in Telecinco, came to **€581.9 million**, compared with the €556.5 million of the first nine months of 2004 (**+4.6%**).
- **profit before taxation** rose from the €565.8 million of the first nine months of 2004, to **€565.6 million** this time.
- **net profit increased by 4.8%** reaching **€355.6 million**, compared with the €339.2 million of the first nine months of 2004

Spain

- in the first nine months of 2005 the **consolidated net revenues** generated by the Telecinco Group came to **€671.5 million**, an **increase of 22.7%**, compared with the same period of the previous year.
- The Telecinco Group's **total costs** (operating costs + amortizations and depreciations) in the first nine months of 2005 increased by 4.7%, essentially in line with the figure for the last two years.
- Telecinco's **operating profit** rose to **€305.2 million**, compared with the €197.6 million of the first nine months of 2004 (**+54.5%**).

- **pre-tax profit** came to **€309.9 million** compared with the €200.6 million of the first nine months of 2004.
- **net profit** reached **€212.6 million**, compared with the €139.9 million of the first nine months of the previous year.

FORECAST FOR THE YEAR

On the basis of expectations in advertising revenues in both Italy and Spain for the closing months of the year, the company forecasts a full-year consolidated operating result which shows an increase on that for 2004.

In Italy, gross advertising revenues at the end of ten months show growth of **3.5%** on the same period of the previous year. The **net revenues** generated by the sale of **Mediaset Premium** between July and October came to **€55 million**.

PROJECT FOR THE REORGANISATION OF THE INTERESTS IN GESTEVISION TELECINCO

The Board of Directors of Mediaset has approved a project for the reorganisation of the stakes held, directly or indirectly by Mediaset SpA and the subsidiary Mediaset Investment sarl. in the Spanish company Gestevisión Telecinco SA., amounting to a total of 50.13% of the share capital.

The project foresees the sale of the stakes to Mediaset Investimenti SpA, a new company 100% controlled by Mediaset SpA.

SHARE BUY-BACK PLAN

The Board of Directors, in line with the share buy-back plan approved by the Board Meeting held on 13 September 2005, resolved to increase from 41,370,000 to 45,000,000 the maximum number of shares that may be acquired on the market at a nominal value of €0.52 each (equal to 3.81% of the share capital), leaving unchanged the other terms of the plan.

Cologno Monzese, 8 November 2005

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Highlights from the consolidated income statement
in €m

	Cumulative to settembre			Q3
	2005	2004	2005	2004
Total consolidated net revenues	2,609.8	2,399.0	625.4	589.9
Labour costs	327.1	297.9	107.4	93.3
Procurement, services and other costs	845.1	712.6	233.5	189.9
Operating costs	1,172.2	1,010.5	340.9	283.2
Gross operating profit	1,437.6	1,388.6	284.7	306.8
Amortisation and depreciations	591.5	634.4	192.8	219.4
Operating profit	846.1	754.1	91.6	87.2
((Losses)/gains from equity disposals)	43.1	-	0.1	-
EBIT	889.3	754.1	91.8	87.2
Financial income /(charges)	(9.2)	24.7	(2.8)	(5.0)
Income/(charges) from investments	(2.5)	(12.5)	(0.3)	3.9
Profit before taxation	877.5	766.3	88.7	78.4
Income taxes	(306.9)	(287.1)	(32.5)	(25.7)
Net profit from operations	570.6	479.3	56.2	52.8
(Net profit from discontinued activities)	-	-	-	-
(Minority interest (profit)/loss)	(106.0)	(67.2)	(18.1)	(14.2)
Profit for the Mediaset Group Mediaset	464.6	412.1	38.0	38.6

Highlights from the consolidated balance sheet
in €m

	30/09/2005	31/12/2004
Non current assets	3,684.0	3,521.0
Current assets	1,538.3	1,518.2
TOTAL ASSETS	5,222.3	5,039.2
Group net equity	2,796.3	2,870.3
Minority net equity	249.0	231.1
TOTAL SHAREHOLDERS' EQUITY	3,045.3	3,101.4
Non current liabilities	369.5	500.2
Current liabilities	1,807.5	1,437.6
TOTAL LIABILITIES	5,222.3	5,039.2
NET FINANCIAL POSITION	163.9	62.0