
PRESS RELEASE

MEDIASET GROUP: CONSOLIDATED 2000 RESULTS

Net revenues of 4,576.5 bn lire (+15.4%)

Net Profit of 819,9 bn lire (+24.9%)

Dividend proposal: 465 lire per share (+31%)

Record viewing figures for Mediaset networks

Marco Giordani nominated to Board of Directors

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the consolidated annual report of the Mediaset Group for the year ended 31 December 2000.

In 2000 the Mediaset Group produced results that show a marked growth, confirming the excellent financial and economic results of recent years. The further improvement of the Group's margin was the result of the **excellent performance of television advertising revenues** that registered an **increase** in sales **of 12.2%**.

The Board expressed its satisfaction with the results and the **brilliant performance** in terms of audience ratings in the current season. In particular, Canale 5, Italy's most popular network.

The Mediaset Group's Consolidated 2000 Results

What follows is a summary of the Group's results for 2000:

- **Consolidated net revenues** totalled **4,576.5 bn lire, an increase of 15.4%** compared with the 3,966.9 bn lire of the previous year.
The marked increase in the Group's net revenues was the result of overall expansion in television revenues. In particular:
 - advertising revenues reached 4,776,2 bn lire, an increase of 518,2 bn lire. There was also a sustained increase in revenues from the sale of commercial spots: + 12.2%.

- Other television revenues showed a significant increase as a result of larger advertising revenues from companies in the Fininvest Group and revenues generated from the sale of rights to pay-tv.

2000 also saw an increase in revenues from multimedia activities. These include the distribution of thematic channels and the strong growth in Internet advertising, both for the Group's own sites (Mediaset Online and the sites of the three networks) and those of third parties.

- **operating costs** increased from 1,695.5 bn lire to **1,948.6 bn lire**, an increase of 253 bn lire, of which 130.6 bn lire is attributable to the effect of the consolidation of Mediaset's interest in the Epsilon Group.
- **gross operating profit (EBITDA) increased by 15.7%**, from 2,271.4 bn lire in 1999 to **2,627.9 bn lire** for 2000.
- **operating profit (EBIT)** rose to **1,338.9 bn lire** compared with the 1,084.7 bn lire of the previous year, **an increase of 23.4% or 254.2 bn lire** .
The performance of operating profit was affected by the increase in rights amortisation, largely connected to the increased costs carried at the beginning of the 1999/2000 season for the new edition of the Champions League. It should be noted, however, that a proportion of this increased amortisation was recovered through the sale of pay-TV rights to Stream.
- there was a marked increase in **operating profitability**, reaching, on a like-for-like basis (net of the consolidation of 50% of the Epsilon Group) the exceptional figure of **30.1%** (27.3% at 31/12/1999).
- **pre-tax profit** came to **1, 254.6 bn lire** an **increase of 10.5%** compared with the 1.134,9 bn lire of 1999, in the context of charges linked to the evaluation of currency holdings, financial operations in stocks and the company's own shares and the overall improved result generated by financial investments.
- The Mediaset Group's **net profit** increased by **24.9%** to **819.9 bn lire** compared with the 656.7 bn lire of the previous year.
- The Group's **net financial position** went from 339.9 bn lire at 31 December 1999 to **242.7 bn lire** at 31 December 2000. This change in liquidity, in spite of a positive cash flow, is mainly the result of expenditure related to financial investments, worth around 200 bn lire.

Publitalia '80 - Advertising

During 2000, Publitalia '80 generated results that were decidedly positive and in marked increase compared with 1999. **Television advertising revenues** came to **4,776.2 bn lire**, an increase of 518.2 bn lire on the previous year.

RTI - Broadcasting

Viewing figures for Mediaset's three networks - Canale 5, Italia 1 and Retequattro - were decidedly brilliant. The overall 24-hour share for the Group's networks reached **43.4%**, the best result since 1995, in spite of important sporting events such as the European Football Championship and the Olympic Games broadcast by RAI between June and September.

The results in the last months of the year were even better: in October Mediaset's overall share reached 45.3%, while in November and December Canale 5, Italia 1 and Retequattro overtook our direct competitor, with a share of over 45%. The leadership acquired over the state broadcaster has also been confirmed in the first two months of 2001.

2000 was spectacularly successful for Canale 5 that, compared with 1999, added 1.3 points to its 24-hour share, obtaining an average share of 22.5, the best result in the last 14 years.

Furthermore, in the autumn season of 2000, Canale 5 became Italy's most popular prime time network with 26,4% share, 2 points ahead of RAI 1. This leadership has been confirmed in the first 2 months of 2001.

Mediadigit – New media

Mediadigit is the company that brings together the Mediaset Group's activities in new media sectors (thematic channels, the Internet, teletext) and aims to develop synergies and brand extensions on the strength of the core television business by producing content that can be delivered across different platforms.

Through the vertical portal Mediaset Online and the networks' three sites Mediadigit is developing a strategy of progressive integration between television and the Internet, above all in the news and entertainment areas. The online versions of *Passaparola* and *Tg5* were launched to immediate success and in March 2001 Tg.com was launched. This is Mediaset's fourth news title and represents a new approach to web information for Mediaset Online,

Telecinco Group

In 2000 the Telecinco Group (in which Mediaset holds a 40% stake) continued its extraordinary growth record by improving on the already remarkable results of 1999.

The operating margin reached **39.6%** (compared with 31.6% in the previous year), **operating profit** came to **40.2 bn pesetas** (around 468 bn lire), **and increase of 49.3%** on 1999. **Net profit** totalled **25.7 bn pesetas** (around 299 bn lire) an **increase of 40%**.

Results of the Parent Company: Mediaset S.p.A.

The parent company, Mediaset S.p.A., ended the year 2000 with a **net profit of 618.8 bn lire**, after amortisations and depreciations for 599.2 bn lire and making reserves for income tax of 302.6 bn lire.

The Board of Directors agreed to propose to the Company's annual General Meeting, to be held on April 9, **a dividend of 465 lire per share**, an **increase of 31%** on the dividend for 1999, and forecast to be payable from May 24, 2001.

Forecast for the current year

Advertising sales for the first quarter of 2001 are in line with the budget forecast of **6% growth** and higher than the reference market year.

In the first two months of 2001, Mediaset networks have registered and **average daily audience share of 44,7%**, an **increase of 2.2 points** on the same period of the previous year.

New member of the Board of Directors

The Board of Directors nominated Marco Giordani, the Group's Chief Financial Officer, to the Board.

CORPORATE GOVERNANCE

The Board of Directors, in the process of enacting the self-regulatory code drawn up by the Committee for Corporate Governance for Listed Companies of the Borsa Italiana S.p.A. (the Italian Stock Exchange) and known as the Preda Code, today approved the company's own 'Self-Regulatory Code' that includes the guiding principles of the Preda Code, which Mediaset had previously adhered to as per the communication of 28 March 2000.

The Mediaset code conforms to the Preda Code by taking account of organisational structures and the delegation of powers in the company, which, in particular, foresee the attribution of individual management powers of the Chairman and Chief Executive, the definition of the competencies and powers of the Executive Committee as well as the responsibility for the internal control of the company attributed to a director.

Mediaset's Self-Regulatory Code will be available to the public together with the Annual Report for 2000 to be approved by the company's Annual General Meeting to be held on 9 April.

Cologno Monzese, 20 March 2001

Highlights from the consolidated income statement^(*)

	2000	1999	2000	1999
	bn lire	bn lire	m euro	m euro
Revenues from sales and services	4,514.7	3,889.6	2,331.65	2,008.81
Other revenues and income	61.8	77.3	31.92	39.92
Total consolidated net revenues	4,576.5	3,966.9	2,363.57	2,048.73
Operating costs	1,948.6	1,695.5	1,006.40	875.66
Gross operating profit	2,627.9	2,271.4	1,357.17	1,173.07
Amortisations and depreciations	1,289.0	1,186.7	665.74	612.88
Operating profit	1,338.9	1,084.7	691.43	560.19
Financial income (charges)	(101.5)	36.0	(52.41)	18.59
Income (charges) from investments	19.4	4.7	10.02	2.43
Profit before extraordinary items	1,256.8	1,125.4	649.04	581.21
Extraordinary income (charges)	(2.2)	9.5	(1.14)	4.91
Pre-tax profit	1,254.6	1,134.9	647.90	586.12
Income taxes	(434.5)	(478.0)	(224.40)	(246.87)
Net profit	820.1	656.9	423.50	339.25
Profit (loss) for minority interests	(0.2)	(0.2)	(0.10)	(0.10)
Profit (loss) for the Mediaset Group	819.9	656.7	423.40	339.15

Highlights from the consolidated balance sheet^(*)

	2000	1999	2000	1999
	bn lire	bn lire	m euro	m euro
Television rights	3,415.5	3,341.8	1,763.94	1,725.90
Other tangible/intangible assets	871.3	770.8	449.99	398.08
Financial assets	1,133.8	1,055.9	585.53	545.33
Net working capital & other assets/liabilities	(872.6)	(1,131.9)	(450.66)	(584.58)
Severance indemnity reserve	(164.7)	(156.4)	(85.06)	(80.77)
Net invested capital	4,383.3	3,880.2	2,263.79	2,003.96
Net financial position	242.7	339.9	125.32	175.54
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Shareholders' equity and minority interest	4,626.0	4,220.1	2,389.14	2,179.50



() these figures are still subject to certification by the external auditors and the Statutory Board of Auditors*