MEDIASET GROUP

QUARTERLY REPORT AS AT 30 SEPTEMBER 2010

MEDIASET S.p.A. - via Paleocapa, 3 - 20121 Milan

Share Capital Euros 614,238,333.28 fully paid up

Tax Code, VAT number and inscription number in the
Milan Enterprises Register: 09032310154

Website: www.mediaset.it

INDEX

CORPORATE BODIES

Board of Directors	**Chairman**	Fedele Confalonieri
	Vice Chairman	Pier Silvio Berlusconi
	Managing Director	Giuliano Adreani
	Directors	Marina Berlusconi
		Pasquale Cannatelli
		Paolo Andrea Colombo
		Mauro Crippa
		Bruno Ermolli
		Luigi Fausti
		Marco Giordani
		Alfredo Messina
		Gina Nieri
		Niccolò Querci
		Carlo Secchi
		Attilio Ventura
Executive Committee		Fedele Confalonieri
		Pier Silvio Berlusconi
		Giuliano Adreani
		Gina Nieri
Internal Controls Committee		Carlo Secchi (*Chairman*)
		Alfredo Messina
		Attilio Ventura
Compensation Committee		Bruno Ermolli (*Chairman)*
		Paolo Andrea Colombo
		Attilio Ventura
Corporate Governance Committee		Attilio Ventura *(Chairman)*
		Paolo Andrea Colombo
		Carlo Secchi
Board of Statutory Auditors	**Chairman**	Alberto Giussani
	Active Auditors	Francesco Vittadini
		Silvio Bianchi Martini
	Substitute Auditors	Mario D'Onofrio
		Antonio Marchesi
External Auditing Company		Reconta Ernst & Young S.p.A.

MEDIASET GROUP: FINANCIAL HIGHLIGHTS

Main Income Statement Data

FY 2009			3Q 2010		3Q 2009	
mio €	%		mio €	%	mio €	%
3,882.9	100%	Total net Revenues	3,045.8	100%	2,652.1	100%
3,228.8	83.2%	Italy	2,423.9	79.6%	2,220.7	83.7%
656.3	16.9%	Spain	622.4	20.4%	432.2	16.3%
601.5	100%	Operating Profit (EBIT)	534.7	100%	380.9	100%
478.7	79.6%	Italy	367.9	68.8%	298.4	78.3%
122.8	20.4%	Spain	166.9	31.2%	82.5	21.7%
448.4	11.5%	Profit before Tax and Minority Interests	348.4	11.4%	329.4	12.4%
272.4	7.0%	Group Net Profit	192.6	6.3%	184.2	6.9%

Main Balance Sheet and Financial Data

31 December 2009		30 September 2010	30 September 2009
mio €		mio €	mio €
4,090.3	Net Invested Capital	3,780.6	4,042.4
2,583.3	Total Shareholders' Equity	2,472.5	2,440.9
2,331.8	Group shareholders' Equity	2,282.3	2,234.3
206.5	Minorities Shareholders' Equity	190.2	206.6
(1,552.0)	Net Financial Position	(1,308.1)	(1,601.5)
1,627.2	Operating Cash Flow	1,246.8	1,065.4
1,319.4	Investments	714.2	1,101.1
431.8	Dividends paid by the Parent Company	250.0	431.8
102.8	Dividends paid by Subsidiares	37.8	102.8

Personnel

FY 2009			30 September 2010		30 September 2009	
	%			%		%
5,834	100.0%	Mediaset Group Personnel (headcount)	5,812	100.0%	5,897	100.0%
4,727	81.0%	Italy	4,708	81.0%	4,759	80.7%
1,107	19.0%	Spain	1,104	19.0%	1,138	19.3%
6,095	100.0%	Mediaset Group Personnel (average)	5,746	100.0%	6,223	100.0%
4,956	81.3%	Italy	4,644	80.8%	5,074	81.5%
1,139	18.7%	Spain	1,102	19.2%	1,149	18.5%

Main Indicators

FY 2009		30 September 2010	30 September 2009
15.5%	Operating Profit/Net Revenues	17.6%	14.4%
14.8%	Italy	15.2%	13.4%
18.7%	Spain	26.8%	19.0%
11.5%	Pre-Tax and Minority Interest/Net Revenues	11.4%	12.4%
7.0%	Net Profit/Net Revenues	6.3%	6.9%
0.24	Earning per Share (EUR)	0.17	0.16
0.24	Diluted Earning per Share (EUR)	0.17	0.16

FOREWORD

This Interim Report on Operations at 30 September 2010, hereinafter the "Quarterly Report", was drawn up pursuant to article 154, part three, of the Legislative Decree 58/1998 and its successive changes and to the Consob Communication number DEM/8041082 of 30 April 2008 and prepared in conformity with the IAS/IFRS (International Accounting Standards/International Financial Reporting Standards) that are applicable pursuant to EC Regulation number 1606/2002 of the European Parliament and Council of 19 July 2002 and specifically with IAS 34 – *Interim Financial Reporting*.

The structure and content of the reclassified accounting tables contained in the Interim Report on Operations and the mandatory accounting schemes included in this Report are in line with those produced at the time of the Annual Report.

The explanatory notes have been drawn up in conformity with the minimum contents laid down by *IAS 34 – Interim Financial Reporting.* Therefore, the informational contents of this Report are not the same as those for a fully completed set of Financial Statements, drawn up pursuant to IAS 1.

This Quarterly Report has not been the subject of an audit by the external Auditing Company

INTERIM REPORT ON OPERATIONS AT 30 SEPTEMBER 2010

Summary of Group Results

During the first nine months of the current fiscal year worldwide international economic progress, with the exception of the developing countries where the recession was largely an imported matter and the turnaround occured much more quickly, was characterised by many contrasting signs regarding the timeframes and the methodologies to exit from the recession. Specifically, within the EMU area, with the sole exception of Germany, after the growth that was recorded in the first half-year, an expectation now gaining ground, mainly induced by the strengthening of the Euro, is that there will be a further progressive economic slowdown during the next few months.

However, even in this general context, there have progressively come together, above all in Italy, signs of an upturn in the advertising market. Benefiting from this greater dynamism in Italy and from the new regulatory situation regarding the advertising intake, which has been in force in Spain since the beginning of 2010, the Group, which in the same period of the previous fiscal year was negatively impacted by the most acute stage of the international economic crisis, has achieved significant increases in its advertising intake in both of the geographical reference markets, recording a notable growth in its margins, in its operating profitability and the generating of its free cash flow.

Below there are summarised the key consolidated economic/financial results achieved at the end of the nine months of 2010 compared to those for the same period of the previous fiscal year.

- *The **Consolidated Net Revenues*** reached ***3,045.8 million Euros***, increasing by ***14.8%;***
- ***The Operating Result (EBIT)*** amounted to ***534.7 million Euros,*** with an increase of 40.4% compared to the 380.9 million Euros recorded in the same period of the previous

fiscal year. The ***operating profitability*** arrived at **17.6%,** compared to the 14.4% recorded in the same period of 2009.

- The ***profit earned from the functioning assets, before taxes and the amount belonging to minorities,*** amounted to ***348.4 million Euros*** compared to the 329.4 million Euros at 30 September 2009. This result was impacted by the charges, which amounted in total to –169.9 million Euros (-11.4 million Euros in the same period of the previous year), linked to the valuation of the equity investment in Edam, the book value of which was totally written off following the results of the impairment test that was carried out at the reference date of this Quarterly Report, according with the preliminary figures concerning the 2011 budget and the relative 2011-2013 business plan. The impact of this write-off on the net result for the period that belongs to the Group amounted to – 75.4 million Euros, compared to a net loss of -5.1 million Euros coming from the valuation of this equity investment in the same period of 2009.
- The ***net profit belonging to the Group*** amounted to ***192.6 million Euros***, increasing by 4.6% compared to the 184,2 million Euros for the same period of 2009.
- The ***net consolidated financial position*** went from ***–1,552,0*** million Euros at 31 December 2009 to ***–1,308.1 million Euros*** at 30 September 2010, due to the notable increase in the generation of the free cash flow for the period amounting to ***589.7 million Euros*** compared to the 300.3 million Euros for the same period of 2009 and, at the same time, due to the reduction of the outgoings linked to the distribution of the dividends.

<u>Trend of operations by geographical area: Italy</u>

- In the first nine months of 2010 the ***Consolidated Net Revenues*** from the Group's activities in Italy reached **2,423.9** million Euros, recording a growth of 9.1% compared to the same period of the previous year, which was created by both the greater advertising revenues and the big increase in the revenues relative to the business activities of Mediaset Premium.
- The gross **advertising intake** of the Mediaset networks amounted to **1,914.8** million Euros, recording a growth of 5,0% compared to the same period of the previous year. The datum relative to the overall advertising intake, also including the sale of advertising space on other means in concession of the Group, mainly consisting of the other digital television channels both free to air and pay TV, recorded in the same period a higher growth rate of 6.6%. The data for the period being looked at reflect, in spite of the significant discontinuity that can still be found in the main economic indicators, e.g. consumer confidence and consumption trends, the progressive establishment of a market phase that is characterised by an appreciable increase in the propensity towards advertising investments by many merchandise sectors.
- The characteristic revenues of ***Mediaset Premium,*** consisting of the sale of prepaid cards, recharges and Easy Pay subscriptions, recorded a significant increase, going up from the 212.2 million Euros at 30 September 2009 to **342.5** million Euros at the same date in 2010, caused by the growth of the number of active customers that, in the last 12 months, have grown from 2.9 million to about 3.3 million. Due to the continuous growth in the overall revenues generated by this area of business, in the third quarter Mediaset Premium recorded a positive Operating Result, basically wiping out the operating loss that it had accumulated from the beginning of the year.

- The ***Operating Result (EBIT)*** from all the Italian business activities amounted to ***367.9 million Euros***, compared to the 298.4 million Euros at 30 September 2009. The ***operating profitability*** at the end of the period arrived at ***15.2%*** compared to 13.4% for the same period of 2009.

The ***total audience*** during the 24-hour period in the first nine months of 2010 was 9 million and 463 thousand persons, with a slight increase compared to the figure for the same period of 2009.

The Mediaset Networks, during the period being looked at, achieved 35.5% of share in the 24-hour period, 35.6% in Day Time and 35.1% in Prime Time. If the contributions of the networks viewable in DTT, both free and pay TV, i.e. Boing, Iris. La5 and Premium Calcio are also taken into account, the total audience share of the Mediaset networks reached 37.7% in the 24-hour period and 37.3% in Prime Time.

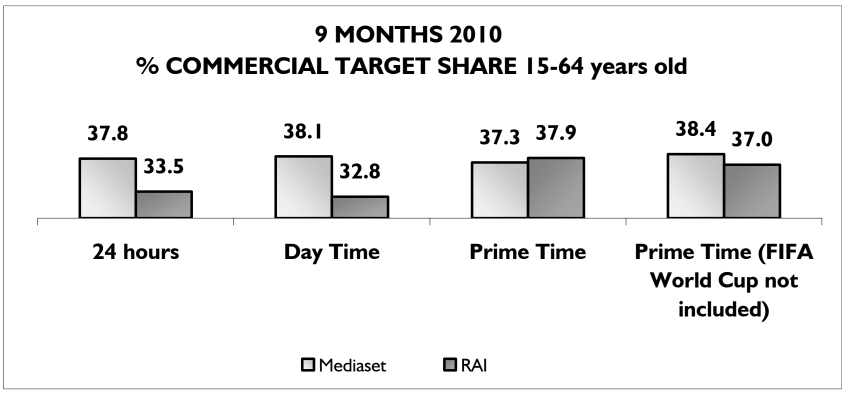
In detail the results that were achieved by the individual networks, during the period that is being looked at, were the following:

(Source: Auditel)

9 months 2010 (from 3 Jan to 2 Oct)	Individuals			Commercial Target		
	24 hours	Prime Time	Day Time 7:00-2:00	24 hours	Prime Time	Day Time 7:00-2:00
5	18.9%	18.8%	18.9%	20.2%	20.7%	20.1%
	9.3%	8.8%	9.4%	11.0%	10.1%	11.3%
4	7.3%	7.5%	7.3%	6.6%	6.5%	6.7%
TOTAL GENERALIST NETWORKS	**35.5%**	**35.1%**	**35.6%**	**37.8%**	**37.3%**	**38.1%**
BOING IRIS PREMIUM CALCIO LA5	2.2%	2.2%	2.2%	2.2%	2.3%	2.1%
MEDIASET	**37.7%**	**37.3%**	**37.7%**	**40.0%**	**39.6%**	**40.1%**

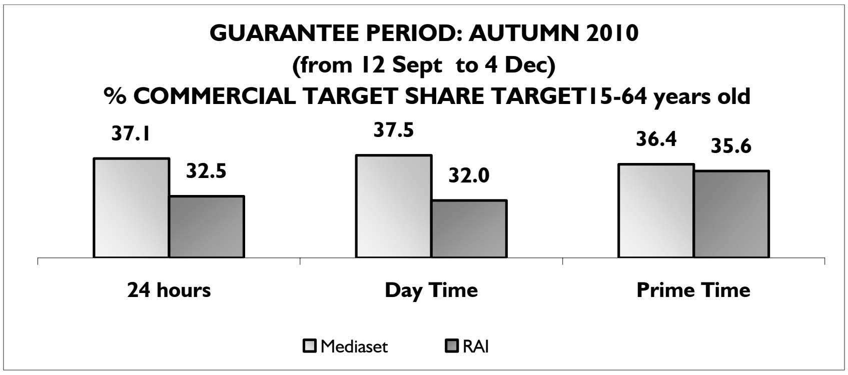
Regarding its commercial target, the Group maintains the leadership of the three TV generalist networks in the 24-hour period. In all the time ranges, Canale 5 confirmed itself as the most viewed network being ahead of its main competitor by 3.2 points of share in the 24-hour period and by 1 point in Prime Time.

Specifically, Canale 5 and Italia 1, together, confirmed that they hold first place with reference to the target of children of 4 to 14 years of age and young people of 15 to 34 years of age.



Regarding the autumn "guarantee" period the Mediaset Networks achieved an audience share of 35.1% in the 24-hour period, of 35.3% in Day Time and of 34.6% in Prime Time. Considering the contribution of the digital channels the total audience share in the 24-hour period amounted to 38%, to 37.9% in Day Time and to 38.3% in Prime Time.

During the same period Mediaset retained its leadership relative to its commercial target (15-64 years) regarding both the generalist networks and total broadcasting in the 24-hour period and in Prime Time with shares of 37.1% and 36.4%, respectively, while also taking into account the contribution of the digital channels the Group achieved a share amounting to 40.1% in the 24-hour period and 40.4% in Prime Time. Canale 5 confirmed itself as the leading network in the 24-hour period and in Prime Time and Italia 1 confirmed itself as the third network in the 24-hour period.



In the following table there are shown the broadcasted hours of each of the Mediaset networks up to 30 September 2010.

Mediaset Networks - Broadcasted programmes - 3Q 2010

Type	Canale 5		Italia 1		Retequattro		Mediaset Total	
Film	517	7.9%	1,119	17.1%	1,635	25.0%	3,271	16.6%
Tv Movie	448	6.8%	269	4.1%	159	2.4%	876	4.5%
Mini-series	186	2.8%	5	0.1%	105	1.6%	296	1.5%
Telefilm	586	8.9%	1,667	25.4%	2,196	33.5%	4,449	22.6%
Tv Romance	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Sit-com	64	1.0%	509	7.8%	57	0.9%	628	3.2%
Soap	200	3.1%	-	0.0%	115	1.8%	315	1.6%
Telenovelas	85	1.3%	65	1.0%	204	3.1%	354	1.8%
Cartoons	-	0.0%	829	12.7%	-	0.0%	829	4.2%
Total TV Rights	**2,086**	**31.8%**	**4,463**	**68.1%**	**4,471**	**68.2%**	**11,020**	**56.1%**
News	1,250	19.1%	615	9.4%	654	10.0%	2,519	12.8%
Information programmes	980	15.0%	123	1.9%	198	3.0%	1,301	6.6%
Sport programmes	4	0.1%	71	1.1%	68	1.0%	143	0.7%
Event	28	0.4%	134	2.0%	15	0.2%	177	0.9%
Entertainment:	2,050	31.3%	743	11.3%	720	11.0%	3,514	17.9%
Culture	32	0.5%	225	3.4%	146	2.2%	404	2.1%
Teleshopping	122	1.9%	178	2.7%	280	4.3%	580	3.0%
Total in-house productions	**4,466**	**68.2%**	**2,089**	**31.9%**	**2,081**	**31.8%**	**8,638**	**43.9%**
Total	**6,552**	**100.0%**	**6,552**	**100.0%**	**6,552**	**100.0%**	**19,656**	**100.0%**

Mediaset Networks - Broadcasted programmes - 3Q 2009

Type	Canale 5		Italia 1		Retequattro		Mediaset Total	
Film	469	7.2%	1,052	16.1%	1,659	25.3%	3,180	16.2%
Tv Movie	419	6.4%	288	4.4%	182	2.8%	889	4.5%
Mini-series	133	2.0%	61	0.9%	123	1.9%	317	1.6%
Telefilm	590	9.0%	1,585	24.2%	2,002	30.6%	4,177	21.3%
Tv Romance	26	0.4%	-	0.0%	-	0.0%	26	0.1%
Sit-com	68	1.0%	516	7.9%	45	0.7%	629	3.2%
Soap	206	3.1%	-	0.0%	299	4.6%	505	2.6%
Telenovelas	-	0.0%	79	1.2%	267	4.1%	346	1.8%
Cartoons	-	0.0%	987	15.1%	-	0.0%	987	5.0%
Total TV Rights	**1,911**	**29.2%**	**4,568**	**69.7%**	**4,577**	**69.9%**	**11,056**	**56.2%**
News	1,279	19.5%	769	11.7%	714	10.9%	2,762	14.1%
Information programmes	1,040	15.9%	142	2.2%	214	3.3%	1,396	7.1%
Sport programmes	-	0.0%	52	0.8%	90	1.4%	142	0.7%
Event	24	0.4%	139	2.1%	32	0.5%	195	1.0%
Entertainment:	2,110	32.2%	721	11.0%	579	8.8%	3,410	17.3%
Culture	51	0.8%	2	0.0%	110	1.7%	163	0.8%
Teleshopping	137	2.1%	159	2.4%	236	3.6%	532	2.7%
Total in-house productions	**4,641**	**70.8%**	**1,984**	**30.3%**	**1,975**	**30.1%**	**8,600**	**43.8%**
Total	**6,552**	**100.0%**	**6,552**	**100.0%**	**6,552**	**100.0%**	**19,656**	**100.0%**

Trend of operations by geographical area: Spain

- At 30 September 2010, the ***Consolidated Net Revenues of the Telecinco Group*** reached the amount of ***622.4 million Euros,*** recording an increase of 44.0%, compared to the figure for the same period of the previous year.
- The ***television advertising revenues*** arrived at ***572.9 million Euros,*** recording a growth of *40.9%*, compared to those achieved in the same period of 2009. Obviously, this result is being compared with the extremely negative period of the first nine months of the previous financial year and it reflects the impacts on the Spanish advertising market, as a result of the entry into force of the Law number 8/2009 which, starting from 2010, impedes the public TV broadcaster RTVE from selling advertising space in its programs. Based on the *Infoadex* data, the advertising investments made in Spain in the first nine months of 2010 grew by 7.1% compared to the same period of the previous year, arriving at an overall volume of 1,767.3 million Euros which represents a share of 46.9% of the total value of the whole advertising market. In this market Telecinco maintains its leadership position with a share amounting to 32.5%, thanks to its leadership of the commercial target share as well as of the price-per-contact.
- The ***Operating Result*** amounted to ***166.9 million Euros***, compared to the ***82.5 million Euros*** of the same period of 2009, with an ***operating profitability*** of *26.8%* compared to the *19.1%* of 2009, which is confirmed as being among the highest among the European television groups.
- The television offer of the Telecinco Group, also including the channels La Siete, Factoria De Ficcion and, starting from the month of September the children's theme channel Boing, closed the period that is being looked at with an ***average audience share,*** calculated on the total number of viewers in the 24-hour period amounting to 17.4%, outstripping Antena 3 that had 15.5%. The Telecinco channel was the most viewed one among the Spanish commercial channels achieving 14,7% of share in the 24-hour period, with 2.9 percentage points more than Antena 3, which recorded a share of 11.8%, and confirming itself as the market leader among the commercial television stations during the period in question. Also in ***Prime Time***, Telecinco maintains its national leadership among the private

television channels having achieved an average share media of 17.4%. Furthermore, the broadcasting of the Spanish football team's games in the World Cup on an exclusive basis enabled Telecinco to achieve the absolute national viewing leadership also in the months of June and July.

- Regarding the ***commercial target***, the Telecinco Group achieved 18.2% in the 24-hour period and was 1.9 points of share ahead of Antena 3 with 16.3%, which increases to 3.3 points of share if we only consider the Telecinco channel that achieved 15.2% compared to the 11.9% gained by its main commercial competitor.

(Source: Sofres)

	AUDIENCE SHARE AS AT 30 SEPTEMBER 2010	
	Individuals	**Commercial Target**
24 hours	17.4%	18.2%
Prime Time	17.4%	17.8%
Day Time	17.3%	18.2%

The free channels offered by Telecinco on digital terrestrial, *La Siete* (7) and *Factoria De Ficcion* (FDF), at 30 September 2010 obtained an audience share of 1.4% and 1.8% in the 24-hour period. In the last month of the period *Boing*, a channel aimed at children, was launched and in only one month of broadcasting it has already achieved a share of 0.6%.

The following table shows the contents of the programmes broadcasted by Telecinco during the period being looked at and it highlights, compared to the same period of the previous year, the further growth of the self-produced part of them.

Telecinco Broadcasted contents (hours)	**3Q 2010**		**3Q 2009**		**Changes**	
Film	293	4.5%	386	5.9%	(93)	-24.1%
TV Movies, Mini-series and Telefilm	274	4.2%	431	6.6%	(157)	-36.4%
Cartoons	227	3.5%	194	3.0%	33	17.0%
Total TV Rights	**794**	**12.1%**	**1,012**	**15.4%**	**(217)**	**-21.4%**
Quiz-game-show	1,234	18.8%	1,628	24.8%	(394)	-24.2%
Sport	73	1.1%	63	1.0%	10	15.9%
Documentaries and others	3,248	49.6%	2,158	32.9%	1,090	50.5%
News	982	15.0%	1,124	17.2%	(142)	-12.6%
Fiction	183	2.8%	543	8.3%	(360)	-66.3%
Others	37	0.6%	23	0.4%	14	60.9%
Total in-house productions	**5,758**	**87.9%**	**5,540**	**84.6%**	**218**	**3.9%**
Total	**6,552**	**100.0%**	**6,552**	**100.0%**	**-**	**0.0%**

Analyses of the results by geographical areas and activities

Below there are given the analyses of the Consolidated Income Statement, Balance Sheet and Financial Situation, showing separately the contributions made to the Group results by the two geographical activity areas of Italy and Spain, as well as the breakdown of the revenues and the operating results of the main business activity segments that are included in these areas.

The form and contents of the tables of the Income Statement, Balance Sheet and Financial Situation that are shown below are the same as those that were given in the Report on Operations of the Yearly Consolidated Financial Statements and, therefore, they are shown in a reclassified format compared to those contained in the following Financial Statement Tables, for the purpose of highlighting some intermediate levels of the results and the Balance Sheet and Financial Situation groupings that are believed to be the most significant ones, in order to be able to truly understand the operating performances of the Group and its individual Business Units. These balances, even if they are not foreseen, are supplied, in conformity with the indications contained in the Consob (Italian SEC) Communication number 6064293 of 28 July 2006 and in the Recommendation of the CESR (Committee of European Securities Regulators) of 3 November 2005 (CESR/o5-178b) regarding alternative performance indicators, i.e. "*Non GAAP Measures*", the descriptions of the criteria used in preparing them and the appropriate notes regarding the references for the items contained in the obligatory tables.

The Income Statement information is given for the cumulative numbers at 30 September of 2010 and 2009 and for the individual third quarters of 2010 and 2009 while the Balance Sheets are as at 30 September 2010 and as at 31 December 2009.

Financial results

In the following Consolidated Income Statement table by type there are shown the interim results relative to the gross operating margin (EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation), to the Operating result from normal operations and to the Operating Result (EBIT - Earnings Before Interest and Tax).

The gross operating margin EBITDA is the difference between the Consolidated net revenues and the operating costs, gross of the non-monetary costs relative to Depreciation, Amortisation and Write-downs, net of any reinstatement of the values, of both current and non-current assets

The Operating Result (EBIT) is obtained by deducting from the EBITDA the non-monetary costs relative to Depreciation, Amortisation and Write-downs, net of any reinstatement of the values, of both current and non-current assets.

As already pointed out in the preceding Reports the valuation, using the net equity method, of the equity investment of 33.3% in Edam is posted by geographical segment into the Income Statement of the Spain Area, because this equity investment is owned by Mediacinco Cartera, a company that is consolidated, on a line-by-line basis, into Gestevision Telecinco.

(Values in million Euros)

Mediaset Group: Income statement	3Q		3rd Quarter	
	2010	2009	2010	2009
Total consolidated net revenues	**3,045.8**	**2,652.1**	**768.0**	**700.4**
Personnel expenses	390.2	376.1	123.2	116.2
Purchases, services, other costs	1,275.8	1,082.8	349.2	315.5
Operating costs	**1,666.0**	**1,458.9**	**472.4**	**431.7**
EBITDA	**1,379.8**	**1,193.2**	**295.6**	**268.7**
Rights amortisations	728.6	720.0	213.1	240.0
Other amortisations and depreciations	116.5	92.3	33.0	22.2
Amortisations and depreciations	**845.1**	**812.3**	**246.1**	**262.2**
EBIT	**534.7**	**380.9**	**49.5**	**6.6**
Financial income/(losses)	(13.4)	(24.9)	(5.6)	(5.0)
Income/(expenses) from equity investments	(172.9)	(26.6)	(150.3)	11.4
EBT	**348.4**	**329.4**	**(106.4)**	**12.9**
Income taxes	(134.7)	(108.0)	22.7	(6.8)
Net profit from continuing operations	**213.7**	**221.5**	**(83.8)**	**6.2**
Net profit from discontinued operations	-	(0.5)	-	-
Minority interests in net profit	(21.1)	(36.7)	34.7	(2.7)
Mediaset Group net profit	**192.6**	**184.2**	**(49.0)**	**3.4**

In the following table there are shown some significant components of the Group Income Statement, expressed as percentages of the Consolidated Net Revenues.

	3Q		3rd Quarter	
	2010	2009	2010	2009
Total consolidated net revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Operating costs	54.7%	55.0%	61.5%	61.6%
EBITDA	**45.3%**	**45.0%**	**38.5%**	**38.4%**
Amortisation, depreciation and write-downs	27.7%	30.6%	32.0%	37.4%
EBIT	**17.6%**	**14.4%**	**6.4%**	**0.9%**
EBT	**11.4%**	**12.4%**	**-13.9%**	**1.8%**
Mediaset Group net profit	**6.3%**	**6.9%**	**-6.4%**	**0.5%**
Tax rate (EBT %)	38.7%	32.8%	21.3%	52.3%

There follows below an analysis of the Income Statement showing separately, at operational level, the financial contributions generated by the two geographical areas of Italy and Spain. It is highlighted in order to show the summarised contribution to the Group results in the two geographical areas the Income Statement is shown already net of the amount relative to the dividends received from Gestevision Telecinco.

Analyses of the results by geographical areas: Italy

Below there is shown the Summarised Income Statement of the Mediaset Group, relative to the domestic business activities:

(Values in million Euros)

Italy: Income statement	3Q		3rd Quarter	
	2010	**2009**	**2010**	**2009**
Total consolidated net revenues	**2,423.9**	**2,220.7**	**606.7**	**589.1**
Personnel expenses	331.4	316.8	103.4	96.4
Purchases, services, other costs	988.2	900.8	259.9	246.8
Operating costs	**1,319.7**	**1,217.6**	**363.4**	**343.1**
EBITDA	**1,104.2**	**1,003.1**	**243.3**	**246.0**
Rights Amortisations	627.1	618.9	183.9	208.2
Others amortisations and depreciations	109.2	85.8	30.5	19.9
Amortisations and depreciations	**736.4**	**704.7**	**214.4**	**228.1**
EBIT	**367.9**	**298.4**	**28.9**	**17.9**
Financial income/(losses)	(16.7)	(27.3)	(4.0)	(6.4)
Income/(expenses) from equity investments	(4.1)	(0.2)	(2.0)	(1.3)
EBT	**347.1**	**271.0**	**22.9**	**10.3**
Income taxes	(134.6)	(108.0)	(5.4)	(6.8)
Net profit from continuing operations	**212.4**	**163.0**	**17.5**	**3.6**
Net profit from discontinued operations	-	(0.5)	-	-
Minority interests in net profit	(5.4)	(6.4)	(1.9)	(2.9)
Mediaset Group net profit	**207.0**	**156.0**	**15.6**	**0.7**

In the following table there are shown some significant components of the Income Statement, expressed as percentages of the Consolidated Net Revenues.

	3Q		3rd Quarter	
	2010	**2009**	**2010**	**2009**
Total consolidated net revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Operating costs	54.4%	54.8%	59.9%	58.2%
EBITDA	**45.6%**	**45.2%**	**40.1%**	**41.8%**
Amortisation, depreciation and write-downs	30.4%	31.7%	35.3%	38.7%
EBIT	**15.2%**	**13.4%**	**4.8%**	**3.0%**
EBT	**14.3%**	**12.2%**	**3.8%**	**1.7%**
Mediaset Group net profit	**8.5%**	**7.0%**	**2.6%**	**0.1%**
Tax rate (EBT %)	38.8%	39.9%	23.4%	65.6%

In the following tables there are shown, for the two comparable periods, the contributions to the Revenues and to the Operating Result of the activities in Italy, at ***activity segments*** level, identified based on the characteristics of the products and services offered and of the active and/or internal reference markets and also taking into account their quantitative relevance.

The segments that are shown in the tables are the following ones:

- ***Commercial TV Free To Air***, which is the Group's traditional *core business* and includes the activities relative to the advertising intake and the creation of the programme schedules of the three national generalist networks and of the owned Free to Air channels that are broadcasted using DTT technology.
- ***Mediaset Premium,*** relative to the television programmes and events, offered on a payment basis, which are identified with the brand of the same name.

- ***Network Operator***, which consists of the activities linked to the managing of the transmission networks, used for the transporting and broadcasting of the analogical signal of the owned Free to Air channels and of the transmission platforms using DTT, i.e. *multiplex*, including the network that is open to the leading mobile phone operators to be used as a vehicle for the offer of DTT on a mobile basis using DVB-H technology.
- ***Other activities*** that are ancillary to the main one, such as multimedia, non-television advertising concessions, *teleshopping*, publishing activities, licensing and merchandising, movie production and distribution, which is headed by Medusa Film, and the production and commercialising of movies, mini-series and television fiction, headed by TaoDue S.r.l.

Revenues		3Q				3rd Quarter		
Business segments breakdown	**2010**	**2009**	*EUR mln*	*%*	**2010**	**2009**	*EUR mln*	*%*
Free-to-air tv	1,702.1	1,623.8	78.3	*4.8%*	423.4	408.4	15.0	*3.7%*
Mediaset Premium	526.8	379.9	146.8	*38.6%*	132.9	110.8	22.1	*19.9%*
Network Operator	142.7	161.8	(19.1)	*-11.8%*	44.0	50.5	(6.5)	*-12.9%*
Other	264.2	272.5	(8.3)	*-3.1%*	75.4	87.7	(12.3)	*-14.0%*
Infra-segment Eliminations	(211.9)	(217.3)	5.3	*-2.5%*	(68.9)	(68.1)	(0.7)	*1.1%*
Total	**2,423.9**	**2,220.7**	**203.2**	***9.1%***	**606.7**	**589.1**	**17.6**	***3.0%***

Operating Profit		3Q				3rd Quarter		
Business segments breakdown	**2010**	**2009**	*EUR mln*	*%*	**2010**	**2009**	*EUR mln*	*%*
Free-to-air tv	359.5	311.9	47.6	*15.3%*	19.9	35.5	(15.6)	*-43.9%*
Mediaset Premium	(0.9)	(52.6)	51.7	*98.2%*	7.9	(31.8)	39.7	*124.7%*
Network Operator	(8.0)	20.8	(28.8)	*-138.7%*	(4.0)	2.4	(6.4)	*n.s.*
Other	29.9	36.2	(6.3)	*-17.3%*	11.8	16.6	(4.7)	*-28.4%*
Infra-segment Eliminations and Adjustments	(12.6)	(17.8)	5.3	*29.7%*	(6.7)	(4.7)	(2.0)	*-41.3%*
Total	**367.9**	**298.4**	**69.4**	***23.3%***	**28.9**	**17.9**	**11.0**	***61.2%***

The Revenues and the Results for each segment are shown gross of the inter-segment transactions, which are shown separately in the abovementioned tables. These transactions are, which are shown in greater detail in the reconciliation table given in the explanatory note number 5 below called “Sector Informational Document”, are relative to the selling of assets and to the evaluation of services rendered, or received, between the differing business units.

Specifically, the *inter-segment transactions* mainly refer to the following items:

- For the TV Free to Air business unit, the transactions are mainly relative to the costs for the usage of the transmission network, net of the evaluation for the usage of the editorial contents and services and the technical infrastructures supplied to other Business Units.

- For the Network Operator business unit, the transactions refer to the revenues relative to the evaluation of the usage of the analogical transmission network by the free TV channels and of the transmission capacity of the DTT multiplexes used for transmitting Mediaset Premium and also for the free TV channels broadcasted with DTT technology.

- For the Other Activities the transactions are relative to internal revenues and margins, which are the subject of adjustments at the time of consolidation, generated by the sale by Medusa Film of the exploitation rights and of the *free to air* or *pay* rights and by Taodue for the creation of television films and fiction productions that are destined for sale and television broadcasting on the three Mediaset networks, which are valued and posted to the accounting books based on their relative stages of completion.

In the following analysis there are shown the Income Statement tables for each one of the individual activity segments.

(Values in million Euros)

Free to Air	3Q 2010	3Q 2009	% changes	3rd Quarter 2010	3rd Quarter 2009	% changes
Mediaset Networks gross advertising revenues	1,914.8	1,823.0	5.0%	472.3	453.5	4.1%
Multichannell gross advertising revenues	17.8	6.1	190.9%	6.0	2.0	194.2%
Other television revenues	57.3	66.7	-14.1%	16.3	20.8	-21.6%
Agency discounts	(287.7)	(272.0)	-5.8%	(71.2)	(67.9)	-4.9%
Total Revenues	**1,702.1**	**1,623.8**	**4.8%**	**423.4**	**408.4**	**3.7%**
Personnel costs	275.3	261.4	5.3%	86.2	78.6	9.7%
Operating costs	539.0	502.9	7.2%	136.4	113.5	20.1%
TV Rights amortisations	432.1	444.2	-2.7%	148.8	147.1	1.1%
Other amortisations and depreciations	29.8	42.4	-29.8%	8.6	12.8	-32.8%
Intra-segment operating costs	66.6	61.1	9.0%	23.5	20.9	12.4%
Total costs	**1,342.7**	**1,311.9**	**2.3%**	**403.5**	**372.9**	**8.2%**
Operating Profit	**359.5**	**311.9**	**15.3%**	**19.9**	**35.5**	**-43.9%**
% on revenues	***21.1%***	***19.2%***		***4.7%***	***8.7%***	

As already commented on previously the ongoing increase in the value of the advertising intake has enabled, in the presence of a much more limited growth rate of the overall costs involved, the achievement, at the end of the nine months, of a notable improvement in the Operating Result of this activity area.

(Values in million Euros)

Mediaset Premium	3Q 2010	3Q 2009	% changes	3rd Quarter 2010	3rd Quarter 2009	% changes
Smart cards and subscriptions revenues	342.5	212.2	61.4%	112.8	63.9	76.5%
Gross advertising revenues	43.0	18.3	134.6%	9.9	3.7	166.5%
Other revenues	147.5	152.0	-3.0%	11.6	43.7	-73.5%
Intra-segment revenues	(6.3)	(2.6)	-142.8%	(1.5)	(0.6)	-163.8%
Total Revenues	**526.8**	**379.9**	**38.6%**	**132.9**	**110.8**	**19.9%**
Personnel costs	13.4	10.6	26.6%	4.1	4.2	-1.1%
Operating costs	255.7	212.2	20.5%	74.9	74.0	1.3%
Other amortisations and depreciations	227.8	178.2	27.8%	41.6	56.8	-26.8%
Intra-segment operating costs	30.8	31.5	-2.2%	4.4	7.8	-43.6%
Total costs	**527.7**	**432.5**	**22.0%**	**125.0**	**142.6**	**-12.4%**
Operating Profit	**(0.9)**	**(52.6)**	**98.2%**	**7.9**	**(31.8)**	**124.7%**
% on revenues	***-0.2%***	***-13.8%***		***5.9%***	***-28.7%***	

The higher revenues of ***Mediaset Premium*** are mainly relative to the revenues from the sales of cards, recharges of them and Easy Pay subscriptions that have reached **342.5** million Euros, with an increase of 61.4% compared to the same period of 2009. In the same period even the advertising revenues have recorded a sensible growth, reaching 43 million Euros (18.7 million Euros in 2009).

The progress of the revenues has enabled the achievement, in the third quarter of the current financial year, of a positive Operating Result, which, at the end of the nine months has basically wiped out the operating loss that had been accumulated since the beginning of the financial year.

(Values in million Euros)

Network Operator	3Q 2010	3Q 2009	% changes	3r Quarter 2010	3r Quarter 2009	% changes
Revenues towards third parties	38.5	64.9	-40.7%	13.0	19.8	-34.3%
Other revenues	5.0	4.8	3.4%	2.0	1.5	34.9%
Intra-segment revenues	99.3	92.1	7.8%	29.0	29.2	-0.8%
Total Revenues	**142.7**	**161.8**	**-11.8%**	**44.0**	**50.5**	**-12.9%**
Personnel costs	27.0	26.7	1.0%	8.1	8.4	-3.6%
Operating costs	76.1	73.7	3.3%	23.8	25.8	-7.7%
Other amortisations and depreciations	47.6	40.6	17.3%	16.1	14.0	15.4%
Total costs	**150.7**	**141.0**	**6.9%**	**48.0**	**48.1**	**-0.3%**
Operating Profit	**(8.0)**	**20.8**	**-138.7%**	**(4.0)**	**2.4**	**n.s.**
% on total revenues	***-5.6%***	***12.8%***		***-9.0%***	***4.8%***	

The lower Operating Result reflects, as already referred to in the previous quarters, the lack in 2010 of the revenues coming from the renting of the digital multiplex allocated to mobile DTT.

(Values in million Euros)

Other	3Q 2010	3Q 2009	% changes	3rd Quarter 2010	3rd Quarter 2009	% changes
Multimedia	14.4	15.9	-9.4%	3.0	2.9	3.4%
Mediashopping	52.7	38.3	37.6%	11.8	16.7	-29.1%
Production and distribution towards third parties	63.6	65.8	-3.3%	18.7	22.2	-15.8%
Production and distribution intra-segment	110.2	124.2	-11.3%	39.4	38.5	2.3%
Other / Eliminations	23.4	28.4	-17.6%	2.4	7.5	-68.0%
Total Revenues	**264.2**	**272.5**	**-3.1%**	**75.4**	**87.7**	**-14.0%**
Personnel costs	15.7	18.2	-13.5%	5.0	5.4	-7.4%
Operating costs	134.9	143.9	-6.3%	33.1	51.6	-35.9%
Other amortisations and depreciations	77.3	70.0	10.4%	23.8	13.0	83.1%
Intra-segment operating costs	6.3	4.2	50.0%	1.6	1.2	33.3%
Total costs	**234.2**	**236.3**	**-0.9%**	**63.6**	**71.2**	**-10.7%**
Operating Profit	**29.9**	**36.2**	**-17.3%**	**11.8**	**16.6**	**-28.4%**
% on revenues	***11.3%***	***13.3%***		***15.6%***	***18.9%***	

Within the item *Other revenues* there are included the revenues coming from international advertising concessions and sporting events billboard advertising and from the activity of licensing & merchandising.

The lower Operating Result of these activities, on an overall basis, is almost all due to the lower inter-segment revenues generated, during the period being looked at, by the activity of the production of television rights and fiction.

Analyses of the results by geographical areas: Spain

Below there is shown the Income Statement of the Spanish activities, which is the same as the consolidated data of the Telecinco Group.

(Values in million Euros)

Spain: Income statement	3Q		3rd Quarter	
	2010	**2009**	**2010**	**2009**
Total consolidated net revenues	**622.4**	**432.2**	**161.4**	**111.5**
Personnel expenses	58.8	59.3	19.8	19.8
Purchases, services, other costs	288.1	182.9	89.4	69.0
Operating costs	**346.8**	**242.2**	**109.1**	**88.8**
EBITDA	**275.6**	**190.1**	**52.2**	**22.7**
Rights Amortisations	101.4	101.1	29.1	31.8
Others amortisations and depreciations	7.3	6.5	2.5	2.2
Amortisations and depreciations	**108.7**	**107.6**	**31.6**	**34.1**
EBIT	**166.9**	**82.5**	**20.6**	**(11.4)**
Financial income/(losses)	3.3	2.3	(1.6)	1.4
Income/(expenses) from equity investments	(168.8)	(26.4)	(148.3)	12.6
EBT	**1.3**	**58.5**	**(129.3)**	**2.6**
Income taxes	(0.1)	-	28.0	-
Net profit from continuing operations	**1.3**	**58.5**	**(101.3)**	**2.6**
Net profit from discontinued operations	-	-	-	-
Minority interests in net profit	30.9	3.7	26.0	(2.6)
Mediaset Group net profit	**32.2**	**62.2**	**(75.2)**	**-**

In the following table some of the most significant components of the Spanish activities Income Statement are expressed as percentages of the Consolidated Net Revenues.

	3Q		3rd Quarter	
	2010	**2009**	**2010**	**2009**
Total consolidated net revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Operating costs	55.7%	56.0%	67.6%	79.6%
EBITDA	**44.3%**	**44.0%**	**32.4%**	**20.4%**
Amortisation, depreciation and write-downs	17.5%	24.9%	19.6%	30.6%
EBIT	**26.8%**	**19.1%**	**12.8%**	**-10.2%**
EBT	**0.2%**	**13.5%**	**-80.1%**	**2.3%**
Mediaset Group net profit	**5.2%**	**14.4%**	**-46.6%**	**0.0%**
Tax rate (EBT %)	4.5%	0.0%	21.7%	0.0%

The following table shows the detail of the revenues of the Telecinco Group, highlighting the most significant components:

(Values in million Euros)

	3Q			3rd Quarter		
	2010	**2009**	**%**	**2010**	**2009**	**%**
Television advertising revenues	572.9	406.5	40.9%	149.6	102.4	46.1%
Other advertising revenues	29.0	8.0	n.s.	9.7	2.6	n.s.
Gross advertising revenues	**601.9**	**414.5**	**45.2%**	**159.4**	**105.0**	**51.8%**
Agency discounts	(28.0)	(19.8)	-41.2%	(7.5)	(5.2)	-44.3%
Net advertising revenues	**573.9**	**394.7**	**45.4%**	**151.8**	**99.8**	**52.1%**
Other revenues	48.6	37.6	29.1%	9.6	11.7	-18.3%
Total net consolidated revenues	**622.4**	**432.2**	**44.0%**	**161.4**	**111.4**	**44.8%**

The positive progress of the Consolidated Net Revenues mainly reflects the very high growth, amounting to ***40.9%*** compared to the figure at 30 September 2009 of the ***television advertising revenues***, relative both to the Telecinco channel and to the DTT channels La Siete, Factoria De Ficcion and the new Boing channel.

The ***other gross advertising revenues***, which include the advertising intake relative to other television channels in concession, to the Internet and to Teletext have recorded a significant increase, mainly relative to the advertising intake of third party television channels in concession starting from 2010.

The increase in the ***Other revenues,*** generated by the activities of movie rights and audiovisual contents distribution and by the incomes from the activities of merchandising and telephone traffic, reflect the good results coming from the distribution of the movie productions “Agora”, “Celda 211” and “Spanish Movie” that has compensated for the drop in revenues from the telephone traffic, which has been caused both by legislative changes and the impact of the economical turmoil.

	3Q			3rd Quarter		
	2010	2009	% changes	**2010**	2009	% changes
Operating costs	**455.5**	349.8	30.2%	**140.7**	122.9	14.6%
Personnel expenses	58.8	59.3	-0.9%	19.8	19.8	0.4%
Purchases, services, other costs	288.1	182.9	57.5%	89.4	69.0	29.6%
Rights amortisations	101.4	101.1	0.3%	29.1	31.8	-8.4%
Other amortisations and depreciations	7.3	6.5	12.6%	2.5	2.2	11.9%

The ***total costs*** of the Telecinco Group recorded and increase of 30.2%, compared to those for the same period of the previous year. It is highlighted that, in the period being looked at, provisions were posted amounting to 3% of the gross revenue, as envisaged by the Law 8/2009 and its intepretation rules relative to the financing of Spanish Public Television RTVE. Net of this component and of the other provisions and usages of risks funds that took place during the two periods, the increase in the total costs arrived at 17.4%, a change that was impacted by the higher costs relative to the programme schedules of the digital channels and to the effect pertaining to the broadcasting of FIFA World Cup matches.

At 30 September 2010, the ***Operating Result*** of the Spain area arrived at a figure of **166.9** million Euros, compared to the 82.5 million Euros at the same date in 2009. This big improvement was due to the new conditions, already referred to previously, of the advertising market. The ***operating profitability*** arrived at 26.8%, compared to the 19.1% of the same period of the previous year.

Below there is given the analysis of the other components of the Income Statement, which has been carried out with reference to the overall Mediaset Group.

	3Q			3rd Quarter		
	2010	2009	% changes	**2010**	2009	% changes
Financial income/(losses)	**-13.4**	-24.9	46.1%	**-5.6**	-5.0	-12.8%

The lower financial charges, in the period being looked at, mainly reflect the improvement in the net balance of the losses and gains on exchange rates.

	3Q			3rd Quarter		
	2010	2009	% changes	**2010**	2009	% changes
Income/(expenses) from equity investments	**-172.9**	-26.6	n.s.	**-150.3**	11.4	n.s.

The overall loss in the *result from equity investments,* in the period being looked at, reflects the impact of the write-down amounting to 169.9 million Euros of the equity investment owned in Edam, following the result of the impairment test carried out by Telecinco on the value of this equity investment in order to take into account, at the reference date of this quarterly report, the preliminary findings linked to the revising of the budgets and the company operating plans of the Endemol Group.

Edam, in the period being looked at, has achieved Consolidated Net Revenues amounting to 871.2 million Euros (862.7 million Euros in the same period of 2009) and a positive Gross Operating Margin (EBITDA) of 137.5 million Euros (145.0 million Euros in 2009). The Net Consolidated Result has benefited from gains amounting to 194.5 million Euros, mainly generated by the contribution of amounts of the debt held by the shareholders, which amounted to 89.8 million Euros, compared to the net loss of –34.3 million Euros for the same period of 2009 and which also, in its turn, was inclusive of gains amounting to 81.3 million Euros generated by the debt buyback by the creditor banks.

	3Q			3rd Quarter		
	2010	2009	% changes	**2010**	2009	% changes
EBT	**348.4**	329.4	5.8%	**-106.4**	12.9	n.s.
Income taxes	-134.7	-108.0	-24.7%	22.7	-6.8	n.s.
Tax Rate (%)	*38.7%*	*32.8%*		*21.3%*	*52.3%*	
Net profit from discontinued operations	0.0	-0.5	100.0%	0.0	0.0	n.s.
Minority interests in net profit	-21.1	-36.7	42.6%	34.7	-2.7	n.s.
Net profit	**192.6**	**184.2**	4.6%	**-49.0**	**3.4**	n.s.

The financial result for the period is shown net of the ***Income Taxes,*** according to the reporting criterion that is laid down by IAS 34 and using the tax rate that is forecasted to be applicable at the closing date of the current financial year. The higher tax rate of the Group (which has been calculated on the first nine month of 2010 with reference to the same period of the previous year) is due to the different impact in the two accounting periods of the tax benefits linked to the deductibility of the investments made in audiovisual works that, in 2009 in Spain, allowed us not to set aside a provision for income taxes, even though there was a higher initial taxable base.

The ***net result from discontinued activities*** took in, in 2009, the income components regarding the management of multiplex cinemas that were sold on 30 June 2009.

The Balance Sheet and financial situations

Below there are given the tables of the Group Summary Balance Sheet and by geographical area, shown in a reclassified format for the purpose of highlighting the two macro groupings consisting of the ***Net Capital Invested*** and of the ***Net Financial Position***, where this latter figure consists of the *Gross Financial Debt* reduced by *Cash and other available liquidity equivalents* and by *Other financial assets*. The details relative to the items in the Financial Statements that form part of the calculation of the *Net Financial Position* are shown in the following explanatory note number 4.7.

Therefore, these tables differ, compared to the Balance Sheet layout that is contained in the obligatory tables of the Financial Statements, which are prepared according to the split between the current and non-current amounts of both the assets and the liabilities.

Within the item *Equity investments and other financial assets* there are included the assets inserted in the table of the *Balance Sheet and Consolidated Financial Situation* within the items called *Equity investments in affiliated and jointly controlled companies* and in *Other financial assets* limited, for this latter item, to the *equity investments* and to the *non-current financial receivables*, with the exclusion of the *financial assets relative to coverage financial derivatives* that are included in the item *Net Working Capital* and *Other Assets/Liabilities*.

The item *Net Working Capital and other assets and liabilities* includes the *current assets,* with the exclusion of the *available liquidity and equivalents* and the *current financial assets* that are included in the *Net Financial Position*, the *assets and liabilities for prepaid and deferred taxes*, the *non-current assets available for sale*, the *funds for risks and charges, the payables to suppliers* and the *taxation payables*.

(Values in million Euros)

Mediaset Group - Balance Sheet Summary	**30/09/2010**	**31/12/2009**
Film and television rights	2,439.3	2,598.0
Goodwill and differences arising from consolidation	512.4	512.4
Other tangible and intangible non current assets	1,005.5	956.8
Equity investments and other financial assets	145.3	233.8
Net working capital and other assets/(liabilities)	(219.2)	(110.3)
Post-employment benefit plans	(102.8)	(100.4)
Net invested capital	**3,780.6**	**4,090.3**
Group shareholders' equity	2,282.3	2,331.8
Minority interests	190.2	206.5
Total Shareholders' equity	**2,472.5**	**2,538.3**
Net financial debt	**1,308.1**	**1,552.0**

Below there are shown separately, for the two periods that are being looked at, the details of the Balance Sheet situations of the two geographical areas of Italy and Spain.

It is highlighted that the Balance Sheet situation relative to the *assets in Italy* includes, within the item ***Equity investments and other financial assets,*** the posted book value of the controlling interest owned in Gestevision Telecinco and the amount of the equity investment of 25% owned in Mediacinco Cartera, a company that owns an equity investment of 33.3% in the company Edam, consolidated on a line-by-line basis by Telecinco which, in its turn, owns a controlling interest in it of 75%. These equity investments are washed out during consolidation. Consequently, in the Group Net Equity of the activities in Italy there are included the dividends received from Telecinco which, for reasons of reporting immediacy, are not shown in the Income Statement by geographical area.

(Values in million Euros)

Balance Sheet Summary (geographical breakdown)	**Italy**		**Spain**	
	30/09/2010	**31/12/2009**	**30/09/2010**	**31/12/2009**
Film and television rights	2,261.7	2,419.1	177.6	178.9
Goodwill and differences arising from consolidation	149.3	149.3	-	-
Other tangible and intangible non current assets	926.8	888.6	78.7	68.1
Equity investments and other financial assets	719.7	714.6	75.0	168.7
Net working capital and other assets/(liabilities)	(222.9)	(142.2)	3.7	31.9
Post-employment benefit plans	(102.8)	(100.4)	-	-
Net invested capital	**3,731.8**	**3,929.0**	**335.0**	**447.6**
Group shareholders' equity	2,455.4	2,471.2	285.9	296.8
Minority interests	50.8	61.8	(33.4)	(5.2)
Total Shareholders' equity	**2,506.2**	**2,533.0**	**252.5**	**291.6**
Net financial debt	**1,225.6**	**1,396.0**	**82.5**	**156.0**

In the following table, the Summarised Balance Sheet situation of the Group at 30 September 2010 is broken down, for the purpose of highlighting the impacts arising from the line-by-line consolidation of Telecinco.

(Values in million Euros)

Balance Sheet Summary (geographical breakdown)	**Italy**	**Spain**	**Eliminations/ Adjustments**	**Mediaset Group**
Film and television rights	2,261.7	177.6		2,439.3
Goodwill and differences arising from consolidation	149.3	-	363.2	512.4
Other tangible and intangible non current assets	926.8	78.7		1,005.5
Equity investments and other financial assets	719.7	75.0	(649.4)	145.3
Net working capital and other assets/(liabilities)	(222.9)	3.7	0.0	(219.2)
Post-employment benefit plans	(102.8)			(102.8)
Net invested capital	**3,731.8**	**335.0**	**(286.3)**	**3,780.6**
Group shareholders' equity	2,455.4	285.9	(459.0)	2,282.3
Minority interests	50.8	(33.4)	172.7	190.2
Total Shareholders' equity	**2,506.2**	**252.5**	**(286.3)**	**2,472.5**
Net financial debt	**1,225.6**	**82.5**		**1,308.1**

In the following table there is shown the summarised ***Cash Flow Statement*** by geographical areas, for the purpose of being able to evaluate the contribution to the financial movements during the two periods being compared. Also this table is shown in a reclassified format, compared to the layout laid down by IAS 7, which is used for laying out the obligatory Cash Flow Statement table, highlighting the changes in the Net Financial Position which, for the Group, represents the most significant indicator regarding its ability to be able to face up to its financial obligations.

(Values in million Euros)

Mediaset Group - Cash Flow Statement 3Q	**Mediaset Group**		**Italy**		**Spain**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Net financial position at the beginning of the year	**(1,552.0)**	**(1,371.7)**	**(1,396.0)**	**(1,345.8)**	**(156.0)**	**(25.8)**
Free Cash Flow	**589.7**	**300.3**	**403.0**	**230.7**	**186.7**	**69.7**
- Cash Flow from operating activities (*)	1,246.8	1,065.4	967.3	870.0	279.6	195.4
- Investments in fixed assets	(714.2)	(1,101.1)	(593.2)	(965.3)	(121.0)	(135.8)
- Disposals of fixed assets	4.8	2.4	1.8	1.2	2.9	1.2
- Changes in net working capital and other current assets/	52.3	333.6	27.1	324.7	25.3	8.9
Change in consolidation area	**-**	**26.7**	**-**	**26.7**	**-**	**-**
(Re-purchases)/Sales of treasury shares	**-**	**(2.5)**	**-**	**-**	**-**	**(2.5)**
Cash changes generated by equity investments	**(59.9)**	**(21.6)**	**5.9**	**(11.8)**	**(65.8)**	**(9.8)**
Dividends received	**1.9**	**1.8**	**25.7**	**107.6**	**1.0**	**1.8**
Dividends paid	**(287.8)**	**(534.6)**	**(264.2)**	**(431.9)**	**(48.4)**	**(210.3)**
Financial Surplus/Deficit	**243.9**	**(229.8)**	**170.4**	**(78.8)**	**73.5**	**(151.1)**
Net financial position at the end of the period	**(1,308.1)**	**(1,601.5)**	**(1,225.6)**	**(1,424.6)**	**(82.5)**	**(176.9)**

(*): Net profit +/- minority interests + amortisations +/- net provisions +/- valuation of investments recorded using the net equity method + changes in valuation reserves - gains/losses on equity investments

The characteristic ***generation of cash*** by the Group, i.e. its ***free cash flow***, amounted to ***589.7 million Euros,*** compared to the 300.3 million Euros for the same period of 2009, due to the higher cash flow from operations that has been generated in both of the geographical areas.

The ***increases in fixed assets*** shown in the above Cash Flow Statement are summarised in the following table:

Increases in fixed assets 3Q	**Mediaset Group**		**Italy**		**Spain**	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Investments in TV and movie theatre rights	(573.1)	(1,058.7)	(470.1)	(879.9)	(103.0)	(178.9)
Changes in advances on TV rights	(35.1)	43.7	(21.1)	(2.6)	(14.0)	46.3
TV rights: investments and advances	**(608.2)**	**(1,015.0)**	**(491.2)**	**(882.4)**	**(117.0)**	**(132.6)**
Investments in other fixed assets	(106.0)	(86.1)	(102.0)	(82.9)	(4.0)	(3.2)
Total investments in fixed assets	**(714.2)**	**(1,101.1)**	**(593.2)**	**(965.3)**	**(121.0)**	**(135.8)**

In the period being looked at, the item ***Equity investments/other financial assets***, mainly includes, the disbursements incurred for the purchases for a price of 65.7 million Euros of parts of the financial debt of the Endemol Group of the "senior debt" type and the cashing in of the receivable of 17.1 million Euros from British Telecommunications, according to what is contained in the contractual agreements signed in February 2005 relative to the sale of the equity investment in Albacom. In the same period of 2009 there were included in this item the price of the purchases amounting to 12.4 million Euros of amounts of the financial debt of the Endemol Group and purchase for a price of 6 million Euros of the equity investment of 30% of the capital of the company Ares Film S.r.l. In the item ***Change in the consolidation area*** in the same period of the year 2009 there were included the net financial debt of the activities for managing the multiplex movie theatres that were sold at 30 June amounting to 36.5 million Euros and the net disbursements for –0.8 million Euros linked to the operation, as well as the disbursement of 9 million Euros to Fininvest S.p.A, under the heading of a final adjustment to the purchase price of the acquisition of the equity investment in Medusa Film, calculated on the basis of the achievement of certain performance parameters relative to the 2008 movie season, as laid down by the contractual agreements stipulated in July 2007 at the time of acquisition.

Group Employees

The employee ending headcount of the Mediaset Group at 30 September 2010 consisted of ***5,812 people*** (5,897 at 30 September 2009 and 5,834 at 31 December 2009).

It is highlighted that the figure of the average employee head count for the nine months of 2009 included 309 people relative to personnel employed by the companies in the movies area that were sold on 30 June 2009.

The following tables show the changes in the employee numbers split between the two geographical areas:

Number of employees (including temporary staff)	**ITALY**		**SPAIN**	
as at 30 September	**2010**	**2009**	**2010**	**2009**
Managers	353	347	99	100
Journalists	375	375	121	123
Middle managers	876	837	76	72
Office workers	3,101	3,196	785	821
Industry workers	3	4	23	22
Total	**4,708**	**4,759**	**1,104**	**1,138**

Average workforce (including temporary staff)	**ITALY**		**SPAIN**	
9 Months	**2010**	**2009**	**2010**	**2009**
Managers	349	351	100	102
Journalists	359	371	119	120
Middle managers	844	849	75	74
Office workers	3,089	3,500	785	829
Industry workers	3	3	23	24
Total	**4,644**	**5,074**	**1,102**	**1,149**

Transactions with related parties

The transactions carried out with related parties cannot be classed as either atypical or unusual because they fall within the categories of the normal business activities of the Group companies. All these transactions are regulated at arm's length market conditions, taking into account the characteristics of the goods and services supplied. The detailed information regarding the Income Statement, Balance Sheet and financial impacts of the operations and transactions with parent, affiliated and jointly controlled enterprises and associated ones, including those asked for by the Consob Communication of 29 July 2006, are shown in the following explanatory note 6.

Events after 30 September 2010

In the latest October the State Attorney of the Italian Republic at the Court of Rome has served upon some company managers the request to make an appearance for a judicial interview. A proceeding for grievous fiscal fraud, numbered 31358/10 RGNR, in progress for the crimes envisaged by the articles 2 and 3 of Dlgs. 74/2000, has been notified. This proceeding involves other enquirers. Accusations refer to the recognition of the value of the amortisations of intangible assets mentioned in RTI declarations made in 2004 (7.8 million Euros) and in 2005 (8.6 million Euros) for the fiscal years 2003 and 2004 respectively. The proceeding is in its preliminary stage.

With reference to the contract agreements signed on 14 April 2010 regarding the acquisition of the free commercial television assets of Sogecable (Cuatro) as well as the 22% stake in "DTS Distribuidora de Television Digital S.A." (Digital Plus) made by Telecinco, the National Competition Commission, by Resolution dated October 28th 2010, issued in the Case of Concentration C/0230/10 TELECINCO / CUATRO, has decided to authorize the said merger, involving the acquisition by "GESTEVISIÓN TELECINCO, SA." of SOCIEDAD GENERAL DE TELEVISION CUATRO, S.A.U", through the acquisition of 100% of its capital stock, subject to the fulfillment of these commitments:

- Telecinco agrees not to sell under the same commercial offer ("commercial package") the advertising or any other form of TV commercial communication of the two FreeTV channels with the highest audience among the channels that the company manages ("the main channels"). Moreover, the joint audience of the channels included in each commercial package cannot be higher than 22%. In order to calculate the audience of each channel, every six months the average audience share of the preceding semester will be taken into account.

- Telecinco agrees not to develop commercial policies, in particular, price policies, which will imply, formally or de facto, the related sale, directly or indirectly, to the advertisers of different commercial packages of TV channels.

- Telecinco agrees not to sign any new agreements for the sale of advertising for third parties Free DTT channels whether they are national, regional or local.

With respect to all agreements underwritten prior to the consolidation deal, with third parties Free DTT channels whether they are national, regional or local for the management of the advertising, Telecinco agrees to limit the duration of such agreements to a maximum period of one year from the coming into force of the present agreement.

Telecinco agrees that the management of the advertising of third party channels, who are alien to the Pay TV group, including Digital+, will be done by a different company from the one who manages the advertising of the FreeTV channels of Telecinco, and will be functionally and commercially fully independent from each other.

- Telecinco agrees, while maintaining a joint investment with Prisa and/or Telefonica in Digital+, to not commercialise advertising together with managed advertising media, respectively, by Prisa and/or Telefonica, and its subsidiaries or participated companies (hereafter "Prisa and/or Telefonica").

- Telecinco agrees, whilst maintaining a joint investment with Prisa and/or Telefonica in Digital+, to apply market conditions to Telefonica and Prisa, and not to give preferential or exclusive treatment, in the acquisition of advertising for the said companies.

- Telecinco agrees not to sign exclusive third party audiovisual content rights agreements with a duration of more than three years and agrees that those contracts will not include conditions of automatic renewal, first option and last refusal rights or options of extension or preferred acquisition for the successive periods. As an exception to the aforementioned, Telecinco will be allowed to sign agreements covering the "entire life" of any fiction and any entertainment program. In the case of movies, it will be permitted that any movie will be exclusively exploited for a maximum period of five years.

Concerning the existing exclusive third party audiovisual content rights agreements with a duration of more than the previous mentioned limits, Telecinco agrees to grant the provider a right, to be executed during the six months from the coming into force of the present commitments, and subject to the corresponding compensation conforming to the objective and proportional criteria, to modify the conditions in order to adjust them to the limitations aforementioned, without modifying any other conditions established in the agreements. As well Telecinco will expressly renounce the use of, in any moment, the mechanisms of extension, option or rights of preferential acquisition that could be included in such agreements.

For the purposes of the present agreement, any modification or renewal of the exclusive third party audiovisual content rights agreements subscribed by Telecinco will be considered as a new contract, and will be subject to the aforementioned commitments.

- Telecinco agrees, whilst being controlling shareholder in Digital+, not to sign exclusive third party audiovisual content rights agreements for FreeTV during the same year, for the total production of premiere movies and fiction, respectively, with more than three of the following producers: Paramount, Disney, CBS, Warner, Universal, Sony/Columbia and Fox. Moreover, whilst being controlling shareholder in Digital+, Telecinco agrees not to buy more than 60% of the global annual volume of premiere productions of the aforementioned producers in movies and fiction respectively.

- Telecinco agrees, whilst being controlling shareholder in Digital+, to limit the exploitation of exclusive sport rights to be broadcasted on FreeTV under the following conditions:

a. Telecinco agrees not to exploit, on FreeTV, the broadcasting rights of the matches of "Liga de Primera Division" and no more than one of any other official football competitions rights, national or international during the same year;

b. Telecinco agrees not to exploit on FreeTV the broadcasting rights of more than two of the following blocks of sporting events during the same year:

i. Formula1 World championship

ii. Motorbike World Championship

iii. Official Basket competitions national or international in which participate first division clubs or the national team

iv. Biking events: Tour de France and/or Vuelta de España

- Telecinco agrees not to rent or hire Multiplex channels of third parties DTT operators.

- Telecinco agrees, whilst being controlling shareholder on Digital+, to guarantee the distribution of its FreeTV channels in Pay TV platforms other than Digital+ and Telefonica, without demanding payment, providing that (i) at least one of the aforementioned distributes it, (ii) those platforms guarantee a reliable system for the measuring of audience share, and (iii) Telecinco will not be required to pay any consideration.

- Telecinco agrees not to deny authorization for the launching of new services or improvements in the quality of broadcasting of the operator with whom they share a multiplex, providing that, (i) such a launch does not affect the quality of its own broadcastings and (ii) receives reciprocal treatment from the operators with whom they share a multiplex.

- Telecinco agrees not to sign any contracts with exclusive rights or options of first choice for the acquisition of the total production of the national producers of contents, to expressly renounce the execution of the rights of exclusivity in any moment to buy the global production, or the rights of first choice over more than two programs, with content producers not created with Telecinco's support, and not to renew the exclusive rights or the rights of first choice of the agreement signed with content producers created with the Telecinco's support.

The, above mentioned, agreements will have, unless differently indicated, an initial duration of three years. After this period, the Comision Nacional de la Competencia (antitrust authority), will evaluate whether a relevant modification of the structure or the regulation of the considered market has taken place, in order to justify if such conditions have to be maintained, adapted or eliminated for a period of two more years.

Nevertheless, Telecinco may apply to the Comision Nacional de la Competencia for the modification of its content and duration, if a relevant change occurs in the structure or regulation of the considered markets.

Forecasted evolution of operations

The growth of the television advertising sales by Mediaset in Italy remained, also for the first ten months of the year, in line with the trend recorded after nine months. This positive trend is expected to continue also during the last tow months of the year, a period which is compared to the last two months of 2009 which recorded the best advertising sales of last year.

In the first ten months of 2010 Mediaset's channels confirmed their national leadership in the commercial target in the 24-hours and Canale 5 consolidated its position as the most popular channel across all time bands in the 15-64-year-old audience.

As of 4 November 2010, the total number of active Mediaset Premium cards had reached 3.6 million.

On the basis of these indications, and the results of the first nine months, the forecast for the full year remains that of a consolidated net profit and Group operating cash generation higher than in 2009.

For the Board of Director s
The Chairman

MEDIASET GROUP

Consolidated Financial Statements and Notes

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)

	Notes	30/9/2010	31/12/2009
ASSETS			
Non current assets			
Property, plant and equipment	4.1	535.6	504.2
Television and movie rights	4.1	2,439.3	2,598.0
Goodwill		512.4	512.4
Other intangible assets	4.1	469.9	452.5
Investments in affiliated / joint control companies	4.1	47.4	175.0
Other financial assets	4.2	109.7	58.9
Deferred tax assets		530.2	506.2
TOTAL NON CURRENT ASSETS		**4,644.5**	**4,807.3**
Current assets			
Inventories		62.3	74.9
Trade receivables		842.1	1,120.5
Tax receivables		19.6	12.9
Other receivables and current assets		178.5	162.7
Current financial assets	4.3	78.6	35.0
Cash and cash equivalents	4.7	124.2	100.0
TOTAL CURRENT ASSETS		**1,305.3**	**1,506.0**
Non current assets held for sale		**-**	**-**
TOTAL ASSETS		**5,949.8**	**6,313.3**

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)

	Notes	30/9/2010	31/12/2009
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		614.2	614.2
Share premium reserve		275.2	275.2
Treasury shares		(416.7)	(416.7)
Other reserves	4.4	437.2	430.3
Valuation reserve	4.5	8.8	5.6
Retained earnings		1,170.9	1,150.7
Net profit for the period		192.6	272.4
Group Shareholders' Equity		**2,282.3**	**2,331.8**
Minority interests in net profit		21.1	32.8
Minority interests in share capital, reserves and retained earnings		169.1	173.7
Minority interests		**190.2**	**206.5**
TOTAL SHAREHOLDERS' EQUITY		**2,472.5**	**2,538.3**
Non current liabilities			
Post-employment benefit plans		102.8	100.4
Deferred tax liabilities		58.4	60.6
Financial liabilities and payables		972.3	828.6
Provisions for non current risks and charges	4.6	83.4	69.0
TOTAL NON CURRENT LIABILITIES		**1,216.9**	**1,058.6**
Current liabilities			
Financial payables		521.4	797.0
Trade payables		1,284.4	1,497.1
Provisions for current risks and charges	4.6	74.1	92.1
Current tax liabilities		80.1	2.5
Other financial liabilities		32.3	47.1
Other current liabilities		268.1	280.5
TOTAL CURRENT LIABILITIES		**2,260.4**	**2,716.4**
Liabilities related to non current assets held for sale		**-**	**-**
TOTAL LIABILITIES		**3,477.3**	**3,775.0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**5,949.8**	**6,313.3**

INTERIM CONSOLIDATED INCOME STATEMENT

(EUR million)

INCOME STATEMENT	Notes	30/9/2010	30/9/2009
Revenues from sales of goods and services		3,005.6	2,609.8
Other revenues and income		40.2	42.3
TOTAL NET CONSOLIDATED REVENUES		**3,045.8**	**2,652.1**
Personnel expenses		390.2	376.1
Purchases, services, other costs		1,275.8	1,082.8
Amortisation, depreciation and write-downs		845.1	812.3
Impairment losses and reversal of impairment on fixed assets			
TOTAL COSTS		**2,511.1**	**2,271.2**
EBIT		**534.7**	**380.9**
Financial gains/(losses)		(13.4)	(24.9)
Income/(expenses) from equity investments		(172.9)	(26.6)
EBT		**348.4**	**329.4**
Income taxes	4.8	134.7	108.0
NET PROFIT FROM CONTINUING OPERATIONS		**213.7**	**221.5**
Net Gains/(Losses) from discontinued operations		-	(0.5)
NET PROFIT FOR THE PERIOD		**213.7**	**220.9**
Attributable to:			
- Equity shareholders of the parent company		192.6	184.2
- Minority Interests		21.1	36.7
Earnings per share	4.9		
- Basic		0.17	0.16
- Diluted		0.17	0.16

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR million)

	Notes	30/09/2010	30/09/2009
NET PROFIT FOR THE PERIOD (A)		**213.7**	**220.9**
Changes in revaluation surplus		-	-
Changes arising from translating the financial statement of foreign operations		-	-
Gains and losses on available-for-sale financial assets		-	-
Effective portion of gains and losses on hedging instruments in a cash flow hedge	4.5	8.1	(4.8)
Actuarial gains and losses on defined benefit plans	4.5	(7.5)	(2.9)
Other gains and losses of associates valued by equity method	4.4	10.9	4.2
Other changes		-	
Tax effects relating to other gains and losses		(0.3)	2.0
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX EFFECTS (B)		**11.2**	**(1.6)**
TOTAL COMPREHENSIVE INCOME (A)+(B)		**224.9**	**219.3**
attributable to:			
- owners of the parent		199.9	181.2
- non controlling interests		25.0	38.1

INTERIM CONSOLIDATED CASH FLOW STATEMENT

(EUR million)

	3Q 2010	3Q 2009
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit before taxation	**367.9**	**354.0**
+ Depreciation and amortisation	845.1	812.3
+ Other provisions and non-cash movements	2.4	(6.5)
+ Equity investments evaluation result (net of gains/losses from sale operations)	170.7	26.6
+ Change in trade receivables	278.4	244.4
+ Change in trade payables	68.2	(29.6)
+ Change in other assets and liabilities	(77.4)	(93.9)
- Interests (paid)/received	(4.0)	(2.5)
- Income tax paid	(105.6)	(110.9)
Net cash flow from operating activities [A]	**1,545.7**	**1,193.9**
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from the sale of fixed assets	3.5	1.5
Proceeds from the sale of equity investments	0.2	0.2
Interests (paid)/received	0.1	-
Purchases in television and movie rights	(573.1)	(1,058.7)
Changes in advances for television rights	(35.1)	43.7
Purchases of other fixed assets	(106.0)	(86.1)
Equity investments	(0.3)	(7.2)
Changes in payables for investing activities	(280.9)	217.9
Proceeds/(Payments) for hedging derivatives	32.7	(10.0)
Changes in other financial assets	(119.5)	(10.9)
Loans to other companies (granted)/repaid	-	(1.0)
Dividends received	1.9	1.8
Business Combinations net of cash acquired	-	-
Changes in consolidation area	-	(1.8)
Net cash flow from investing activities [B]	**(1,076.5)**	**(910.6)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Share capital issues		-
Change in treasury shares	-	(2.5)
Changes in financial liabilities	(145.4)	188.4
Dividends paid	(287.8)	(534.6)
Changes in other financial assets/liabilities	(1.6)	(8.3)
Interests (paid)/received	(10.2)	(23.9)
Net cash flow from financing activities [C]	**(445.0)**	**(380.9)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**24.2**	**(97.6)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD [E]	**100.0**	**139.6**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]	**124.2**	**42.0**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(EUR million)

	Share capital	Share premium reserve	Legal reserve and other reserves	Company's treasury shares	Valuation reserve	Retained earnings/ (accumulated **losses**)	Profit/ (loss) for the **period**	**Total Group shareholders' equity**	Total shareholders' equity attributable to minority interests	**TOTAL SHARE-HOLDERS' EQUITY**
Balance at 1/1/2009	**614.2**	**275.2**	**421.4**	**(416.7)**	**11.2**	**1,118.1**	**459.0**	**2,482.4**	**273.4**	**2,755.8**
Allocation of the parent company's 2008 net profit	-	-	-	-	-	459.0	(459.0)	-	-	-
Dividends paid by the parent company	-	-	-	-	-	(431.8)	-	(431.8)	(102.8)	(534.6)
Stock Option plan valuation	-	-	-	-	(3.6)	5.4	-	1.8	0.2	2.0
(Purchase)/sale of treasury shares	-	-	(1.2)	-	-	-	-	(1.2)	(1.3)	(2.5)
Profits/(losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Changes in consolidation area	-	-	1.2	-	0.8		-	2.0	(1.1)	0.9
Other changes	-	-		-		(0.1)	-	(0.1)	0.1	-
Comprehensive income/(loss)	-	-	2.6		(5.6)	-	184.2	181.2	38.1	219.3
Balance at 30/09/2009	**614.2**	**275.2**	**424.0**	**(416.7)**	**2.8**	**1,150.6**	**184.2**	**2,234.3**	**206.6**	**2,440.9**

	Share capital	Share premium reserve	Legal reserve and other reserves	Company's treasury shares	Valuation reserve	Retained earnings/ (accumulated losses)	Profit/ (loss) for the period	Total Group shareholders' equity	Total shareholders' equity attributable to minority interests	TOTAL SHARE-HOLDERS' EQUITY
Balance at 31/12/2009	**614.2**	**275.2**	**430.3**	**(416.7)**	**5.6**	**1,150.7**	**272.4**	**2,331.8**	**206.5**	**2,538.3**
Changes of Accountin Principles					0.3	(0.3)		-		-
Balance at 1/1/2010	**614.2**	**275.2**	**430.3**	**(416.7)**	**5.9**	**1,150.4**	**272.4**	**2,331.8**	**206.5**	**2,538.3**
Allocation of the parent company's 2009 net profit	-	-	-	-	-	272.4	(272.4)	-	-	-
Dividends paid by the parent company	-	-	-	-	-	(250.0)	-	(250.0)	(39.9)	(289.9)
Stock Option plan valuation	-	-	-	-	2.5	-	-	2.5	0.5	3.0
(Purchase)/sale of treasury shares	-	-	-	-	-	-	-	-	-	-
Profits/(losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Changes in consolidation area	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-		(2.0)	-	(2.0)	(1.8)	(3.8)
Comprehensive income/(loss)	-	-	6.9	-	0.4	-	192.6	199.9	25.0	224.9
Balance at 30/09/2010	**614.2**	**275.2**	**437.2**	**(416.7)**	**8.8**	**1,170.9**	**192.6**	**2,282.3**	**190.2**	**2,472.5**

EXPLANATORY NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2010

1. Drafting criteria

In these Interim Consolidated Financial Statements, drafted according to IAS 34 – Interim Financial Reporting, there were applied the same accounting standards and valuation criteria that were used in drafting the 2009 Consolidated Financial Statements, to which reference should be made, with the exception of the content listed hereby, as well as the evaluations resulting from impairment tests aimed at ascertaining any losses in the values of fixed assets which, in the absence of any indicators, events and phenomena that would be such as to change the previous valuations, are generally made at the time of drawing up the Year Financial Statements, when all the information that is necessary, in order to be able to carry out this process in a complete and correct manner, is available.

This Interim Condensed Consolidated Financial Statements is intended to be consulted jointly with the 2009 Annual Report.

The Income Taxes for the accounting period were calculated based on the best estimate of the weighted average tax rate, forecasted to be applicable, for the whole financial year.

The interim consolidated results of the Mediaset Group are impacted by seasonality, a characteristic feature of the trend of advertising revenues, which, traditionally, are always more heavily concentrated within the first part of the financial year.

The values of the items in the Consolidated Financial Statements, taking their large size into account, are shown in million Euros.

Lastly, it is highlighted that for the purposes of converting into Euros the figures, originally posted in USD, of some affiliated companies the following exchange rates have been used: 1.3648 spot rate at 30 September and 1.3145 average rate for the nine months.

2. New Accounting Standards, interpretations and amendments applicable from 1 January 2010.

Below there are illustrated the main changes relative to the existing accounting standards, or to the new accounting standards that are applicable starting from the current financial year. In the absence of any contrary situations the application of these new standards and/or additions has not produced any impact within this interim report on operations, with the exception of those, which are in any case negligible, that are shown in note 8 below, *Valuation Reserves*.

IFRS 3R Business Combinations and IAS 27R Consolidated and separate Financial Statements

On 10 January 2008 the IASB issued the revised version of the IFRS 3 – Business Combinations and amended the IAS 27 – Consolidated and separate Financial Statements –. The changed reporting and accounting standards are applicable in a tabular mode for the combinations of enterprises that are accounted for in financial statements relative to accounting periods that began on 1 July 2009, or that began after that date.

Because the Group has not opted to introduce the changed reporting and standards in advance they are, therefore, applied to accounting for the Business Combinations that take place after 1 January 2010.

The main reporting changes contained in the revised IFRS 3 regarding the accounting reporting for the Business Combinations are as follows:

- The calculation of the goodwill or of the income (in case of badwill), which only has to be made at the date of acquiring control and calculating the difference between the fair value of the payment transferred, i.e. increasing in a Business Combination that takes place in a number of stages of the fair value of the previously owned interests, and the net current value of the identifiable assets and liabilities, including any potential liabilities, acquired.
- In the case of the acquisition of amounts of control that are less than 100% of the total equity investment, the amount of the interest belonging to minorities can be, alternatively, for each Business Combination, be valued at the fair value with the corresponding posting of the goodwill, i.e. the Full goodwill method, or with the method, which was previously laid down by IFRS 3 that means the current pro-rata value of the acquired net assets.
- In the case of the acquisition of the control by stages, the elimination of the obligation to value the assets and the liabilities acquired at fair value at every successive acquisition. The acquirer must recalculate the fair value of the interest that was previously held and posting any eventual excess to the Income Statement.
- The identification of the acquirer with reference to the definition of "control", which is understood as being "the power to govern the financial and managerial policies of an entity, with the purpose of obtaining benefits from its activities".
- The posting to the Income Statement of the costs related to the business combination, i.e. the transaction costs, with the exception of those incurred in relation to the issues of debt securities or shares to be shown according to what is laid down by the IAS 32 and 39.
- The showing at the date of acquisition at fair value of the liabilities for future payments subject to conditions, i.e. earn out. Any successive differences compared to the initial estimate must be shown in the Income Statement. Unless they come from additional information that is in existence at the acquisition date and, in this case, they can be adjusted up to the period that runs for 12 months from the acquisition date.

Lastly, IAS 27R governs the changes in the equity investment owned in a subsidiary company, when they do not end in a loss of control and they are treated as equity transactions with the other side of the entry being posted to net equity.

IAS 39 Financial Instruments: Recognition and Measurement – Instruments that qualify as being for coverage.

These changes to the IAS 39 were issued in August 2008 and are effective for accounting periods that start from 1 July 2009, or after that date. The change deals with the designation of the unilateral risks of a covered instrument and the designation of inflation as a covered risk, or a portion of the risk covered in certain specific situations. The change clarifies the fact that that the entity has the faculty of designating a portion of the changes in the fair value, or of the changes in the cash flows of a financial instrument as a covered instrument.

IAS 39 – Financial Instruments: Recognition and Measurement

The amendment restricts the exception of non-applicability contained in paragraph 2(g) of the IAS 39 regarding the forward contracts between a purchasing and selling shareholder for the purposes of the sale of an enterprise that has been ceded in a business combination at a future acquisition date, when the finalizing of the business combination does not depend on any further actions by one of the two parties, but only on the passage of a congruous time period. On the other hand the amendment clears up the fact that there do fall within the applicability of the IAS 39 the option contracts, whether they are currently exercisable or not, that enable one of the two parties to have control when there do take place, or not, future events and the exercising of which would bring about the control of an enterprise.

IFRS 2 – Share-based Payments

The amendment to this reporting standard was issued by the IASB in June 2008 and it clarifies the fact that the company that receives goods or services in the context of share-based payment plans must account for goods and services independently of which company of the group settles the transaction and also independently of the fact that the settlement takes place in cash or in shares. Furthermore, the amendment establishes that the term "group" is to be understood as having the same significance that it has in the IAS 27 – Consolidated and separate Financial Statements, which means that it includes the group parent and its subsidiaries. The amendment then specifies that a company must value the goods or services received in the context of a transaction that is settled with cash or shares from its own point of view that could not coincide with that of the group and with the relative amount recognized in the Consolidated Financial Statements.

In the month of April 2009 the IASB has, furthermore, clarified that because the IFRS 3 has changed the definition of business combination, the conferment of a branch of a company in order to form a joint venture, or a business combination, or branches of companies with joint control do not fall within the context of the applicability of the IFRS 2.

IFRS 5 – Non-current Assets held for sale and Discontinued

The change establishes that if an enterprise is involved in a ceding plan that brings about the loss of control of a company that it participates in, all the assets and liabilities of the subsidiary company must be reclassified among the assets held for sale, even if after the ceding the enterprise will still have a minority equity investment in the subsidiary company.

3. Main company transactions and changes in the consolidation area

Apart from those changes that were already reported in the Abbreviated Half-Yearly Financial Statements it is highlighted that, during the third quarter, there have not been finalised any major company transactions that have impacted the consolidation perimeter.

4. Comments on the main changes in the assets, liabilities, revenues and costs

4.1 Tangible and intangible fixed assets, television and movie rights and equity investments

The main changes compared to 31 December 2009 are as follows:

- Increases in the **television and movie rights** amounting to 573.1 million Euros of which 443.7 million Euros relative to acquisitions during the period and 129.5 million Euros relative to the capitalisations of advances that had been previously paid to suppliers, which were classified at 31 December 2009 in the item *Fixed Assets in Progress and advances paid*).
- Increases in the **real estate, plant and machinery** for 116.7 million Euros, of which 96.7 million Euros relative to the acquisitions for the year to date, mainly relative to the capitalisations of DTT transmission and broadcasting plants, and 20.0 million Euros relative to the capitalisations of advances, which had been paid previously and that are mainly for the completion of DTT transmission and broadcasting plants and stations.
- **Other intangible fixed assets** for 47.3 million Euros, of which 35.1 million Euros relative to the change in the advances paid for the acquisition of television and movie rights (165.8 million Euros relative to payments for the nine months and the remaining amount reclassified into the item *Television and Movie Rights*) and 5.0 million Euros mainly relative to the capitalisation of work in progress relative to the implementation of new company information technology systems.
- With reference to the item **equity investments in affiliated and jointly controlled companies** it is highlighted that the equity investment of 33.3% owned in Edam Acquisition Equity investment 1 Cooperatief U.A., whose book value at 31 December 2009 amounted to 127.6 million Euros, increased during the nine months due to the impact of the contribution of amounts of mezzanine debt, at the same time as the subscription of the Share Capital increase, as commented on in Note 4.2 below. At the date of these Interim Financial Statements this equity investment was completely written off, after the findings from the impairment test as is referred to in the Report on Operations.

4.2 Other non-current financial assets

The increase during the period amounting to 50.8 million Euros was mainly due to the changes that have taken place in the amounts of the financial debt towards companies in the Endemol Group, which at 31 December 2009 amounted to 44.4 million Euros. During the nine months increases amounting to 65.8 million Euros were recorded that refer to acquisitions from third parties, at a discount compared to their nominal value, of amounts of the financial debt, i.e. the senior debt, and decreases for 31.4 million Euros, which was due to the impact of the contribution of amounts of mezzanine debt that took place at the same time as the subscription of the Share Capital increase of the company Edam Acquisition Equity investment I Cooperatief U.A. The operation was carried out for an equal amount by each one of the three Edam shareholders and, therefore, it has not brought about any change in the relative percentage share structure ownerships of the company.

The other changes in the item **Other non-current financial assets** refer to the non-current part of the fair value of financial derivatives that are held in order to cover the exchange rate fluctuation risk for 11.8 million Euros. Because these are financial derivatives that are used for coverage the other side of the posting of the portion of this change that is due to valuations is accounted for in the net equity in the account *Valuation Reserve for financial instruments to cover cash flows* that is commented on in note 4.5 below.

4.3. Current financial assets

The change for the period amounting to 43.6 million Euros is mainly relative to the subscription of fixed term deposits by the subsidiary company Gestevison Telecinco, amounting to 50.3 million Euros and to the current part of the fair value of financial derivatives that are used for the coverage of the exchange rate risk for 5.7 million Euros. Of this change 6.7 million Euros refer to the fair value of financial derivatives used for coverage and, therefore, the other side of the posting of the portion of this change that is due to valuations is accounted for in the net equity in the account *Valuation Reserve for financial instruments to cover cash flows* that is commented on in note 4.5 below. The remaining part of this change is relative to financial derivatives used for the coverage of the fluctuations in the values of receivables and payables originating in foreign currency.

Furthermore, it is highlighted that, as was shown in the Interim Report on Operations at 31 March 2010, there was cashed in the receivable due from British Telecommunications amounting to 17.1 million Euros following what was laid down in the contractual agreements signed in February 2005 regarding the sale of the equity investment in Albacom.

4.4 The Legal Reserve and other reserves

	30/09/2010	31/12/2009
Legal reserve	122.8	122.8
Equity investment evaluation reserve	(26.8)	(33.7)
Consolidation reserve	(78.8)	(78.8)
Other reserves	419.9	419.9
Total	**437.2**	**430.3**

The change during the period amounted to 6.9 million Euros for the *Reserve from valuation at equity*, which is an item that takes in, within the context of the valuation of the equity investments with the net equity method, those components that are posted directly into the net equity of the participated company and it is imputable to the change in the cash flow hedge reserves and to the exchange rate conversions posted to the net equity of the participated company Edam Acquisition Holding I Cooperatief U.A. for the amount owned by the Group in this equity investment.

4.5 Valuation Reserves

	30/09/2010	31/12/2009
Cash flow hedge reserve	1.0	(5.1)
Stock option plans	18.3	15.8
Actuarial Gains/(Losses)	(10.5)	(5.1)
Total	**8.8**	**5.6**

The following table shows the movements that took place during the period:

Valuation reserves	Balance at 1/1/2010	Other changes	Increase/ (Decrease)	Through Profit and Loss Account	Opening balance adjustments of the hedged	Fair Value adjustments	Deferred tax effect	Balance at 30/09/2010
Financial assets for cash flow hedging purpose	(5.1)	0.4	(1.0)	0.2	(23.4)	32.4	(2.5)	1.0
of which:					-	-	-	-
- foreign exchange hedging	(1.5)	-	(1.0)	(0.2)	(23.4)	32.3	(2.1)	4.1
- interest rate hedging	(3.6)	0.4	-	0.4	-	0.1	(0.4)	(3.1)
Stock option plans	15.8		2.5	-	-	-	-	18.3
Actuarial Gains/(Losses) on defined benefit plans	(5.1)		(7.5)	-	-	-	2.1	(10.5)
Total	**5.6**	**0.4**	**(6.0)**	**0.2**	**(23.4)**	**32.4**	**(0.4)**	**8.8**

The ***Valuation Reserve for financial instruments held to cover the cash flows*** is set up within the context of the valuation of qualified financial derivatives for exchange rate risk coverage and amounts to 4.1 million Euros (-1.5 million Euros at 31 December 2009) and for interest rate risk coverage amounting to –3.1 million Euros (-3.6 million Euros at 31 December 2009).

With reference to the financial instruments held to manage the interest rate risk it is highlighted that following the recalculation, which took place at 1 January 2010, of the value of this reserve in application of the changes that were made to the IAS 39 and that came into force starting from those accounting periods that began from 1 July 2009 or afterwards, relative to the technical methodologies of the recognition and posting of the effective part of the change in value of the coverage instrument, the item *Other movements* refers to the impacts of this recalculation.

The changes that have taken place in the context of the valuation reserves of the financial instruments that are held for the coverage of the exchange rate risk refer for –23.4 million Euros to the adjustment to the initially posted value of the television rights that were acquired during the period and for 32.3 million Euros to the changes in their fair value.

The change of the *Effective part of the profits/(losses) on cash flow hedging instruments* shown in the Comprehensive Income Statement amounting to 8.2 million Euros refers to the overall change in this reserve, gross of both the fiscal impacts and the amount of it that belongs to minority shareholders.

The ***Reserve for Stock Option Plans*** takes in the other side of the entry for the amounts of the costs accrued at 30 September 2010, calculated pursuant to the IFRS 2, for the three-year Stock Option Plans assigned by Mediaset in the fiscal years 2005, 2007, 2008, 2009 and 2010 for the amount belonging to the Group, for the plans assigned by the subsidiary company Telecinco in the fiscal years 2005, 2006, 2007, 2008, 2009 and 2010. The change for the period amounted to 2.5 million Euros and refers to the amount of the costs accrued at 30 September 2010 belonging to the Group.

The ***Valuation Reserve for actuarial profits and losses*** takes in the actuarial components relative to the valuation of definitive benefit plans that are posted directly to net equity.

4.6. Risks Funds

The risks funds, for both the current and non-current part, went from 161.1 million Euros at 31 December 2009 to 157,5 million Euros at 30 September 2010. This reduction was brought about by the usage of funds amounting to about 23 million Euros, following the agreement stipulated by Gestevision Telecinco with the trade association A.I.E. (Agencia de Intérpretes y Ejecutantes). Furthermore, during the period being looked at it is highlighted that provisions were posted for about 14 million Euros relative to the setting aside, by the subsidiary company Gestevision Telecinco S.A., of 3% of its gross advertising revenues, as laid down by the Law 8/2009 for the financing of Radio Televisión Española, Spanish State Television, which has prohibited it from selling its own advertising space.

Regarding the Trial number 40382/05 (Mediatrade Proceedings), on 8 April 2010 there was served upon all the accused parties, by the State Attorney of the Italian Republic at the Court of Milan, the request to make an appearance for the judicial proceedings. As already explained in the section that is called “Events After 31 December 2009”, of the Consolidated Financial Statements, in these proceedings Fedele Confalonieri, as the Chairman of Mediaset, and Pier Silvio Berlusconi, as the Chairman of RTI and Vice-Chairman of Mediaset, are accused of the offence of grievous fiscal fraud. The tax supposedly evaded, based on the accusations that run from the fiscal year 2005 to 30 September 2009, in the current state of affairs, amounts to 8.2 million Euros. Just as at 31 December 2009, also at 30 September 2010 no provision, whatsoever, has been posted to the accounting books, because it is sincerely believed that during the legal proceedings, which are currently at the preliminary hearing stage, there will emerge the complete extraneousness of the company and its directors and executives from the offences of which they are accused.

4.7 Net Financial Position

Below there is given the breakdown of the ***Consolidated Net Financial Position,*** as asked for by the Consob (Italian SEC) communication number 6064293 of 28 July 2006, showing the current and non-current net financial debt of the Group.

For the analysis of the changes in the Net Financial Position that took place during the period reference should be made to the Interim Report on Operations in the section that comments on the Balance Sheet and Financial structures of the Group.

	30/09/2010	**31/12/2009**
Cash in hand and cash equivalents	0.1	0.1
Bank and postal deposits	124.1	99.9
Securities and other current financial assets	56.7	0.9
Total liquidity	**180.9**	**100.9**
Financial receivables from affiliated companies	1.1	4.5
Current financial receivables	14.7	9.4
Total current financial receivables	**15.9**	**13.9**
Due to banks	(521.4)	(796.9)
Current payables and financial liabilities	(3.4)	(37.2)
Financial liabilities due to affiliated companies and joint ventures	(8.9)	(4.7)
Current financial debt	**(533.7)**	**(838.8)**
Current Net Financial Position	**(337.0)**	**(724.0)**
Due to banks	(659.6)	(823.0)
Corporate Bonds	(306.1)	-
Non current payables and financial liabilities	(5.4)	(5.0)
Non current financial debt	**(971.1)**	**(828.0)**
Net Financial Position	**(1,308.1)**	**(1,552.0)**

The change in the item **Securities and current financial assets** mainly refers to 50.3 million Euros of fixed term deposits of the subsidiary company Gestevision Telecinco.

The item **Current Financial Receivables** mainly includes government contributions, as per the Law 1.213 of 4/11/65 that was changed with the Law number 153 of 1/3/1994, that have been obtained for the cinema productions carried out by Medusa Film S.p.A. and resolved upon by the competent entities, but not yet paid out, for a total of 13.8 million Euros.

The item **Current Financial Payables and Liabilities** refers mainly to the current part of the fair value of the financial derivatives, which are held to cover the interest rate risk of financial liabilities, amounting to 2.7 million Euros. The change compared to the figure at 31 December 2009 refers to the extinguishing of the payables to the factoring companies.

The items **Financial Receivables and Payables from and to affiliated and jointly controlled enterprises** refers mainly to current account relationships, which are managed on behalf of these companies, by the Group Parent Mediaset S.p.A. and by the subsidiary Telecinco S.A. on behalf of its own affiliated and jointly controlled enterprises.

The item **Non-current Financial Payables and Liabilities** mainly refers, for 2.8 million Euros, to loans to cover movie development, distribution and production and to the non-current part of the fair value of the financial derivatives that are held to cover the interest rate risk for 2.2 million Euros.

The reduction in the item **Payables to banks (non current)**, amounting to 163.4 million Euros, breaks down as follows:

• Reimbursements of some loans for the amount of 100.0 million Euros.

• Reclassification in the item Payables to banks (current) of the amount falling due within 12 months of the loan stipulated with Intesa S.Paolo, formerly S.Paolo – IMI, and of the loan stipulated with Mediobanca for an overall total amount of 58.6 million Euros.

• Lower usage of the medium/long term credit lines of the subsidiary company Gestevision Telecinco amounting to about 4.8 million Euros.

The change in the item **Payables to banks (current),** amounting to 275.5 million Euros, breaks down as follows:

• The reclassification, which has already been commented on above, of the amounts falling due within 12 months of the debt to Intesa S.Paolo, formerly S.Paolo – IMI, for 58.6 million Euros.

• Reimbursements of the current parts of medium/long term loans for 58.6 million Euros.

• Extinction of a short-term loan for 50 million Euros.

• Lesser usage of the short-term credit lines of the subsidiary company Gestevision Telecinco amounting to about 27.1 million Euros.

• Lesser usage of the very short-term credit lines for an overall total of about 198 million Euros.

As already shown in the Financial Statements at 31 December 2009, the existing loans and credit lines are subject to financial covenants on a consolidated basis, the terms of which, if not respected, would bring about the immediate reimbursement of the part of them that had been used. Until now all of the required covenant parameters have been respected.

The item **Bonds Issued** refers to the issue of a 7 year bond for an overall nominal value of 300.0 million Euros, carried out by Mediaset S.p.A. on 1 February 2010, which has been posted to the Financial Statements using the amortised cost method and based on an internal yield rate of 5.23%.

4.8 Taxes for the period

	3Q 2010	3Q 2009
Current tax expenses (foreign companies)	29.3	(4.8)
IRAP and IRES tax	134.9	98.4
Deferred tax expense	(29.5)	14.3
Total	**134.7**	**107.9**

4.9 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	30 September 2010	30 September 2009
Net profit for the year (millions of euro)	**192.6**	**184.2**
Weighted average number of ordinary shares (without own shares)	1,136,402,064	1,136,402,064
Basic EPS	**0.17**	**0.16**
Weighted average number of ordinary shares for the diluted EPS computation	1,136,402,064	1,136,402,064
Diluted EPS	**0.17**	**0.16**

The earnings per share are calculated by dividing the Group's net profit by the weighted average number of its shares that are in circulation during the period, net of the treasury shares held. The diluted earnings per share is calculated by taking into account in the calculation the number of shares that are in circulation and the potential diluting impact of the assignment of treasury shares to the beneficiaries of stock option plans that have already come to maturity.

5. Segment information

Below there is given the information required by IFRS 8 for the operational segments identified on the basis of the current organisational structure and the internal management reporting of the Group.

The main operational segments of the Group, as already shown in the analysis of the results given in the *Interim Report on Operations*, coincides with the *geographical areas*, currently Italy and Spain, identified based on the localising of the activities and within which there is carried out a further segmentation to monitor the operating performances of the *activity areas* within these areas, identified based on their respective economic characteristics, i.e. the nature of the products/processes and their final reference markets. It is highlighted that relative to the Spanish area, which coincides with the Telecinco Group, there are not currently identified any relevant operational segments that are different from the television core business, which therefore coincides with this entity.

Following the nature of this segmentation, for the geographical areas there are supplied the information and reconciliations asked for by IFRS 8 relative to profits or losses, assets and liabilities that can be extrapolated from the two sub-consolidations specifically prepared at that level, while for the operational segments identified in Italy the information is supplied with reference to the financial results and the "operational" activities that are directly imputable to them.

Geographical sectors

In the following tables there are shown the key Income Statement/Balance Sheet data linked to the two geographical activity areas of Italy and Spain at 30 September 2010 and 2009, respectively.

These tables have been obtained by processing specific sub-consolidations, within which the posted book value of the equity investments, owned by companies belonging to a segment, in companies held in another segment are kept at their respective acquisition costs and washed out at the time of consolidation. Similarly, in the Income Statement of the segment, incomes relative to any dividends received from such equity investments are shown in the item *Result from other equity investments*.

Specifically, the data relative to the inter-segment assets regarding the washing out of the equity investments, posted among the assets of the Italian geographic segment, in Gestevision Telecinco (50.5%) and Mediacinco, which is held for 25% and already consolidated on a line-by-line basis in the Spain geographical segment, because 75% of it is held by Telecinco, and the loan given by Mediaset Investment S.a.r.l. to Mediacinco, amounting at 30 September 2010 to 72.6 million Euros.

The costs of a non-monetary nature refer to the provisions posted for risks and charges and to the costs for stock option plans.

30 September 2010	ITALY	SPAIN	Eliminations	MEDIASET GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from third parties	2,423.4	622.4	-	3,045.8
Inter-segment revenues	0.5	-	(0.5)	-
Consolidated net revenues	**2,423.9**	**622.4**	**(0.5)**	**3,045.8**
%	80%	20%		100%
EBIT	**367.9**	**166.9**	**0.0**	**534.7**
%	69%	31%	0%	100%
Financial income/(losses)	(16.7)	3.3	-	(13.4)
Income/(expenses) from equity investments valued with the equity method	0.9	(167.3)		(166.4)
Income/(expenses) from other equity investments	19.6	(1.5)	(24.6)	(6.5)
EBT	**371.7**	**1.3**	**(24.6)**	**348.4**
Income taxes	(134.6)	(0.1)	-	(134.7)
NET PROFIT FROM CONTINUING OPERATIONS	**237.1**	**1.3**	**(24.6)**	**213.7**
Net Gains/(Losses) from discontinued operations	-	-	-	-
NET PROFIT FOR THE PERIOD	**237.1**	**1.3**	**(24.6)**	**213.8**
Attributable to:				
- Equity shareholders of the parent company	231.6	32.2	(71.2)	192.6
- Minority Interests	5.4	(30.9)	46.6	21.1
OTHER INFORMATION				
Assets	5,625.9	683.9	(360.0)	5,949.8
Liabilities	3,119.7	431.4	(73.8)	3,477.3
Investments in tangible and intangible non current assets (*)	593.2	121.0	-	714.2
Amortisation	736.4	108.7	-	845.1
Impairment losses	-	-	-	-
Other non monetary expenses	14.4	(6.5)	-	7.8

(*) Inclusive of the change in the item *advances paid for the acquisition of rights*

30 September 2009	ITALY	SPAIN	Eliminations	MEDIASET GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from third parties	2,219.9	432.2	-	2,652.1
Inter-segment revenues	0.8	-	(0.8)	-
Consolidated net revenues	**2,220.7**	**432.2**	**(0.8)**	**2,652.1**
%	84%	16%		100%
EBIT	**298.4**	**82.5**	**-**	**380.9**
%	78%	22%		100%
Financial income/(losses)	(27.3)	2.3	-	(24.9)
Income/(expenses) from equity investments valued with the equity method	0.3	(26.4)	-	(26.1)
Income/(expenses) from other equity investments	106.4	-	(106.9)	(0.5)
EBT	**377.8**	**58.5**	**(106.9)**	**329.4**
Income taxes	(108.0)	-	-	(108.0)
NET PROFIT FROM CONTINUING OPERATIONS	**269.8**	**58.5**	**(106.9)**	**221.5**
Net Gains/(Losses) from discontinued operations	(0.5)	-	-	(0.5)
NET PROFIT FOR THE PERIOD	**269.3**	**58.5**	**(106.9)**	**220.9**
Attributable to:				
- Equity shareholders of the parent company	262.9	62.2	(140.9)	184.2
- Minority Interests	6.4	(3.7)	34.0	36.7
OTHER INFORMATION				
Assets	5,950.1	745.8	(347.8)	6,348.0
Liabilities	3,534.0	434.8	(61.6)	3,907.1
Investments in tangible and intangible non current assets (*)	965.3	135.8	-	1,101.1
Amortisation	704.7	107.6	-	812.3
Impairment losses	-	-	-	-
Other non monetary expenses	3.8	(41.7)	-	(37.8)

(*) Inclusive of the change in the item advances paid for the acquisition of rights

Italy: Segments of Operations

30 September 2010	FREE TO AIR TELEVISION	NETWORK OPERATOR	MEDIASET PREMIUM	OTHER	ELIMINATIONS / ADJUSTMENTS	GEOGRAPHICAL SEGMENT ITALY
Revenues from third parties	1,699.7	43.4	526.8	154.0		2,423.9
Inter-segment revenues	2.5	99.3	-	110.2	(211.9)	0.0
Consolidated net revenues	**1,702.2**	**142.7**	**526.8**	**264.2**	**(211.9)**	**2,423.9**
%	70%	6%	22%	11%	-9%	100%
EBIT	**359.5**	**(8.0)**	**(0.9)**	**29.9**	**(12.6)**	**367.9**
Television rights	1,830.3	-	537.0	129.8	(235.4)	2,261.7
Other tangible and intangible non current assets	257.2	546.0	22.5	101.1	-	926.8
Goodwill	2.7	6.2	-	140.4	-	149.3
Trade receivables	571.4	39.2	98.0	80.0	-	788.6
Inventories	31.3	5.8	15.2	6.9	-	59.2
Operating assets	**2,692.8**	**597.3**	**672.7**	**458.2**	**(235.4)**	**4,185.7**
Investments in television and movie rights (*)	428.4	-	67.0	56.3	(81.6)	470.1
Other investments	31.5	55.8	13.8	0.8	-	102.0
Investments in tangible and intangible assets	**460.0**	**55.8**	**80.8**	**57.1**	**(81.6)**	**572.1**

(*) Not inclusive of the change in the item *advances paid for the acquisition of rights*.

30 September 2009	FREE TO AIR TELEVISION	NETWORK OPERATOR	MEDIASET PREMIUM	OTHER	ELIMINATIONS / ADJUSTMENTS	GEOGRAPHICAL SEGMENT ITALY
Revenues from third parties	1,622.8	69.7	379.9	148.3		2,220.7
Inter-segment revenues	1.0	92.1	-	124.2	(217.3)	-
Consolidated net revenues	**1,623.8**	**161.8**	**379.9**	**272.5**	**(217.3)**	**2,220.7**
%	73%	7%	17%	12%	-10%	100%
EBIT	**311.9**	**20.8**	**(52.6)**	**36.2**	**(17.8)**	**298.4**
Television rights	1,842.3	-	741.6	147.8	(211.6)	2,520.0
Other tangible and intangible non current assets	290.7	529.7	12.9	70.6	-	903.8
Goodwill	2.7	6.2	-	140.4	-	149.3
Trade receivables	725.4	45.2	68.1	78.4	-	917.1
Inventories	23.0	6.3	20.4	7.9	-	57.7
Operating assets	**2,884.1**	**587.4**	**843.0**	**445.1**	**(211.6)**	**4,547.9**
Investments in television and movie rights (*)	398.5	-	486.9	78.4	(84.0)	879.8
Other investments	18.2	60.7	3.2	0.8	-	82.9
Investments in tangible and intangible assets	**416.6**	**60.7**	**490.1**	**79.2**	**(84.0)**	**962.7**

(*) Not inclusive of the change in the item *advances paid for the acquisition of rights*.

6. Transactions with related parties

The Group carries out transactions with the parent company and its associated companies, with jointly controlled companies and affiliated enterprises that are all regulated at normal arm's length market conditions.

In the following summary table there are given, for the main Income Statement/Balance Sheet items, the details relative to each company that is the counterpart of these transactions:

	Trade receivables	Trade payables	Other receivables/ (payables)	Revenues	Operating costs	Financial income/ (charges)
Fininvest S.p.A.	1.6	1.5	-	0.1	4.4	-
Associated companies						
A.C. Milan S.p.A.	0.3	12.8	-	0.0	0.3	-
Alba Servizi Aerotrasporti S.p.A.	0.1	0.5	-	0.1	2.5	-
Arnoldo Mondadori Editore S.p.A.	6.4	0.2	-	12.7	0.1	-
Banca Mediolanum S.p.A.	0.3	0.0	-	4.9	0.0	-
Il Teatro Manzoni S.p.A.	0.7	0.9	-	0.0	0.7	-
Mediolanum Vita S.p.A.	-	-	-	-	-	-
Quinta Communication S.A.	-	-	-	-	-	-
Servizi Milan S.r.l.	0.1	-	-	0.0	5.1	-
Altre Società Consociate	4.4	1.5	-	7.0	4.0	-
Total parent company and associated	**13.8**	**17.3**	**-**	**24.8**	**17.0**	**-**
Joint control companies						
Boing S.p.A.	1.3	4.2	(6.1)	4.1	9.0	(0.0)
Fascino Produzione e Gestione Teatro S.r.l.	-	0.8	(2.7)	-	22.9	(0.0)
MediaVivere S.r.l.	1.9	4.3	-	0.5	24.9	-
Tivù S.r.l	1.4	0.7	-	3.1	0.9	-
Mediamond S.p.A.	2.3	0.1	-	2.6	0.2	-
Affiliated companies						
Ares Film S.r.l.	-	7.9	-	0.6	-	-
Auditel S.r.l.	-	-	-	-	4.4	-
Beigua S.r.l.	-	-	-	-	-	-
BigBang Media S.L.	0.1	0.9	-	-	4.3	-
Campus Multimedia In-Formazione	0.1	0.1	-	0.1	0.2	-
Capitolo VII S.p.A.	0.7	0.2	0.7	3.1	0.3	0.0
La Fabrica De La Tele (già Hormigas Blancas Produ	0.6	10.7	-	0.3	26.5	-
Nessma S.A.	0.0	0.1	1.7	-	-	-
Pegaso Television Inc.	1.2	-	0.8	1.0	-	0.0
Premiere Megaplex S.A.	-	-	-	-	-	-
Producciones Mandarina S.L.	0.0	4.6	-	0.0	12.7	-
Sportsnet Media Ltd.	-	-	-	-	-	-
Titanus Elios S.p.A.	-	-	-	-	3.7	-
Total joint control and affiliates	**9.6**	**34.6**	**(5.6)**	**15.4**	**110.1**	**0.0**
Other related parties	**-**	**0.2**	**-**	**-**	**0.9**	**-**
TOTAL	**23.4**	**52.1**	**(5.6)**	**40.2**	**128.0**	**0.0**

The revenues and the trade receivables from companies held by Fininvest Group and the Mediolanum Group are mainly relative to the sales of television advertising space. The costs and the relative trade payables mainly refer to the purchase of television productions and television rights.

It is highlighted that the transactions with the affiliated companies Capitolosette S.r.l., Nessma S.A. and Pegaso Television Inc., also include the transactions with these companies' subsidiaries.

The transactions contained in the item *other related parties* mainly refer to consultancy relationships with companies that are headed by Directors of Mediaset S.p.A.

The main impacts on the consolidated cash flows generated by transactions with related parties are relative, as well as to the payment of the dividends to the Group Parent Fininvest S.p.A. for 100.4 million Euros, to outflows to the company Milan A.C, to cover the acquisition of rights, for 32.9 million Euros.

It is also highlighted that during the nine months rights were acquired by the company Milan A.C. for a total of 10.8 million Euros relative to friendly matches for the 2011-2016 seasons.

7. Other Information

7.1 Personal guarantees given and commitments

With reference to the personal guarantees given and the commitments that are in existence at 30 September 2010 it is highlighted that no significant changes have taken place, compared to those items that were already shown at 31 December 2009.

7.2 Commitments

The main commitments that the companies of the Mediaset Group have in existence can be summarised as follows:

- Multi-year commitments that are mainly relative to rental contracts for channels via satellite, with variable durations, which will bring about future disbursements for 138.4 million Euros (200.1 million Euros at 31 December 2009) and the renting of transmission capacity on digital frequencies for 518.7 million Euros (603.9 million Euros at 31 December 2009).
- Commitments for rights acquisitions for a total of 1,256.8 million Euros (1,301.7 million Euros at 31 December 2009). These future commitments mainly refer to "volume deal" contracts that the Mediaset Group has in existence with some of the leading American Major Studios, in order to ensure for itself the availability of movies and television productions produced by them, guaranteeing the possibility of being able to carry out a volume of investments in line with the Group's strategy of strengthening the library and also for multi-year commitments to obtain the digital pay TV exploitation rights for 257.4 million Euros (247.5 million Euros at 31 December 2009);

8. Transactions arising from atypical and/or unusual operations

Pursuant to the Consob Communication of 28 July 2006 number DEM 6064296, it is underlined that during the third quarter of 2010 the Group has not put in place any atypical and/or unusual operations, as the same are defined by the said Communication.

The Executive responsible for drawing up the company accounting documents of Mediaset S.p.A., Andrea Goretti, hereby declares, pursuant to paragraph 2, article 154-bis, of the Consolidated Finance Act (Testo Unico della Finanza) that the accounting information contained in this document corresponds to that contained in the relative company documents, books and accounting postings.

For the Board of Directors
The Chairman