

Press Release

Mediaset Group Third Quarter 2003 Results

Advertising revenues and ratings growth in Italy and Spain

ITALY

TV Advertising sales Publitalia: €1,830.8 million (+2.2%)

Pre-tax profit: €378.8 (+13.3%)

SPAGNA

TV Advertising sales Publiespana: €418.8 million (+10.2%)

Pre-tax profit: €102.6 million (+128%)

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the management's report on the Mediaset Group's results for the third quarter of 2003.

During the third quarter 2003 (July-September) Mediaset's channel recorded a positive performance in terms of advertising sales that confirms the trend begun in the second quarter. In the period under consideration, also the advertising market, both for television and the broader market, showed significant signs of recovery.

In the first nine months of 2003 **Publitalia 80's TV advertising sales** for Mediaset's channels came to **€1.830.8 million** an **increase of 2.2%** compared with the same period of the previous year.

Mediaset channels also achieved excellent **rating results** with an overall **prime time** share of **45.4%**, an increase of 1.6 compared with the same period last year. There was also an increase in **24-hour ratings: 44.3%** compared with 43.0% in the first nine months of 2002.

Canale 5 strengthened its position in prime time as **Italy's most popular channel** with a **23.7%** share (+0.2%). **Italia 1** consolidated its **third place** with a **12.9%** share (+0.8%). **Retequattro**, meanwhile, achieved its **best ever performance (8,8%)** in the last five years (+0.6%).

In the first nine months of the year, the **Telecinco Group** also recorded an excellent performance. In particular **advertising sales grew by 10.2%** compared with the same period of 2002. There was also an increase in **24-hour ratings to 21.1%** (19.7% in the same period of 2002). The undisputed leadership among the **commercial target** was thus reinforced at **24.1%** compared with 22.9% in the first nine months of 2002.

CONSOLIDATED FINANCIAL HIGHLIGHTS

The Group's performance in the first nine months of 2003 can be summarised as follows:

- **consolidated net revenues** came to **€2,111.8 million**, of which €425.2 million from the consolidation the Telecinco Group, **an increase of 26.6%** on the €1,668.4 million of the same period of the previous year.
- **gross operating profit (Ebitda)** rose to **€1,225.1 million** compared with the €977.2 million of the same period of the previous year **(+25.4%)**.
- **operating profit (Ebit)** before the amortisation of goodwill for Telecinco Group, came to **€518.1 million** compared with the €412.2 million of the first nine months of last year, **an increase of 25.7%**.
- **pre tax profit** and minority interests **rose by 35.3%** to **€449,0 million** compared with the €331.8 million of the first nine months of 2002.
- there was an improvement in the Group's **net financial position** which went from -€170.8 million at 31 December 2002 to -€71.8 million at 30 September 2003, including the net liquidity of the Telecinco Group of 209,3 million. It should be noted that the net financial position for the first nine months includes the payment of €276 million for the acquisition of a further 12% of Telecinco and Publiespana.

It should be noted that the 2003 results are affected by the total consolidation of the companies of the Telecinco Group of which Mediaset, from this year, is the majority shareholder with a 52% stake. For a like-for-like analysis, the following figures indicate the television businesses of the two countries. For Telecinco the figures for the first nine months of 2002 are pro-forma consolidate data.

Italy

- the **consolidated net revenues** of the Group's activities in Italy in the first nine months of 2003 recorded **an increase of 1.1%** compared with the same period of the previous year, rising from €1,668.4 million to **€1,686.6 million**.

- **operating costs** for the Group's Italian activities (net of labour costs) recorded a **fall of €2.0 million (-0.4%)** from €462.5 million to **€460.5 million (+0.3%** including labour costs). Total television costs, including labour costs and amortisations, registered a slight increase of 2.5%, the lowest level recorded in the last five years.
- thanks to an increase in revenues and containment in operating costs **gross operating profit** for the period (**Ebitda**) **grew by €15.9 million** rising from €977.2 million in the first nine months of 2002 to **€993.1 million** for the same period this year.
- **operating profit (Ebit)** came to **€416.6 million** compared with the €412.2 million of 2002, **an increase of €4.4 million (+1.1%)**.
- **pre tax profit grew by 13.3%**, from €334,3 million in the first nine months of 2002 to **€378.8 million** this time.
- in the first nine months of the year, **investments in television rights fell** from the €401.3 million of the first nine months of 2002 to **€377.9 million** for the same period of 2003.

Spain

- in the first nine months of 2003 the **consolidated net revenues** generated by the Telecinco Group came to **€425,4 million, an increase of 8.5%**, compared with the same period of the previous year.
- in the first nine months of 2003, **gross operating profit** grew by **€39.8 million (+20.7%)** reaching **€232,0 million**.
- compared with the first nine months of the previous year, there was a **7.0% reduction in overall costs** for the Telecinco Group, including all components related to labour costs and amortisations and depreciations.
- thanks to this performance, Telecinco's **operating profit** more than doubled, reaching **€101.5 million** compared with the €43.9 million in the first nine months of 2002, **an increase of €57.6 million**.
- **pre-tax profit rose to €102.6 million** compared with the €44.9 million of the first nine months of 2002 (**+128%**).

Forecast for the year

On the basis of currently available information concerning the trends in advertising sales and television costs for the two countries, it is reasonable to predict for the current year an improved operating result compared with the previous year, also thanks to the contribution resulting from the consolidation of the Telecinco Group.

Italy

- advertising sales for the **first ten months** of the year (January-February) show **an increase of 3.8%**. Given this result and initial indications for the last two months of the year, Publitalia could end the year with a percentage increase greater than that of the first ten months.
- in the **first ten months of 2003** Mediaset's channels achieved **prime time ratings** of **45.2%**, an **increase of 1.2%** compared with the same period of the previous year 2002 (44.0%).

24-hour ratings were **44.2%** compared with 42.9% in the same period of the previous year (**+1.3%**).

With a **share of 23.7%** **Canale 5** confirmed its position as **Italy's most popular channel**.

Spain

- advertising sales for the **first ten months** of the year (January-February) show **an increase of 10.6%**. On the basis of forecasts for advertising sales in the last two months of the year, Publiespana is expected to record an increase in advertising revenues for 2003 in the region of 9%.
- also after ten months, **Telecinco** confirms the positive trends already recorded during the year, with an average **24-hour audience share of 23.1%**, compared with the 19.9% of the same period of 2002. Telecinco also strengthened its ratings leadership in the **commercial target** with a share of **24.3%** (23.2% in the first ten months of 2002).

Cologno Monzese, 11 November 2003

Highlights from the consolidated income statement

In € millions

31/12/2002		30/09/2003	30/09/2002
2,280.0	Revenues from sales and services	2,088.7	1,642.6
36.1	Other revenues and income	23.1	25.8
2,316.1	Total consolidated net revenues	2,111.8	1,668.4
300.2	Labour costs	280.5	228.7
662.3	Procurement, services and other costs	606.2	462.5
962.5	Operating costs	886.7	691.2
1,353.6	Gross operating profit	1,225.1	977.2
795.1	Amortisations and depreciations	707.0	565.0
558.5	Operating profit before amortisation of goodwill of Telecinco	518.1	412.2
-	Amortisation of goodwill Telecinco	32.4	-
558.5	Operating profit	485.7	412.2
(5.7)	Financial income /(charges)	(1.4)	(23.1)
(47.8)	Income/(charges) from investments	(23.3)	(56.8)
505.0	Profit before extraordinary items	461.0	332.3
(7.9)	Extraordinary income/(charges)	(12.0)	(0.5)
497.1	Pre-tax profit	449.0	331.8
-	Pre tax minority interest profit	(49.3)	-

Highlights from the consolidated balance sheet

In € millions

31/12/2002		30/09/2003	30/06/2002
1,834.0	Television rights	1,923.8	1,906.0
443.4	Other tangible/intangible assets	597.1	577.4
-	Financial assets	310.9	321.9
470.3	Net working capital & other assets/liabilities	191.7	187.6
(7.7)	Severance indemnity reserve	5.7	266.2
(100.5)	Net invested capital	(106.5)	(104.8)
2,639.5	Television rights	2,922.7	3,154.3
(170.8)	Net financial position	(71.8)	(314.4)
2,467.2	Shareholders' equity	2,619.6	2,613.1
1.5	Minority interest	231.3	226.8
2,468.7	Shareholders' equity and minority interest	2,850.9	2,839.9

Highlights from the consolidated income statement

In €

millions

31/12/2002		Third quarter	
		2003	2002
2.280.0	Revenues from sales and services	480.0	359.6
36.1	Other revenues and income	5.4	7.2
2.316.1	Total consolidated net revenues	485.4	366.8
300.2	Labour costs	88.9	71.1
662.3	Procurement, services and other costs	164.9	118.7
962.5	Operating costs	253.8	189.8
1.353.6	Gross operating profit	231.6	177.0
795.1	Amortisations and depreciations	207.8	177.8
558.5	Operating profit before amortisation of goodwill of Telecinco	23.8	(0.8)
-	Amortisation of goodwill Telecinco	10.8	-
558.5	Operating profit	13.0	(0.8)
(5.7)	Financial income /(charges)	0.3	(12.2)
(47.8)	Income/(charges) from investments	(1.8)	(13.0)
505.0	Profit before extraordinary items	11.5	(26.0)
(7.9)	Extraordinary income/(charges)	(0.7)	0.6
497.1	Pre-tax profit	10.8	(25.4)
-	Pre tax minority interest profit	(4.6)	-