

Press Release

Mediaset Board Meeting 13 May 2008

APPROVAL FOR THE RESULTS OF THE FIRST QUARTER OF 2008

Consolidated Results

Net revenues: €1,098.9 million
Operating profit: €255.8 million
Net profit: €121.0 million

Italy

Publitalia sales grow: +3,0%
Ratings: Mediaset channels and Canale 5
leader in the 15-64 year-old audience
Mediaset Premium: revenues double

Spain

Operating profitability: 47.4%
Ratings: Telecinco Spain's leading channel

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the company's report on the first quarter of 2008.

MEDIASET GROUP: CONSOLIDATED RESULTS

Performance in the first three months of 2008 can be summarised as follows:

- the Mediaset Group's **consolidated net revenues grew by 13.9%** to reach **€1,098.9 million**, compared with €964.9 million in the first quarter of 2007.
- the Group's **EBIT**, which came to **€255.8 million** was in line with that of the same period of the previous year (€255.7 million).
- **operating profitability** was **23.3%**, compared with 26.5% in Q1 2007.
- **profit before taxation** and that attributable to third-party shareholders, amounted to **€231.0 million**, compared with €247.6 million in the first quarter of 2007. This result was affected by higher financial charges resulting from the acquisitions made in the second half of 2007 (Endemol and Medusa).

- **net profit** attributable to the Group came to **€121.0 million**, compared with €124.5 million in the first quarter of the previous year and reflects an improvement in the tax rate following the reduction in ordinary rates of taxation from 2008 in both Italy and Spain.
However, the result is also impacted by the amortizations made during the price allocation for the acquisition of Endemol. Net of this effect, the net profit for the Group was €126.4 million.
- the Group's **net financial position** went from –€1,208.8 million on 31 December 2007 to **-€67.3 million** on 31 March 2008.
- In the first three months of the year **net cash generation** amounted to **€79.9 million**, an increase on the €211.0 million of the same period of the previous year.

It should be noted that, since last July, the companies acquired during 2007 have been consolidated. The companies of the Medusa Group have been fully consolidated, while the 33.3% stake in Endemol, held through Mediacinco, has been consolidated on a net equity basis.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- In the first quarter of 2008 **consolidated net revenues** amounted to **€50.5 million**, **an increase of 19.1%** on the €714.2 million of the same period of the previous year. The increase is due to the positive contribution of Publitalia, increased revenues from Mediaset Premium's pay per view activities, the network operator business and the consolidation of the revenues of the Medusa Group.

Gross television advertising revenues came to **€42.1 million**, **an increase of 3.0%** on the first quarter of 2007. This result was achieved thanks to a particularly sustained increase in advertising sales in the first two months of the year. In March advertising revenues were in line with those of March 2007, despite the Easter holidays that usually result in a slowdown in advertising investments (in 2007 Easter was in April).

Mediaset Premium revenues amounted to **€108.8 million**, more than double the figure of the first quarter of 2007 (€45.3 million).

Income from Mediaset Premium deriving from the sale of encrypted football rights to other platforms amounted to €62.2 million (€10.5 million in the same period of last year).

- **EBIT** came to **€137.9 million**, in line with the €137.7 million in Q1 2007.

- **total television costs** during the period remained in line with those of the same period of the previous year, confirming the objective for 2008 for an extremely contained rise in costs.
- **pre-tax profit** came to **€120.8 million**, compared with €125.0 million in the first three months of 2007.
- **net profit** amounted to **€80.5 million**, compared with €81.2 million in Q1 2007.

TV ratings: in the first three months of the year Mediaset channels confirmed their national leadership in all the time bands among viewers in the 15 to 64 year-old age range (the commercial target). Indeed, during the period, Mediaset recorded a **43.3% share in prime time** and **43.1% in the 24 hours**.

Canale 5 is Italy's most popular channel in the commercial target with **24.1% in prime time** and **23.4%** in the **24 hours**

Spain

- In the first three months of 2008 **consolidated net revenues** generated by the Telecinco Group came to **€249.0 million**, essentially in line with the €251.1 million of the same period of the previous year. A positive result, despite Easter falling in the first quarter, a general election and an advertising market that after years of uninterrupted growth has shown some signs of a slowdown.
- In any case, a sharp focus on costs allowed for an **EBIT** figure of **€117.9 million**, in line with the €118.0 million of Q1 2007.
- **Operating profitability** remained among the highest among European broadcasters, reaching **47.4%** (47.0% in Q1 2007).
- **Pre-tax profit** went from €122.6 million in the first quarter of 2007 to **€110.2 million** in the first quarter of 2008.
- **Net profit** amounted to **€81.5 million**, compared with €86.1 million in Q1 2007.

TV ratings: Telecinco consolidated its position as Spain's absolute leader with a **prime time share of 20.6%** and **19.1%** in the **24 hours**.

FORECAST FOR THE YEAR

For the current year, the expectation is for an improvement in consolidated net profit compared with that of 2007. The scale of the improvement will mainly be determined by the trend in advertising revenues in both of the principle markets.

Italy

- After the first four months of 2008, gross advertising sales for Mediaset's channels confirmed the positive trend observed in the first months of the year, recording an increase of around 3% on the same period of the previous year, in line with the result at the end of the first quarter.
- After the first four months of 2008, Mediaset channels confirmed their leadership in Italy in the commercial target (15-16 year-olds) with an average share of 43.5% in Prime Time and 43.3% in the 24 hours. Canale 5 was the leading national channel in prime time con with a 24.3% share, while Italia 1 confirmed its third place with 11.7%.
- The excellent performance of Mediaset Premium continued: at the end of April 2008 active customers had grown to 2,565,000, compared with 1,940,000 at 30 April 2007.

Spain

- In the first four months of 2008 Telecinco confirmed its position as the most popular channel in both the 24 hours and prime time. In particular, in prime time Telecinco, with a 20.7% share, is the only one of the historic networks to have increased its ratings, outperforming Antena 3 by 4 points and TVE1 by 4.9 points. During the same period Telecinco consolidated its undisputed leadership in the commercial target in all the time bands with 22.8% in prime time and 20.8% in the 24 hours.

The executive responsible for the preparation of the Mediaset S.p.A. accounts, Andrea Goretti, declares that, as per para. 2 art. 154-bis, of the Single Finance Bill, that the accounting information contained in this press release corresponds to that contained in the company's books.

Cologno Monzese, 13 May 2008

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Highlights from the consolidated income statement (*)
in €m

2007	Cumulative to 31 March	
	2008	2007
4,082.1 Consolidated net revenues	1,098.9	964.9
462.1 Labour costs	128.0	116.0
1,454.0 Procurement, services and other costs	426.0	369.2
1,916.1 Operating costs	554.0	485.2
2,166.0 Gross operating profit	544.9	479.7
1,017.0 Amortisation and depreciations	289.1	224.0
1,149.0 Operating profit	255.8	255.7
- ((Losses)/gains from equity disposals)	-	-
1,149.0 EBIT	255.8	255.7
(50.9) Financial income /(charges)	(16.6)	(8.9)
(2.7) Income/(charges) from investments	(8.2)	0.8
1,095.5 Profit before taxation	231.0	247.6
(414.3) Income taxes	(69.8)	(80.1)
681.2 Net profit from operations	161.2	167.5
- (Net profit from discontinued activities)	-	-
(174.4) (Minority interest (profit)/loss)	(40.2)	(43.0)
506.8 Profit for the Mediaset Group	121.0	124.5

Highlights from the consolidated balance sheet (*)
in €m

	31/03/2008	31/12/2007
Television rights	2,866.8	2,351.5
Goodwill and consolidation differences	398.9	394.5
Other tangible/intangible assets	948.3	1,070.8
Financial assets	598.7	554.8
Net working capital & other assets/liabilities	(737.1)	(202.2)
Severance indemnity reserve	(102.3)	(102.2)
Net invested capital	3,973.3	4,067.2
Net Group assets	2,664.3	2,557.7
Shareholders' equity and minority interest	341.7	300.7
Net assets	3,006.0	2,858.4
Net financial position	(967.3)	(1,208.8)

^(*)The reclassified figures in the report are not subject to certification by the external auditors