

PRESS RELEASE

Mediaset Board Meeting 17 March 2009

APPROVAL FOR 2008 RESULTS

Consolidated results

Net revenues: €4,251.8 million

Operating profit: €984.6 million

Net profit: €459.0 million

Proposed dividend of €0.38 per share

Italy

Net revenues: +9.0%

Net profit: +14.3%

**Ratings: Mediaset confirms leadership
in the 15-64-year-old audience
Canale 5 Italy's most popular channel**

Mediaset Premium: revenues + 78.7%

Spain

Operating profitability: 39.4%

Ratings: Telecinco Spain's leading channel

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the annual report for 2008 of Mediaset SpA and the consolidated annual report of the Mediaset Group for the year ended 31 December 2008.

MEDIASET GROUP: CONSOLIDATED RESULTS

- **The consolidated net revenues** of the Mediaset Group **grew by 4.2%** to reach **€4,251.8 million**, compared with the €4,082.1 million of 2007.
- The group's **EBIT** amounted to **€984.6 million**, compared with €1,149.0 million in the previous year. This change was principally due to a reduction in gross advertising revenues in Spain and the one-off effect of the extraordinary and non-recurring income in Italy (worth €23 million) in 2007.

- **Operating profitability** was equal to **23.2%**, compared with 28.1% in 2007 and is one of the best performances among continental broadcasters.
- **net profit** attributable to the Group, after taxation, came to **€459.0 million** (€506.8 million in 2007). This result was affected by a writedown in goodwill, of around €45.2 million, by Edam (the parent company of Endemol).
- the Group's **consolidated net financial position** went from -€1,208.8 million at 31 December 2007 to **-€1,371.7 million** at 31 December 2008.
- During the period **the group's net cash generation** came to **€672.2 million**, up from the €666.7 million of the previous year.

It should be noted that on 26 September 2008 operations were concluded for the creation of a joint venture that brings together Medusa Film, Italy's leading film producer, and Taodue, Italy's leading producer of high quality television drama.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- **Consolidated net revenues** in 2008 came to **€3,271.0 million**, an increase of **9.0%** on the previous year (€3,002.1 million). The increase is the result of a positive contribution by Publitalia, increased revenues generated by the activities of Mediaset Premium, network operator activities and the consolidation of the revenues of the Medusa Group.
- **Gross advertising revenues** came to **€2,881.1 million**, in line with the figure for 2007 (€2,880.6 million). This result was ahead of the market of reference, which in 2008 recorded a fall of 2.8% (excluding the contribution of Publitalia the fall would be of 4.3%).
- **Mediaset Premium** generated revenues of **€403.7 million, an increase of 78.7%** on the €225.9 million of 2007. As of 31 December 2008, active cards amounted to around **2.9 million**, compared with 2.1 million in the previous year.
- **EBIT** came to **€597.7 million**, compared with €663.8 million in 2007.
- **Total television costs** saw a very slight increase of 0.8%, well below the inflation rate for the year.
- **Net profit** came to **€378.1 million**, an increase of 14.3% on the €330.8 million of 2007, thanks also to a reduction in the tax rate.

Ratings: in 2008 Mediaset channels confirmed their national leadership across all time bands among viewers in the 15 to 64 year-old age range (the commercial target): Mediaset recorded ratings of **41.7% both in prime time and across the 24-hours**.

Canale 5 is Italy's most popular channel in the commercial target with a **22.7% share in prime time** and **21.9% across the 24-hours**.

Spain

- During 2008 the **consolidated net revenues** generated by the Telecinco Group came to **€81.9 million** compared with €1,081.6 million in 2007 (-9.2%). This result was markedly affected by the unfavourable economic and financial situation at both national and international level.
- **EBIT** for the period, also thanks to careful cost controls (-0.2%), came to **€386.9 million**, compared with €485.3 million in 2007.
- **Operating profitability**, at **39.4%**, remained one of the highest among European broadcasters.
- **Pre-tax profit** came to **€207.6 million**, compared with the €487.4 million of the previous year.
- **Net profit** amounted to **€111.3 million**, compared with €353.1 million in 2007.
- **Ratings:** Telecinco consolidated its position as Spain's most popular channel with a **20.0% share in prime time** and **19.6% across the 24-hours**.

RESULTS OF THE PARENT COMPANY: MEDIASET S.p.A.

The parent company Mediaset S.p.A. ended the year 2008 with a net profit of **€342.5 million**, compared with the €481.6 million of 2007.

DIVIDEND PROPOSAL

The Board of Directors agreed to propose to the Company's Annual General Meeting, to be held on April 21, on first calling, or, if necessary, on second calling, on April 22 2009, a **dividend of €0.38 per share**.

The dividend will be payable from 21 May 2009, with coupons detachment from 18 May 2009 (Coupon N°. 13).

FORECAST FOR THE YEAR

In the first two months of the year gross advertising revenues, both in Italy and Spain, saw a marked fall compared with the same period of the previous year due to a widespread worsening of general economic conditions in the current recessionary phase.

Such conditions make it extremely difficult to make reliable forecasts about the evolution of the economic scenario in the coming months. It is, however, reasonable to presume that consolidated advertising revenues will, on an annual basis, be down on the previous year. The operating and net profit of the Group could, therefore, be lower than the figures for 2008.

Available market data, up to the end of January 2009, show a fall in sales of Publitalia of 12%. The figure for February, meanwhile, is expected to be in line with that of January.

In this general context, the Group confirms its objective of consolidating its “core” markets and market share. While maintaining a strict control on cost and television investments, the company will continue to support its development projects, mainly in Italy, in the pay-TV sector and in preparation for the switch to digital terrestrial.

STOCK OPTION PLAN

Following a proposal by the Remuneration Committee, the Board of Directors has defined a stock option plan for the three-year period 2009-2011, which foresees the allocation of free personal non-transferable and non-*inter vivos* options, for the acquisition of a corresponding number of Mediaset's ordinary shares, with regular entitlement, on the attainment of the performance objectives to be defined by the Board of Directors.

The Plan is aimed at directors and employees (executives, journalists, section heads and similar) of the company and collaborators of Mediaset and its subsidiaries. Those eligible will be identified by the Board of Directors, after the plan has been approved by the Annual General Meeting of the Shareholders, from among the key people with roles that have a determining impact on the attainment of the Group's strategic results. The aim of the plan is to provide incentives to the assignees in their efforts to achieve the Mediaset Group's objectives, and thus encourage the creation of value for the company itself and its shareholders.

The total maximum number of shares to be allocated may not exceed, as for the previous three-year period, 1% of the company's share capital on the date of the approval of the Regulations for the Stock Option Plan by the Board of Directors, an approval to be held, following the proposal of the Remuneration Committee, after the AGM.

A Document outlining the characteristics of the Plan will be made public at least 15 days before the Annual General Meeting of the Shareholders.

Decisions concerning the implementation of the plan will be made public as per the provisions of Art 84-bis, para 5, a), of the Issuers' Regulations.

SHARE BUY BACKS

The Board of Directors of Mediaset will ask the forthcoming AGM to renew authorisation to effect share buy backs in order to pursue, in the interests of the company, the aims foreseen by relevant regulations, including:

- a) the availability of shares to be sold to employees of the company, its subsidiaries and holding, as part of the Stock Option Plan for 2003-2005, 2006-2008 and 2009-2011;
- b) to conduct operations for trading, coverage or arbitrage purposes.
- c) conduct investment operations in liquidity.

The Board of Directors has agreed that it will not ask the shareholders for the cancellation of shares in the portfolio given that the total does not amount to 10% of the share capital

Buy back operations will be conducted in accordance with Artt. 2357 ff. of the Civil Code, Art. 132 of D. Lgs. 58/98, Art. 144-bis of the Consob Regulations implementing the legislative decree of 24 February 1998, n. 58, regarding the regulation of issuers and all other applicable norms, including those of the Directive 2003/6 and relative national and European norms.

The company's current share capital of €614,238,333.28, is divided into 1,181,227,564 ordinary shares and, on 17 March 2009 the company had in its portfolio. 44,825,500 shares, corresponding to 3.79% of the share capital; Mediaset's subsidiary companies do not hold shares in the parent company.

The proposal foresees the attribution to the Board of Directors of the power to buy, also through options trading or financial instruments and derivatives of Mediaset stock, up to a maximum of 118,122,756 and, in any case, within the legal limit, of ordinary company shares with a nominal value of €0.52 each (equal to 10% of the company's share capital), in one or more operations, up until the approval of the Company's Annual Report for the year ended 31 December 2008, and, in any case, for a period of not more than 18 months from the date of Shareholders' approval. The above sum is guaranteed by existing reserves from the last approved balance sheet.

Buy back operations will follow the following procedure:

- i) buy backs destined to facilitate the Stock Option Plans for 2003/2005, 2006/2008 and 2009/2011, must be made on the listing Stock Exchange according to the procedures foreseen by Art 144- *bis* b) and c) of the Regulations for Issuers at a price that is not greater than the reference price of the stock on the day prior to each single operation and not less than 20% less than the price recorded by the stock on the day prior to each single operation.
- ii) any other eventual buy backs must be made on the listing Stock Exchange according to the procedures foreseen by Art 144- *bis* b) and c) of the Regulations for Issuers at a price not greater than 20% and not less than 20% of the reference price of the stock on the day before any such operation. Such parameters are considered adequate to identify the range of value within which any acquisition is in the interest of the company.

The Shareholders will also be asked to authorise, as per Art: 2357 *ter* of the Civil Code, the Board of Directors, within the terms of the law and norms that may be introduced from time to time, and the regulations issued by Borsa Italiana and in conformity with relevant European norms, to:

- a) transfer company shares acquired on the basis of the present authorisation, or already held in the portfolio, to employees of the company, its subsidiaries or holding, for the exercise of options to buy such shares held by the said employees at the prices, on the terms and in the manner foreseen by the conditions of each of the Stock Option Plans for 2003/2005, 2006/2008 and 2009/2011. The present authorisation applies to the period of validity established by the stock option plans;
- b) transfer company shares acquired on the basis of the present authorisation, or already held in the portfolio, in the following alternative procedures:
 - i) in cash; in such cases, sales will be effected on the listing stock exchange and/or off market, at a price of not less than 90% of the reference price of the stock on the day before any such operation;
 - ii) by trading, exchange, contribution or other operations, in the context of industrial plans or extraordinary financial operations. In such cases, the economic terms of the transfer, including the evaluation of the shares that are involved in the exchange, will be determined with the assistance of independent adjudicators, given the nature and the characteristics of the deal, also taking account of the market performance of Mediaset shares.

The authorisation as at b) above is agreed for a period of not more than 18 months from the date of the resolution.

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, 17 March 2009

Department of Communications and Media Relations

Tel. +39 0225149156

Fax +39 0225149286

e-mail: ufficiostampa@mediaset.it

www.mediaset.it/corporate/

Investor Relations Department

Tel. +39 0225147008

Fax +39 0225148535

e-mail: ir@mediaset.it

<http://www.mediaset.it/investor>

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

	2008	2007
Consolidated net revenues	4,251.8	4,082.1
Labour costs	519.1	462.1
<i>of which non-recurring income</i>	-	(23.0)
Procurement, services and other costs	1,588.1	1,454.0
Operating costs	2,107.2	1,916.1
Gross operating profit	2,144.7	2,166.0
Amortisation of rights	984.5	880.6
Other amortisation and depreciations	175.6	136.4
Total amortisation and depreciations	1,160.1	1,017.0
Operating profit	984.6	1,149.0
(Losses)/gains from equity disposals	-	-
EBIT	984.6	1,149.0
Financial income /(charges)	(82.5)	(50.9)
Income/(charges) from investments	(209.1)	(2.7)
Profit before taxation	693.0	1,095.5
Income taxes	(127.6)	(414.3)
Net profit from operations	565.4	681.2
(Net profit from discontinued activities)	-	-
(Minority interest (profit)/loss)	(106.3)	(174.4)
Profit for the Mediaset Group	459.0	506.8

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

	31/12/2008	31/12/2007
Television rights	2,396.1	2,351.5
Goodwill and consolidation differences	513.2	394.5
Other tangible/intangible assets	1,052.1	1,070.8
Financial assets	361.6	533.1
Net working capital & other assets/liabilities	(92.1)	(202.2)
Severance indemnity reserve	(103.4)	(102.2)
Net invested capital	4,127.5	4,045.5
Net Group assets	2,482.4	2,543.9
Shareholders' equity and minority interest	273.4	292.9
Net assets	2,755.8	2,836.8
Net financial position	(1,371.7)	(1,208.8)

(*)Highlights from the reclassified accounts