

Meeting of Board of Directors 13th September 2005

**AGREEMENT ON SHARE BUYBACK PLAN
FOR UP TO 3.5% OF THE COMPANY'S SHARE CAPITAL**

APPROVAL FOR FIRST HALF 2005 RESULTS

Consolidated results

Net revenues: €1,984.3 million

EBIT: €797.5 million

Net profit: €426.6 million

Advertising revenues and TV ratings

Italy

TV advertising revenues Publitalia: +3.7%

**Mediaset channels lead ratings in all time bands
since beginning of 2005**

Spain

TV advertising revenues Publiespana: +24.0%

Telecinco Spain's most popular channel

The Board of Directors of Mediaset met today under the Chairmanship of Fedele Confalonieri.

The Board of Directors approved procedures to effect an Open Market Stock Buyback Plan for up to a maximum of 41,370,000 shares (3.5% of the company's share capital) and in any case for a maximum total corresponding value of €400 million.

The Stock Buyback Plan, aimed at the investment of liquidity, falls within the terms of the authorisation to effect buybacks of the company's shares given to the Board of Directors by the Annual General Meeting of the Shareholders held on 29th April 2005.

The AGM resolution provided for the possibility to effect buybacks of a maximum of 70,000,000 ordinary shares with a nominal value of €0.52 each (corresponding to 5.92% of the company's share capital, in one or more operations and up to the approval of the Annual Report for the year ending 31/12/2005 and in any case for a period not exceeding 18 months from the date of the AGM resolution.

Toady, the Board of Directors has established the following terms of the Stock Buyback Plan:

- The Stock Buyback Plan will begin from 14th September 2005 and terminate when 3.5% of the company's share capital has been reached or at maximum ceiling which has been established at €400 million and, in any case, not beyond 23rd December 2005 (which corresponds to 73 stock exchange trading days).
- The maximum price for such buybacks will not be greater than the lesser of:
 - (a) €12.294, the reference share price recorded on the stock exchange trading day of 12th September 2005 (the day prior to the meeting of the Board of Directors to approve the plan, plus 20%), and
 - (b) the reference share price recorded on the stock exchange trading day prior to every single acquisition, plus 20%.
- The maximum number of ordinary Mediaset shares that may be bought on any trading day will not exceed 25% of the total daily trade and, in any case, not more than 1,000,000 shares.

Shares acquired in the context of the Stock Buyback Plan:

- will not be used for current or future Stock Option Plans;
- will not be sold until after the date of the AGM to approve the Annual Report for the year ending 31/12/2005.

In the context of the Stock Buyback Plan, Mediaset will make a daily communication to the market and competent bodies indicating: the number of shares purchased, the average price of the same, the cumulative number of shares and value of the total investment on the date of the communication.

Mediaset has appointed Mediobanca to conduct the Stock Buyback Plan according to the terms established.

As of 12th September 2005, Mediaset holds in its portfolio 3,851,000 shares entirely dedicated to the Stock Option Plans for the years 2002 and 2003.

The Board of Directors also approved the management's report on the Mediaset Group's results for the first six months of 2005, prepared in compliance with the new international accounting principles (IAS/IFRS), the obligatory standard for the consolidated accounts of European listed companies from 2005. The Interim Report for the First Half of 2005 will be made available to the public on 20th September 2005.

The Group's results in the first six months of the year reflect the excellent performance of the TV seasons in the two geographic areas (Italy and Spain), both in terms of advertising sales and audience ratings.

In particular, in Italy, **Publitalia '80's TV advertising revenues** for the three channels grew in the first six months of 2005 by **3.7%** to reach **€1,598.2 million**, compared with the €1,541.9 million of the same period of the previous year. This result was better than expected if one considers that the first half of 2004 was the period of greatest growth in the last year and that February 2005 had one less day given that 2004 was a leap year.

Also the ratings for Mediaset's channels were excellent. For the entire period under consideration (January-June 2005) Mediaset's channels led the ratings across all time bands: **43.9% in prime time and 43.1% in the 24-hours**.

Mediaset's leadership is even stronger in the **commercial target** of 15-64-year olds, the group of most interest to advertisers: **45.7% in prime time and 45.1% in the 24-hours**.

In Spain also the **Telecinco Group** achieved excellent results in the first half of 2005. The **advertising revenues** of Publiespana for the period came to **€489.7 million**, recording an **increase of 24%** compared with the first quarter of 2004.

In the first six months of 2005, Telecinco confirmed its position as Spain's most popular channel in all the time bands.

In particular in the 24-hours the channel achieved a 22.7% share, its best result in the last four years. Meanwhile, in **prime time**, Telecinco **is the leader with a 23.9% share**, ahead of Antena 3 TV (22.1%) and TVE1 (18.8%).

In the **commercial target** (13-54-year olds), Telecinco consolidated its undisputed leadership with a **25.0% share**.

MEDIASET GROUP CONSOLIDATED RESULTS

The Group's performance in the first six of 2005 can be summarised as follows:

- **consolidated net revenues** came to **€1,984.3 million**, compared with €1,809.1 million in the first half of 2004 (+ **9.7%**).
- **EBIT** of **€797.5 million**, an **increase of 19.6%**, net of amortizations and depreciations of €398.6 million.
- there was a **significant growth** in operating profit as a proportion of consolidated net revenues (**operating profitability**) which **reached 40.2%**, compared with 36.9% in the first half of 2004.
- **profit before taxation** and minority interest **grew by 14.7%**, up from €688.0 million in the first half of 2004, to **€788.9 million** for the first six months of 2005.
- **net profit** for the Group, net of estimated taxation, came to **€426.6 million**, compared with €373.6 million for the first half of the previous year (+**14.2%**).
- the Group's **net financial position** went from the +€62.0 million on 31 December 2004, to **-€ 45.6 million** on 30 June 2005.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- **consolidated net revenues** in the first six months of 2005 grew by **5.0%** compared with the same period of the previous year, rising from €1,405.0 million to **€1,475.3 million**.
- **total television costs** (labour costs + TV operating costs + amortizations of TV rights), showed an increase of 6.2%. This figure is the result of substantial productive efforts by the channels that were planned in the first half of the year. The trend in television costs is in any case destined to fall progressively during the second half of the year.

- **EBIT**, including a capital gain of €40.9 million, deriving from the sale of a 1.9% stake in Telecinco, came to **€538.8 million**, compared with the €506.1 million of the first half of 2004 (**+6.5%**).
- **profit before taxation** rose from the €524.8 million of the first six months of 2004, to **€527.3 million** this time.
- **net profit increased by 6.4%** reaching **€336.3 million**, compared with the €316.0 million of the first half of 2004.

Spain

- in the first six months of 2005 the **consolidated net revenues** generated by the Telecinco Group came to **€509.0 million**, an **increase of 25.8%**, compared with the same period of the previous year.
- The Telecinco Group's **total costs** (operating costs + amortizations and depreciations), went from €243.8 million in the first six months of 2004, to **€252.4 million** for the first six months of 2005.
- Telecinco's **operating profit** rose to **€256.6 million**, compared with the €160.8 million of the first half of 2004 (**+59.6%**).
- **pre-tax profit** came to **€259.5 million** compared with the €163.2 million of the first half of 2004.
- **net profit** reached **€175.9 million**, compared with the €110.3 million of the first six months of 2004.

FORECAST FOR THE YEAR

On the basis of trends in the first eight months of the year (January-August) and the lower television costs expected for the second half, the current year should record a increase in operating profit compared with 2004, while operating profitability is expected to remain essentially at the same high levels of the previous year.

Italy

- **Revenues:** in the two-month period July-August Publitalia's **television advertising revenues** for Mediaset channels maintained a growth rate that was in line with that of the first six months (+3.7%).
- **Ratings:** in July-August Mediaset channels confirmed their absolute leadership, both in the **prime time (43.3%)** and **the 24-hours (42.3%)**.

Spain

- **Revenues:** Publiespana's **advertising sales** for Telecinco are expected to show growth in the third quarter of around 12% compared with the same period of last year. On the basis of this result, overall growth for the first nine months of the year is expected to be over 20%.
- **Ratings:** for the second year running Telecinco achieved leadership in the summer season (1st July to 31st August) with a **share of 22.7% in prime time and 21.7% in the 24-hours**.

Cologno Monzese, 13 September 2005

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Highlights from the consolidated income statement ^(*)

in €m

	1st half 2005	1st half 2004	Q2 2005	Q2 2004
Total consolidated net revenues	1,984.3	1,809.1	1,072.2	960.8
Labour costs	219.7	204.6	110.1	103.2
Procurement, services and other costs	611.6	522.7	314.7	266.5
Operating costs	831.3	727.3	424.7	369.8
Gross operating profit	1,153.0	1,081.8	647.4	591.2
Amortisation and depreciations	398.6	414.9	193.9	208.1
Operating profit	754.5	666.9	453.5	383.0
((Losses)/gains from equity disposals)	43.1	-	-	-
EBIT	797.5	666.9	453.5	383.0
Financial income /(charges)	(6.4)	29.8	(6.7)	28.2
Income/(charges) from investments	(2.2)	(8.6)	(1.2)	(6.5)
Profit before taxation	788.9	688.0	445.7	404.7
Income taxes	(274.4)	(261.4)	(162.2)	(154.5)
Net profit from operations	514.5	426.6	283.5	250.2
(Net profit from discontinued activities)	-	-	-	-
(Minority interest (profit)/loss)	(87.9)	(53.0)	(55.6)	(33.5)
Profit for the Mediaset Group Mediaset	426.6	373.6	227.9	216.7

Highlights from the consolidated balance sheet

in €m

	30/06/2005	31/12/2004
Non current assets	3,617.2	3,521.0
Current assets	1,816.0	1,518.2
TOTAL ASSETS	5,433.2	5,039.2
Group net equity	2,857.1	2,870.3
Minority net equity	242.5	231.1
TOTAL SHAREHOLDERS' EQUITY	3,099.6	3,101.4
Non current liabilities	366.0	504.9
Current liabilities	1,967.6	1,432.9
TOTAL LIABILITIES	5,433.2	5,039.2
NET FINANCIAL POSITION	-45.6	62.0

^(*) The interim report to 30 June 2005 is subject to a limited audit by the external auditors.
The income statement of the second quarter is not subject to independent audit.