

Press Release

Ordinary and Extraordinary Shareholders' Meeting 9 April 2001

ANNUAL REPORT 2000 APPROVED

Net revenues of 4,576.5 bn lire (+15.4%)

Net Profit of 819.9 bn lire (+24.8%)

Dividend: 465 lire per share (+31%)

First 3 months of 2001

Advertising sales: + 6%

Record viewing figures for Mediaset networks: 44.8%(+2.0%)

The Annual General Meeting of the Shareholders of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, approved the consolidated annual report and financial statements of the Mediaset Group for the year ended 31 December 2000.

In 2000 the Mediaset Group produced results that show a marked growth, confirming the excellent financial and economic results of recent years. The further improvement of the Group's margin was the result of the **excellent performance of advertising revenues** that registered an **increase** in sales to third parties **of 12.2%**.

2000 was also an exceptional year in terms of **audience ratings**: the three networks obtained a 43.4% share, the highest level for six years.

The Mediaset Group's Consolidated 2000 Results

What follows is a summary of the Group's results for 2000:

- **consolidated net revenues** totalled **4,576.5 bn lire**, an **increase of 15.4%** compared with the 3,966.9 bn lire of the previous year. The marked increase in the Group's net revenues was the result of overall expansion in **television revenues**. In particular:

- advertising revenues to third parties reached 4,776.2 bn lire, an increase of 518.2 bn lire. There was also a sustained increase in revenues from the sale of commercial spots: + 12.2%.
- Other television revenues showed a significant increase as a result of larger advertising revenues from companies in the Fininvest Group and revenues generated from the sale of pay-TV rights.

2000 also saw an increase in **revenues** from **multimedia activities**. These include the distribution of thematic channels and the strong growth in Internet advertising, both for the Group's own sites (Mediaset Online and the sites of the three networks) and those of third parties.

- **operating costs** increased from 1,695.5 bn lire to **1,948.6 bn lire**, an increase of 253.1 bn lire, of which 130.6 bn lire is attributable to the effect of the consolidation of Mediaset's interest in the Epsilon Group.
- **gross operating profit (EBITDA) increased by 15.7%**, from 2,271.4 bn lire in 1999 to **2,627.9 bn lire** for 2000.
- **operating profit (EBIT) rose to 1,338.9 bn lire** compared with the 1,084.7 bn lire of the previous year, **an increase of 23.4% or 254.1 bn lire** .
The performance of operating profit was affected by the increase in rights amortisation, largely connected to the increased costs carried at the beginning of the 1999/2000 season for the new edition of the Champions League. It should be noted, however, that a proportion of this increased amortisation was recovered through the sale of pay-TV rights to Stream.
- there was a marked increase in **operating profitability**, reaching, on a like-for-like basis (net of the consolidation of 50% of the Epsilon Group) the exceptional figure of **30.1%** (27.3% at 31/12/1999).
- **pre-tax profit** came to **1, 254.6 bn lire** an **increase of 10.5%** compared with the 1,134.9 bn lire of 1999, in the context of charges linked to the evaluation of currency holdings, financial operations in stocks and the company's own shares and the overall improved result generated by financial investments.
- The Mediaset Group's **net profit** increased by **24.8%** to **819.9 bn lire** compared with the 656.7 bn lire of the previous year.
- The Group's **net financial position** went from 339.9 bn lire at 31 December 1999 to **242.7 bn lire** at 31 December 2000. This change in liquidity, in spite of a positive cash flow, is mainly the result of expenditure related to financial investments, worth around 200 bn lire.

Results of the Parent Company Mediaset S.p.A. and Dividends

The parent company, Mediaset S.p.A., ended the year 2000 with a **net profit of 618.8 bn lire**, after amortisations and depreciations for 599.2 bn lire and making reserves for income tax of 302.6 bn lire.

As proposed by the Board of Directors, the Shareholders resolved to distribute a **dividend of 465 lire per share**, an **increase of 31%** on the dividend for 1999, and forecast to be payable from May 24, 2001.

New Board Members

The Shareholders confirmed the appointments of Bruno Ermolli, nominated by the Board of Directors on 22 February 2001, and Marco Giordani nominated by the Board of Directors on 20 March 2001, as Members of the Board of Directors.

Acquisitions and Sale of Company Shares

Following the proposals of the Board of Directors, the Shareholders resolved:

- to authorise the Board of Directors to buy up to a maximum of **30,000,000** ordinary shares of the company at the nominal value of L. **1,000** each (equal to 2.54 % of the company's current share capital), in one or more tranches, valid until the approval of the annual results and financial statements for the year ending 31 December 2001 and in any case for a period not exceeding 18 months from the shareholders' resolution and thereby superseding the shareholders' resolution of 20 April 2000. The aforementioned sum to be covered from the reserves as per the approved financial statements for the year.

Such operations, to be carried out on the stock exchange, at a price that is not greater than 20% and not lower than 20% of the reference price for the stock on the trading day prior to each operation. Such parameters are deemed adequate to ensure a sufficient time interval to determine that any such operation is in the company's interest.

Acquisitions will not be made through public offerings, but on the market in line with the Borsa Italiana S.p.A. regulations and Art. 132 of legislative decree 58/98.

This authorisation is additional to the authorisation given to the Board by the Shareholders on 20 April 2000 in connection with the Employees Stock Ownership Programme 1997/99.

Shares bought will not be used to reduce the company's share capital.

- to authorise the Board of Directors to sell shares acquired. Such sales to be carried out on the stock exchange or outside, at a price not less than 90% of the reference price of the stock on the trading day prior to each operation. There is no time limit to this authorisation.
- to authorise the Board of Directors, as per Art. 2357 of the Italian Civil Code, to use such shares bought as a result of this resolution, or shares already in the company's portfolio, through the assignment to company employees, those of subsidiary and associated companies, for the exercise of options held by such employees, as per the regulations approved by the Shareholders on 20 April 2000 in connection with the Stock Option Plan for 2000 and the following years. There is no time limit to this authorisation.

Corporate Governance regulation Approved

The Shareholders approved a regulation that is inspired by the self-regulation code recommended by the Italian Stock Exchange Company for Corporate Governance.

Conversion of the Company's Share Capital into Euros

The Shareholders also resolved to convert the company's share capital into Euros: i.e. from L. 1,181,227,564,000 to Euro 614,238,333.28 divided in 1,181,227,564 shares with a nominal value of Euro 0.52 each.

Forecast for the current year

Advertising sales for the first 3 months 2001 are in line with the budget forecast of **6% growth** and higher than the reference market year.

In the first two months of 2001, Mediaset networks have registered and **average daily audience share of 44,8%, an increase of 2.0 points** on the same period of the previous year.



Cologno Monzese, 9 April 2001

Highlights from the consolidated income statement

	31/12/2000	31/12/1999	31/12/2000	31/12/1999
	(bn/lire)		(m/euro)	
Revenues from sales and services	4.514,7	3.889,6	2.331,65	2.008,81
Other revenues and income	61,8	77,3	31,92	39,92
Total consolidated net revenues	4.576,5	3.966,9	2.363,57	2.048,73
Operating costs	1.948,6	1.695,5	1.006,40	875,66
Gross operating profit	2.627,9	2.271,4	1.357,17	1.173,07
Amortisations and depreciations	1.289,0	1.186,7	665,74	612,88
Operating profit	1.338,9	1.084,7	691,43	560,19
Financial income /(charges)	(101,5)	36,0	(52,41)	18,59
Income/(charges) from investments	19,4	4,7	10,02	2,43
Profit before extraordinary items	1.256,8	1.125,4	649,04	581,21
Extraordinary income/(charges)	(2,2)	9,5	(1,14)	4,91
Pre-tax profit	1.254,6	1.134,9	647,90	586,12
Income tax	(434,5)	(478,0)	(224,40)	(246,87)
Profit for the year	820,1	656,9	423,50	339,25
(Profit) loss for minority shareholders	(0,2)	(0,2)	(0,10)	(0,10)
Profit (loss) for Mediaset Group	819,9	656,7	423,40	339,15

Highlights from the consolidated balance sheet

	31/12/2000	31/12/1999	31/12/2000	31/12/1999
	(bn/lire)		(m/euro)	
Television rights	3.415,5	3.341,8	1.763,94	1.725,90
Other tangible/intangible assets	871,3	770,8	449,99	398,08
Financial assets	1.133,8	1.055,9	585,53	545,33
Net working capital & other assets/liabilities	(872,6)	(1.131,9)	(450,66)	(584,58)
Severance indemnity reserve	(164,7)	(156,4)	(85,06)	(80,77)
Net invested capital	4.383,3	3.880,2	2.263,79	2.003,96
Net financial position	242,7	339,9	125,32	175,54



Shareholders' equity and minority interest

4.626,0

4.220,1

2.389,14

2.179,50