

Press Release

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**Mediaset Group First Half 2001 Results**

**Net revenues EURO 1,369.7 million (+6.5%)**

**Operating profit EURO 500.3 million (+6%)**

**Operating margin 36.5%**

**Advertising sales: +4.4 %**

**Record ratings: 44.4% share (+1.2%)**

**Canale 5 - Italy's most popular channel**

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 1<sup>st</sup> half 2001 results.

In the first half of 2001, the Group's three television channels achieved **record ratings** with an average 24-hour share of **44.4%**, the best result since 1988 and more than a full point more than the same period of the previous year. The most significant result was the 3-point increase in the prime time share. However, also in day-time the three channels improved their audience share compared with the first six months of 2000 (+0.5 points). These results are mainly attributable to the **excellent performance of Canale 5** that has confirmed its position as Italy's most popular channel: 24.9% in prime time (+3.5%) and 24.3% over 24 hour (+2.3%).

The Group's performance in the first six months of 2001 can be summarised as follows:

- **Consolidated net revenues** increased to **1,369.7 million euros**, up **6.5%** from the 1,285.5 million euros of the first half of 2000. This increase in the Group's revenues is mainly the result of an overall increase in **television revenues**.

- In particular third-party **advertising sales** for Mediaset's networks showed a further increase of **4.4%** compared with the excellent performance of the first half of 2000 and in contrast to trends in the national and international reference markets.  
In the first six months of the year, the Group has successfully contrasted the forecast slow-down in the advertising market and has distinguished itself compared with the most important national and European operators who have recorded limited growth or, in some cases, a fall off in revenues.
- **Other television revenues** came to 85 million euros, compared with 55.2million last year, an increase of 32.8 million mainly resulting from the sale of pay TV rights to a number of Champions League matches.

**Revenues coming from multimedia activities**, (i.e. the distribution of thematic channels, advertising sales linked to the Internet and Mediavideo -the teletext service of the three networks-, and the magazine '*La macchina del tempo*', showed a marked increase, rising from 11.6 million euros in the first half of 2000 to 18 million for the first half of the current year.

- **Operating costs**, rose from 493.2 million euros in the first half of 2000 to **523.0 million euros** this time. This is the result of the continuing strategy of containing costs combined with a commitment to strengthening the schedules of the three networks. In particular, overall TV costs, net of income generated from the sale of rights, showed a limited increase of 3.8%.
- **Gross operating profit (Ebitda)** for the period **grew by 6.9%**, from 792.3 million euros in the first half of the previous year, to **846.7 million euros** in the first half of 2001.
- **Operating profit (Ebit)** rose to **500.3 million euros** compared with the 471.9 million euros of the first six months of 2000, an **increase of 6.0%**.
- **As a proportion of consolidated net revenues, the Group's operating margin** remains extremely high at **36.5%**. However, an evaluation of this result must, in any case, take account of the high seasonality that characterises the Mediaset Group's results and tends to emphasise the performance in the first half of the year.
- **Pre-tax profit** for the period came to **450.3 million euros**, compared with 465.6 million the first half of 2000. This change is largely due, in the context of a higher operating profit, to the economic effect of evaluations of subsidiary companies.
- The Group's **net financial position**, as at June 30, 2001, showed a deficit of 274.1 million euros (compared with a surplus of 125.3 million euros as at December 31,2000). This change in liquidity, despite a positive cash flow in the current year, is attributable to equity investments in TV rights, the financing of Albacom and Blu and seasonal tax and dividend payments.

## **FORECAST FOR THE YEAR**

In the first eight months of 2001, Mediaset' channels achieved excellent results in terms of 24-hour ratings with a further 0.8 point increase on the same period of the previous year.

Also in the first eight months, television advertising revenues, following the increase of 57.9 million euros in the first half compared with the same period of the year before, showed an increase of 56 million euros (+3.5%). This result confirms Publitalia's European leadership in a market that is stable at levels similar to those of last year.

On the basis of the evidence currently available, the company expects in the coming months to confirm the trend seen in the first part of the year.

Cologno Monzese, 11 September 2001

### Highlights from the consolidated income statement

31/12/2000	31/12/2000		30/06/2001	30/06/2000	30/06/2001	30/06/2000
(mld./lire)	(ml./euro)		(ml./euro)		(mld./lire)	
4,514.7	2,331.7	Sales	1,349.8	1,273.2	2,613.6	2,465.3
61.8	31.9	Other revenues and income	19.9	12.3	38.5	23.8
<b>4,576.5</b>	<b>2,363.6</b>	<b>Total net consolidated revenues</b>	<b>1,369.7</b>	<b>1,285.5</b>	<b>2,652.1</b>	<b>2,489.1</b>
562.1	290.3	Labour costs	149.8	151.7	290.1	293.8
1,386.5	716.1	Purchasing, services and sundry costs	373.2	341.5	722.6	661.3
<b>1,948.6</b>	<b>1,006.4</b>	<b>Operating costs</b>	<b>523.0</b>	<b>493.2</b>	<b>1,012.7</b>	<b>955.1</b>
<b>2,627.9</b>	<b>1,357.2</b>	<b>Gross operating profit</b>	<b>846.7</b>	<b>792.3</b>	<b>1,639.4</b>	<b>1,534.0</b>
1,289.0	665.7	Amortisations and depreciations	346.4	320.4	670.7	620.3
<b>1,338.9</b>	<b>691.4</b>	<b>Operating profit</b>	<b>500.3</b>	<b>471.9</b>	<b>968.7</b>	<b>913.7</b>
(101.5)	(52.4)	Financial income (charges)	(5.5)	(11.3)	(10.6)	(21.8)
19.4	10.0	Income (charges) from shareholding	(43.8)	6.0	(84.8)	11.6
<b>1,256.8</b>	<b>649.0</b>	<b>Profit before extraordinary items</b>	<b>451.0</b>	<b>466.6</b>	<b>873.3</b>	<b>903.5</b>
(2.2)	(1.1)	Extraordinary income (charges)	(0.7)	(1.0)	(1.4)	(2.0)
<b>1,254.6</b>	<b>647.9</b>	<b>Pre-tax profit</b>	<b>450.3</b>	<b>465.6</b>	<b>871.9</b>	<b>901.5</b>

### Highlights from the consolidated balance sheet

31/12/2000	31/12/2000		30/06/2001	30/06/2000	30/06/2001	30/06/2000
(mld./lire)	(ml./euro)		(ml./euro)		(ml./euro)	
3,415.5	1,763.9	Television rights	1,895.0	1,805.1	3,669.2	3,495.2
871.3	450.0	Other tangible/intangible assets	462.5	484.3	895.5	937.7
1,133.8	585.5	Financial assets	623.5	484.9	1,207.3	938.9
(872.6)	(450.4)	Net working capital & other assets/liabilities	(60.8)	(299.4)	(117.7)	(579.8)
(164.7)	(85.1)	Severance indemnity reserve	(89.3)	(81.9)	(172.9)	(158.6)
<b>4,383.3</b>	<b>2,263.9</b>	<b>Net invested capital</b>	<b>2,830.9</b>	<b>2,393.0</b>	<b>5,481.4</b>	<b>4,633.4</b>
<b>242.7</b>	<b>125.3</b>	<b>Net financial position</b>	<b>(274.1)</b>	<b>38.4</b>	<b>(530.7)</b>	<b>74.4</b>
*****	*****		*****	*****	*****	*****
<b>4,626.0</b>	<b>2,389.2</b>	<b>Shareholder's equity and minority interest</b>	<b>2,556.8</b>	<b>2,431.4</b>	<b>4,950.7</b>	<b>4,707.8</b>

