

Press release

Mediaset Group's Third Quarter 2004 Results

Consolidated results

Net revenues: €2,400.2 million

Operating profit: €709.8 million

Pre-tax profit: €722.5 million

Advertising revenues and TV ratings

Italy

TV advertising revenues Publitalia: +9.9%

Ratings: Mediaset channels lead in all time bands among viewers of between 15-64 with falling TV costs

Spain

TV advertising revenues Publiespana: +26.0%
Telecinco is Spain's leading prime time 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 results for the first nine months of 2004.

The results achieved by the Group in the first nine months of the year reflect the excellent start to the TV season in the two countries of activities (Italy and Spain) both in terms of advertising revenues and audience ratings.

In particular, in Italy, **Publitalia 80's advertising revenues** for Mediaset channels in the first nine months of 2004 grew by **9.9%** reaching **€2,012.4 million**, against the €1,830.8 million of the same period of the previous year.

The Mediaset channels also had **good ratings** during the period. Total viewing figures over the nine month period (4 January-2 October) gave Mediaset national leadership for all time bands among the **audience aged between 15 and 64**, the commercial target of reference for advertisers **44.3% in prime time, 44.9% in the 24 hours, 45.1% in day time.**

In the same period **Canale 5** confirmed its position as Italy's leading channel in the commercial target: **23.7% in prime time, 24,2% in the 24 hours and 24.4% in day time.**

In Spain the **Telecinco Group** also achieved excellent results in the first nine months of 2004. In particular Publiespana saw an **advertising sales** increase of **26%** on the same period of the previous year.

Also in terms of ratings Telecinco reinforced its undisputed position as Spain's leading channel in the **commercial target with a 25.2% share.**

Telecinco is also the leader in prime time, with a share of 23.2%, and, for the first time, the channel is **also leader in the 24 hours**, with a share of **22.1%.**

CONSOLIDATED FINANCIAL HIGHLIGHTS

The Group's performance in the first nine months of 2004 can be summarised as follows:

- **consolidated net revenues** recorded an **increase of 13.7%** reaching **€2,400.2 million** compared with €2,111.8 million in the first nine months of 2003 .
- **operating profit (Ebit)** was **€709.8 million, an increase of 46.1%**, net of amortizations and depreciations for a total of €678.4 million (€739.4 million in the first nine months of 2003).
- there was a **significant improvement in operating profitability**, or operating profit as a proportion of consolidated net revenues, to **29.6%**, compared with the 23.0% of the first nine months of 2003.
- **pre-tax profit** and minority interest came to **€722.5 million** recording an **increase of 60.9%** on the €449.0 million of the same period of 2003.
- the Group's **net financial position** also improved rising from -€199.3 million at 31 December 2003 to **+€213.3 million** at 30 September 2004. In particular, the first nine months the Group's characteristic **cash generation** showed a marked increase (€857.4 million compared with the €506.4 million for the same period of 2003) reaching in **Italy €652.0 million** (€411.2 million in the first nine months of 2003) and in **Spain €205.4 million** (€95.2 million in the same period of 2003).

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- the **consolidated net revenues** of the Group's activities in Italy in the first nine months of 2004 grew by **9.9%** compared with the same period of the previous year, rising from €1,686.6 million to **€1,853.6 million**.

Mediaset's total costs (operating costs + amortizations and depreciations), including costs related to digital terrestrial showed a **controlled increase of 2.9%** compared with 2003, €1,270.0 million in the first nine months of 2003 to **€1,306.3 million** in the first nine months of 2004. **In particular, total television costs** (operating costs + amortizations and depreciations), showed a **reduction of 0.5%** compared with the first nine months 2003.

- **Operating profit (Ebit) grew by 31.4%** reaching **€547.4 million** compared to the €416.6 million of the first nine months of 2003.
- **Pre-tax profit** recorded an **increase of 46.9%** rising from €378.8 million in the first nine months of 2003 to **€556.4 million** in the first nine months of 2004.

Spagna

- In the first nine months of 2004 the **consolidated net revenues** generated by the Telecinco Group came to **€547.5 million, an increase of 28.7%**, compared with the same period of the previous year.
- The Telecinco Group's **total costs** (operating costs + amortizations and depreciations), went from €323.9 million in the first nine months of 2003, to €350.3 million for the first nine months of 2004, an increase of 8.2%. Net of non-recurring costs mainly sustained as a result of the stock exchange listing, **the increase was marginal at 2.7%**.
- Telecinco's **operating profit** rose from the €101.5 million of the first nine months of 2003 to **€197.2 million** in the first nine months of the current year.
- **Pre-tax profit**, at 30 September, **came to €200.8 million** compared with the €102.6 million of the first nine months of 2003.

FORECAST FOR THE YEAR

On the basis of the performance of advertising sales and television costs the forecast for the year is for a significant improvement in operating profit and characteristic cash generation compared with 2003.

Italia

- Revenues: initial indications for the last two months of the year make it possible to forecast **a full-year increase in gross television advertising revenues** of between **8-10%** compared with 2003
- Ratings: in the first ten months of 2004 (4 January–30 October) Mediaset confirmed its **leadership in the commercial target** (15-64) with a 44.7% share **in the 24-hour** and 45.0% **in Prime Time**

Spagna

- Revenues: on the basis of currently available information Publiespana's **advertising sales** for per Telecinco should record b for the full year **an increase** of between **18-20%**.
- Ratings: after ten month in 2004, Telecinco confirmed its undisputed leadership in the **commercial target** with a **share of 27.2%**. In **Prime Time** Telecinco is **Spain's most popular channel** with a **share of 23.2%**.
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Cologno Monzese, 9 November 2004

Highlights from the consolidated income statement
(In € millions)

2003	Year to 30 September		Q3	
	2004	2003	2004	2003
3,029.3	2,363.4	2,088.7	573.4	480.0
40.7	36.8	23.1	14.3	5.4
3,070.0	2,400.2	2,111.8	587.7	485.4
379.5	294.6	280.5	90.3	88.9
901.8	717.4	606.2	191.5	164.9
1,281.3	1,012.0	886.7	281.8	253.8
1,788.7	1,388.2	1,225.1	305.9	231.6
967.9	643.7	707.0	222.6	207.8
820.8	744.5	518.1	83.3	23.8
43.2	34.7	32.4	13.1	10.8
777.6	709.8	485.7	70.2	13.0
(6.2)	28.3	(1.4)	(4.3)	0.3
(84.3)	(13.2)	(23.3)	(4.1)	(1.8)
687.1	724.9	461.0	61.8	11.5
(12.0)	(2.4)	(12.0)	0.3	(0.7)
675.1	722.5	449.0	62.1	10.8
(58.9)	(96.2)	(49.3)	(17.9)	(4.6)

Highlights from the consolidated balance sheet
In € millions

31/12/2003	30/09/2004	30/09/2003	30/06/2004
1,923.6	1,915.2	1,923.8	1,906.7
563.1	614.2	597.1	579.9
300.3	343.6	310.9	356.7
136.0	140.8	191.7	136.0
215.7	39.9	5.7	304.1
(106.9)	(112.6)	(106.5)	(110.5)
3,031.8	2,941.1	2,922.7	3,172.9
(199.3)	213.3	(71.8)	(81.7)
2,591.6	2,942.5	2,619.6	2,897.5
240.9	211.9	231.3	193.7
2,832.5	3,154.4	2,850.9	3,091.2