Report on Operations

in the first quarter of 2007

MEDIASET S.p.A. - via Paleocapa, 3 - 20121 Milan

Share capital EUR 614,238,333.28 wholly paid-in

Taxpayer's code, VAT number and registration number in the register of companies in Milan: 09032310154

Internet site: www.mediaset.it

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CORPORATE BOARDS

Board of Directors	**Chairman**	Fedele Confalonieri
	Deputy Chairman	Pier Silvio Berlusconi
	CEO	Giuliano Adreani
	Directors	Marina Berlusconi Pasquale Cannatelli Paolo Andrea Colombo Mauro Crippa Bruno Ermolli Luigi Fausti Marco Giordani Alfredo Messina Gina Nieri Carlo Secchi Attilio Ventura
Executive Committee		Fedele Confalonieri Pier Silvio Berlusconi Giuliano Adreani Gina Nieri
Internal Control Committee		Luigi Fausti (*Chairman*) Alfredo Messina Carlo Secchi
Remuneration Committee		Bruno Ermolli (*Chairman*) Paolo Andrea Colombo Attilio Ventura
Governance Committee		Attilio Ventura (*Chairman*) Paolo Andrea Colombo Luigi Fausti
Board of Statutory Auditors	**Chairman**	Achille Frattini
	Acting Auditors	Francesco Antonio Giampaolo Riccardo Perotta
	Substitute Auditors	Giancarlo Povoleri Francesco Vittadini
Independent Auditors		Deloitte & Touche S.p.A.

MEDIASET GROUP: FINANCIAL HIGHLIGHTS

Main Income Statement Data

2006 full year			1st quarter 2007		1st quarter 2006	
mio €	%		mio €	%	mio €	%
3,747.6	100%	Total net Revenues	964.9	100%	955.2	100%
2,751.5	73.4%	Italy	714.2	74.0%	728.1	76.2%
997.6	26.6%	Spain	251.1	26.0%	227.8	23.8%
1,035.3	100%	Operating Profit	255.7	100%	264.3	100%
595.7	57.5%	Italy	137.7	53.9%	162.7	61.6%
439.6	42.5%	Spain	118.0	46.1%	101.6	38.4%
1,036.6	27.7%	Group Operating Profit (EBIT)	255.7	26.5%	265.6	27.8%
1,019.6	27.2%	Profit before Tax and Minority Interest	247.6	25.7%	261.5	27.4%
505.5	13.5%	Group Net Profit	124.5	12.9%	145.1	15.2%

Main Balance Sheet and Financial data

31 December 2006		1st quarter 2007	1st quarter 2006
mio €		mio €	mio €
3,501.7	Net Invested Capital	3,453.8	3,205.0
2,933.3	Total Net Shareholders' Equity	3,096.2	3,090.1
2,634.1	Net Group Shereholders' Equity	2,754.2	2,765.9
299.2	Minorities Shereholders' Equity	342.0	324.2
(568.3)	Net Financial Position	(357.6)	(114.9)
1,588.4	Operating Cash Flow	402.8	407.8
1,466.5	Investments	184.9	737.3
489.3	Dividens paid by the Parent Company	-	-
144.1	Dividends paid by Subsidiares	-	-

Personnel

2006 full year			1st quarter 2007		1st quarter 2006	
	%			%		%
5,839	100.0%	Mediaset Group Personnel (headcount)	5,830	100.0%	5,856	100.0%
4,660	79.8%	Italy	4,627	79.4%	4,697	80.2%
1,179	20.2%	Spain	1,203	20.6%	1,159	19.8%
5,849	100.0%	Mediaset Group Personnel (averaged)	5,805	100.0%	5,847	100.0%
4,665	79.8%	Italy	4,627	79.7%	4,681	80.1%
1,184	20.2%	Spain	1,179	20.3%	1,166	19.9%

Main Indicators

2006 full year		1st quarter 2007	1st quarter 2006
27.6%	EBITDA/Net Revenues	26.5%	27.7%
21.7%	Italy	19.3%	22.3%
44.1%	Spain	47.0%	44.6%
27.7%	EBIT/ Net Revenues	26.5%	27.8%
27.2%	Pre-Tax and Minority Interest/Net Revenues	25.7%	27.4%
13.5%	Net Profit/Net Revenues	12.9%	15.2%
0.44	EPS (euro per share)	0.11	0.13
0.43	Diluted EPS (euro per share)	0.11	0.13

REPORT ON OPERATIONS IN THE FIRST QUARTER OF 2007

Summary of the Group's results as at March 31st, 2007

Here follows a summary of the main results achieved by the Mediaset Group as at March 31st, 2007 compared to the figures in the same period of 2006:

- **consolidated net revenues** amounted to **EUR 964.9 million**, with a **1.0%** increase;
- **EBIT** amounted to **EUR 255.7 million** and recorded a decrease of EUR 9.9 million compared to the same period of the previous year that, among other things, had benefited from a non recurring income of EUR 1.3 million originated by the sale of a 0.03% stake in Gestevision Telecinco. **EBIT** represented a **26.5%** ratio on net revenues, compared to the 27.8% recorded in the same period of 2006;
- **Earnings before tax and minority interest** amounted to EUR **247.6 million**, compared to EUR 261.5 million in the first quarter of 2006;
- The **net profit pertaining to Group** amounted to **EUR 124.5 million** compared to EUR 145.1 million at March 31st, 2006;
- **Consolidated net financial position** increased from EUR –568.3 million at December 31st, 2006 up to **EUR –357.6 million** at March 31st, 2007. In the first quarter of the year, free cash flow from Group's operations amounted to EUR 210.7 million, compared to EUR 243.1 million in the same period of the previous year. If we do not consider the non recurring element generated in 2006 by the disposal of the stake held in Hopa, free cash flow from Group's operations in the first quarter of 2007 was higher than that generated in the first quarter of 2006.

Analysis of results by geographical segments: Italy

- In the first quarter of 2007 **consolidated net revenues** from Group's operations in Italy reached EUR 714.2 million with a slight decrease (-1.9%) over the same period of the previous year. The change was affected by the weakness of television advertising sales, while higher revenues were generated by Mediaset Premium operations and by network operator and content providing operations carried out for mobile telephone companies on DVBH technology.
- **Gross advertising sales on Mediaset networks** reached EUR 720.4 million, dropping by –7.3% compared to the first quarter of 2006. This result was affected by the continuous decrease in advertising investments by some major groups that had already dramatically reduced their campaigns in the last months of 2006. This trend had a negative influence especially on the overall situation of the advertising market in the first two months of the year. Starting from March, at the same time as the start of significant campaigns for the launch of new products, the first signs of recovery of advertising investments were recorded, and subsequently also an improvement in the situation of advertising sales on Mediaset networks compared to the first two months.

- In Italy, **EBIT** amounted in the first quarter to EUR 137.7 million, decreasing from EUR 164.0 million at March 31st, 2006, with an operating profitability of 19.3% compared to 22.5% in the first quarter of 2006. This result was mainly affected by the lower result of *Free To Air Television* operations due to lower television advertising sales. Television costs decreased compared to the same period of the previous year, in line with the strong cost containment target envisaged for 2007. Other business areas improved their results in the quarter compared to the same period of 2006. In particular, *Mediaset Premium* closed the quarter with a positive EBIT and a significant improvement in gross operating margin, for the first time since its operations started.

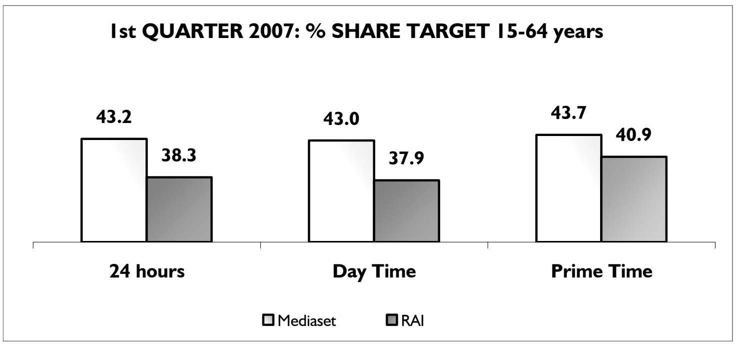
In the first three months of 2007, full day **audience shares** on Mediaset networks averaged 9,987,000 TV viewers, a figure that is a slight decrease on the same period of 2006 (-4.5%). This decrease equally concerned the three months and all the time brackets considered (Day Time, Prime Time and late night).

Mediaset networks closed the first quarter of 2007 recording a 24 hours share of 40.7%, a Day Time share of 40.4% and a Prime Time share of 41.5%.

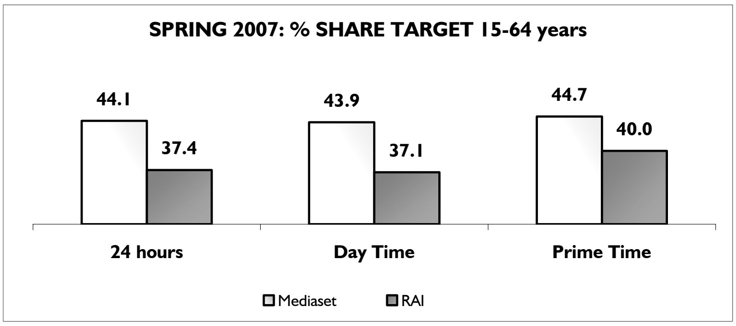
Here follow the results reached by single networks during the period in object:

Share individuals - 1st quarter 2007	**24 hours**	**Prime Time**	**Day Time 7:00-2:00**
5	21.6%	22.2%	21.4%
1	10.5%	10.6%	10.5%
4	8.6%	8.7%	8.5%
MEDIASET	**40.7%**	**41.5%**	**40.4%**

Considering the results obtained in the first three months with the commercial target group aged 15 to 64, which represents 70% of the Italian population and which is the target of 80% of advertising investments, Mediaset Networks confirmed their leadership in all time brackets.



In the first months of the guarantee period of *Spring 2007* (from January 14th, to June 2nd, excluding the week of the Sanremo Music Festival), Mediaset networks recorded a 24 hours audience share of 41.4%, a Day Time share of 41.1% and a Prime Time share of 42.5%. In the same period, as is shown by the chart below, Mediaset confirmed its leading position in all the time brackets for the 15-64 year target group, leaving RAI behind, in each of them, by at least 4.7 share points.



In the period under examination, **Canale 5** reached 22.2% in the 24 hour period, 21.9% in Day Time and 23.1% in Prime Time and confirmed its primacy in all time brackets for the 15 - 64 years old target group (24.3% in the 24 hours, 24.1 in Day Time and 25.0% in Prime Time) leaving RAI behind by more than 4.9 percentage points. Some of the most successful programmes have been Gerry Scotti's game show *Chi vuol essere milionario* (27.6%), *Striscia La Notizia* (29.5%), the new *Grande Fratello* (25.3%, average of the first 11 shows), *La Corrida* (31.2%) and talent show *Amici di Maria de Filippi* (28.4% on average, 37.9% for the final show). As for TV series, excellent performances were recorded by the third year of *R.I.S. Delitti Imperfetti* (23.8%) and by the mini-series on two evenings *Nassirya, per non dimenticare* (24.6%), while it is worth mentioning in conclusion the 34.4% obtained in Prime Time by movie *Troy*.

Italia 1 began the guarantee period positively, improving on its figures for the same period of 2006 in all time brackets, outperforming RAI 2 in the 24 hours (10.5% vs. 10.1%) and in Prime Time (10.6% vs. 9.1%) and reaching the same level in Day Time (10.5%). The network also confirmed its leadership with the 4-14 years old target group (23.8% in the 24 hours). Among its numerous programmes, Friday night series were particularly successful, among which *Dr House* (16.9%) and *Grey's Anatomy* (13.3%), both with very high audience shares with the 15-34 years old target group (28% and 23.3%, respectively). As to in-house productions, it is worth mentioning the renewed success of *Le Iene Show* (16.1%), late at night, of *Mai dire Grande Fratello* (23.1% with all individuals, 48.4% with the 15-24 years old target group). With respect to sports, the contribution provided by motorbike world championships, with the first two 2007 races that recorded 37.2% for MotoGP, while *Contro Campo Ultimo Minuto* confirmed to be a key element on Sunday afternoon achieving a 13.6% audience share.

Compared to the same period of 2006, **Retequattro** improved its figures by 0.6 share points in Day Time (where it equals RAI 3) and in the 24 hours totalling in both brackets an 8.7% share, and by one whole point in Prime Time where it reached 8.8%. Among the most successful programmes of the first months of 2007 it is worth mentioning *Forum* (16.9%), *Melaverde* (11.6%) and *Stranamore* (10,0%). An older audience particularly appreciated the TV series *Il* *commissario Cordier* and *Il Comandante Florent*, which recorded 18.5% and 15.4%, respectively, in the *over 65* target group.

The following tables show the programme schedules of the three networks broadcasted in the quarter and the hours of in-house productions produced in the same period.

Mediaset Networks - Broadcasted programmes - 1st quarter 2007

Type	Canale 5		Italia 1		Retequattro		Mediaset Total	
Film	142	6.6%	270	12.5%	531	24.6%	943	14.6%
Tv Movies	80	3.7%	71	3.3%	35	1.6%	186	2.9%
Mini-series	14	0.6%	4	0.2%	13	0.6%	31	0.5%
Telefilm	178	8.2%	513	23.8%	424	19.6%	1,115	17.2%
Fiction	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Sit-com	16	0.7%	169	7.8%	39	1.8%	224	3.5%
Soap	147	6.8%	-	0.0%	115	5.3%	262	4.0%
Telenovelas	-	0.0%	-	0.0%	76	3.5%	76	1.2%
Cartoons	-	0.0%	362	16.8%	-	0.0%	362	5.6%
Total TV Rights	**577**	**26.7%**	**1,389**	**64.3%**	**1,233**	**57.1%**	**3,199**	**49.4%**
News	712	33.0%	190	8.8%	345	16.0%	1,247	19.2%
Sport	-	0.0%	238	11.0%	2	0.1%	240	3.7%
Entertainment:	761	35.2%	250	11.6%	340	15.7%	1,351	20.8%
soft entertainment	*363*	*16.8%*	*134*	*6.2%*	*66*	*3.1%*	*563*	*8.7%*
talk show	*91*	*4.2%*	*-*	*0.0%*	*-*	*0.0%*	*91*	*1.4%*
music	*9*	*0.4%*	*34*	*1.6%*	*17*	*0.8%*	*60*	*0.9%*
quiz-game-show	*117*	*5.4%*	*62*	*2.9%*	*-*	*0.0%*	*179*	*2.8%*
reality	*170*	*7.9%*	*1*	*0.0%*	*-*	*0.0%*	*171*	*2.6%*
soft news	*11*	*0.5%*	*19*	*0.9%*	*257*	*11.9%*	*287*	*4.4%*
Culture	9	0.4%	1	0.0%	93	4.3%	103	1.6%
Shopping	101	4.7%	92	4.3%	147	6.8%	340	5.2%
Total in-house productions	**1,583**	**73.3%**	**771**	**35.7%**	**927**	**42.9%**	**3,281**	**50.6%**
Total	**2,160**	**100.0%**	**2,160**	**100.0%**	**2,160**	**100.0%**	**6,480**	**100.0%**

Type	**Hours of in-house productions**				
	1st quarter 2007	**% on the whole**	**1st quarter 2006**	**% on the whole**	**% changes**
Entertainment and talk show	436	22.2%	544	24.6%	-19.9%
Documentaries	1	0.1%	-	0.0%	0.0%
Events	-	0.0%	-	0.0%	0.0%
Cultural and Informative Programmes	269	13.7%	315	14.2%	-14.6%
Soft news	200	10.2%	160	7.2%	25.0%
News	464	23.6%	475	21.4%	-2.3%
Reality	79	4.0%	157	7.1%	-49.7%
Promo and Ads	13	0.7%	13	0.6%	0.0%
Sport	181	9.2%	187	8.4%	-3.2%
Game and Quiz show	122	6.2%	153	6.9%	-20.3%
Music	41	2.1%	70	3.2%	-41.4%
Soap	51	2.6%	51	2.3%	0.0%
Shopping	-	0.0%	-	0.0%	0.0%
Serial Drama	30	1.5%	25	1.1%	20.0%
Teleshopping	77	3.9%	65	2.9%	18.5%
Total	**1,965**	**100.0%**	**2,215**	**100.2%**	**-11.3%**

Analysis of results by geographical segments: Spain

- In the first three months of 2007, the **consolidated net revenues of the Telecinco Group** reached **EUR 251.1 million,** showing a **10.2%** increase over the same period of the previous year.
- The revenue increase, combined with a limited growth of charges, enabled Telecinco Group to record an **Operating profit** of **EUR 118.0 million**, with a **16.1%** growth over the same period of 2006 and an operating profitability of **47.0%**.
- **Net profit** amounted to **EUR 86.1 million** with a 17.4% increase over March 2006.

The excellent results achieved by Telecinco in the first quarter of the year confirm once again the solidity and efficacy of the Group commercial and publishing model.

Gross consolidated television advertising sales reached **EUR 244.4 million** with record growth of 8.4% over the first three months of 2006, a result that is even more significant if we consider the situation of greater competition that characterizes the Spanish market following the entry of two new players Cuatro and LaSexta.

This result proved the strength of Telecinco's programme schedule which, while maintaining the effective cost control policy, increased its leadership versus its competitors in terms of audience shares, achieving a 20.3% share in the 24 hours, leaving behind Antena 3 by more than two points, at 18.2%, and TVE 1 by 2.2 points, which reached 18.1%.

TELECINCO	Audience share at 31st March 2007	Share individuals	Share commercial target
24 hours		20.3%	22.4%
Prime Time		20.4%	23.3%
Day Time		20.2%	21.9%

This primacy also extended to the most important advertising time bracket, that is *Prime Time* (20.30-24.00), a segment in which Telecinco achieved 20.4% versus 17.9% of Antena 3 and 17.6% of TVE 1. This percentage increases to reach 23.3% in the *commercial target group* regarding this time bracket, with 5.7 points more than Antena 3 (17.6%) and 9.2 more than TVE 1 (14.1%).

With the commercial target, Telecinco strengthened its primacy also in average daily audience shares, with a 22.4% share, ahead of Antena 3 (18.5%) and TVE1 (14.1%).

These audience results were achieved by means of a programme strategy which further increased the use of in-house original productions.

Broadcasted contents (hours)	1st quarter 2007		1st quarter 2006		Changes	
Film	121	5.6%	188	8.7%	(67)	-35.5%
TV Movies, Mini-series and Telefilm	118	5.4%	127	5.9%	(9)	-7.2%
Cartoons	67	3.1%	58	2.7%	9	15.3%
Total TV Rights	**306**	**14.1%**	**372**	**17.2%**	**(67)**	**-17.9%**
Quiz-game-show	192	8.9%	206	9.6%	(15)	-7.1%
Sport	22	1.0%	19	0.9%	3	15.5%
Documentaries and others	920	42.6%	883	40.9%	37	4.2%
News	494	22.9%	479	22.2%	16	3.2%
Fiction	207	9.6%	187	8.6%	20	11.0%
Others	19	0.9%	14	0.6%	5	37.9%
Total in-house productions	**1,854**	**85.9%**	**1,788**	**82.8%**	**67**	**3.7%**
Total	**2,160**	**100.0%**	**2,160**	**100.0%**	**-**	**0.0%**

Among Telecinco's most successful programmes in the first quarter of 2007, it is worth mentioning Spanish TV series *Yo Soy Bea* (34.9% share), *Los Serrano* (24.2%) and *Aida* (27.7%), US series *CSI* (30.0%), talent show *Operaciòn trionfo* (28.2%), *Camera Cafè* (23.5%) and news programme *Aquì Hay Tomate* (25.3%). There should also be noted the success of the new Formula 1 season, with the Australia Grand Prix achieving 64.2% share in the live broadcast at night and 29.2% in the later broadcast.

Type	Total hours of in-house productions				
	1st quarter 2007	% on the whole	1st quarter 2006	% on the whole	% changes
Entertainment and talk show	623	54.9%	624	53.5%	-0.2%
News	373	32.9%	412	35.3%	-9.5%
Sport	29	2.6%	29	2.5%	0.0%
Quiz/Game show	39	3.4%	58	5.0%	-32.8%
Soap and serial drama	47	4.1%	8	0.7%	487.5%
Serial Fiction	24	2.1%	36	3.1%	-33.3%
Total	**1,135**	**100.0%**	**1,167**	**100.0%**	**-2.7%**

Consolidated financial and economic results

The analysis of the income statement and of the consolidated financial and balance sheet situation was also performed, in accordance with that established by IAS 14 on segment reporting, by separately highlighting the contribution to the Group results of the two geographical areas where Mediaset Group operates, Italy and Spain, considered as "primary segments" and by supplying the most important figures required by areas of operations, identified as "secondary segments".

The income statement, balance sheet and consolidated cash flow statement shown below are reclassified with respect to those included in subsequent financial statements in order to highlight some interim results and the balance sheet and financial aggregations which are deemed as most significant to understand the operating performance of the Group and of the individual Business Units. Though these figures are not envisaged by EU GAAP, they are supplied in accordance with the indications included in CONSOB Communication 6064293 of July 28th, 2006 and in CESR Recommendation of November 3rd, 2005 (CESR/o5-178b) regarding alternative performance indicators ("Non GAAP Measures"), the descriptions of the criteria adopted for their preparation and the relevant notes detailing the items included in the mandatory statements.

Economic results

The consolidated income statement below shows interim results regarding *EBITDA, Operating result from operations* and *EBIT*.

EBITDA represents the difference between *Consolidated net revenues* and *operating costs* gross of non monetary charges regarding amortisation, depreciation and write-downs (net of any value recoveries) for current and non current assets.

The *Operating result from operations* is obtained by deducting from EBITDA non monetary charges regarding amortisation, depreciation and write-downs (net of any recoveries) of the value of current and non current assets.

EBIT is obtained by taking into consideration the *Operating result from operations* the cost and revenue components which are generated by the disposal of consolidated stakes that, due to the kind of operation and the significance of its amount, are to be considered as non recurrent. With reference to the period in object, the specified revenues were generated by the capital gain obtained in the first quarter of 2006 following the disposal of the 0.03% stake held in the subsidiary company Gestevision Telecinco S.A.

It should be noted that some types of costs, that can be defined under IAS 19 as *short-term employee benefits*, previously entered under *costs for services,* were reclassified starting from the consolidated accounts at December 31st, 2006 and subsequently in the first quarter of 2007 under *Personnel expenses*.

(amounts in EUR millions)

Mediaset Group: Income statement

2006 full year		1st quarter 2007	1st quarter 2006
3,747.6	**Total consolidated net revenues**	**964.9**	**955.2**
452.5	Personnel expenses	116.0	116.3
1,374.2	Purchases, services, other costs	369.2	355.5
1,826.7	**Operating costs**	**485.2**	**471.8**
1,920.9	**EBITDA**	**479.7**	**483.4**
885.7	Amortisations, depreciation and write-downs	224.0	219.1
1,035.3	**Operating profit**	**255.7**	**264.3**
1.3	Gain/(Losses) from disposal of equity investments	-	1.3
1,036.6	**EBIT**	**255.7**	**265.6**
(20.2)	Financial income/(losses)	(8.9)	(3.7)
3.2	Income/(expenses) from equity investments	0.8	(0.4)
1,019.6	**EBT**	**247.6**	**261.5**
(357.9)	Income taxes	(80.1)	(79.8)
661.8	**Net profit from continuing operations**	**167.5**	**181.7**
-	Net profit from discontinued operations	-	-
(156.3)	Minority interests in net profit	(43.0)	(36.6)
505.5	**Mediaset Group net profit**	**124.5**	**145.1**

Here follows an analysis of the percentage impact on consolidated net revenues of a few significant items of the Group's income statement.

2006 full year		1st quarter 2007	1st quarter 2006
100.0%	**Total consolidated net revenues**	**100.0%**	**100.0%**
48.7%	Operating costs	50.3%	49.4%
51.3%	EBITDA	49.7%	50.6%
23.6%	Amortisation, depreciation and write-downs	23.2%	22.9%
27.6%	**Operating profit**	**26.5%**	**27.7%**
27.7%	**EBIT**	**26.5%**	**27.8%**
27.2%	**EBT**	**25.7%**	**27.4%**
13.5%	**Mediaset Group net profit**	**12.9%**	**15.2%**
35.1%	Tax rate (EBT %)	32.4%	30.5%

Analysis of results by geographical segment: Italy

Here follows the summary of the Income Statement of the Mediaset Group, related to Italian operations:

(amounts in EUR millions)

Italy: Income statement			
2006 full year		**1st quarter 2007**	**2006**
2,751.5	**Total consolidated net revenues**	**714.2**	**728.1**
373.1	Personnel expenses	96.3	98.4
1,066.5	Purchases, services, other costs	298.8	290.0
1,439.5	**Operating costs**	**395.1**	**388.4**
1,311.9	**EBITDA**	**319.1**	**339.7**
716.3	Amortisations, depreciation and write-downs	181.4	177.1
595.7	**Operating profit**	**137.7**	**162.7**
1.4	Gain/(Losses) from disposal of equity investments	-	1.4
597.1	**EBIT**	**137.7**	**164.0**
(30.2)	Financial income/(losses)	(13.1)	(6.2)
2.3	Income/(expenses) from equity investments	0.3	(0.6)
569.1	**EBT**	**125.0**	**157.2**
(221.7)	Income taxes	(43.6)	(48.8)
347.5	**Net profit from continuing operations**	**81.4**	**108.5**
-	Net profit from discontinued operations	-	-
(0.3)	Minority interests in net profit	(0.2)	(0.2)
347.2	**Mediaset Group net profit**	**81.2**	**108.2**

The table below shows the percentage on consolidated net revenues of some key Income Statement components.

2006 full year		**1st quarter 2007**	**2006**
100.0%	**Total consolidated net revenues**	**100.0%**	**100.0%**
52.3%	Operating costs	55.3%	53.3%
47.7%	EBITDA	44.7%	46.7%
26.0%	Amortisation, depreciation and write-downs	25.4%	24.3%
21.7%	**Operating profit**	**19.3%**	**22.3%**
21.7%	**EBIT**	**19.3%**	**22.5%**
20.7%	**EBT**	**17.5%**	**21.6%**
12.6%	**Mediaset Group net profit**	**11.4%**	**14.9%**
39.0%	Tax rate (EBT %)	34.9%	31.0%

Here follows a description of the contribution to EBIT of Italian operations in the ***areas of operation*** that have been identified, in accordance to IAS 14, considering their importance and the organization and business structure of the Group. The areas of operation identified are:

- ***Free To Air commercial television***, the Group's traditional core business, includes the operations related to advertising sales and programme scheduling for the three nationwide networks currently broadcasted analogically and the operations linked to non-encrypted own channel *Boing* broadcasted by means of digital terrestrial technologies;
- ***Pay per View*** television operations, relating to the supply of pay television events and programmes identified with the Mediaset Premium brand;
- ***Network Operator.*** these operations are related to the management of an analogue broadcasting network for the transportation and broadcasting of free-to-air own

channels and digital terrestrial broadcasting platforms (multiplex), including the network which was implemented during 2006 open to the main mobile telephone companies, to support the offer of a digital terrestrial television reserved to mobile phones by means of DVB-H technology;

- ***Other ancillary areas of operation*** (internet, teletext, brand extension, merchandising and licensing, teleshopping, sale of services and content providing to mobile telephone companies, non television advertising concessions and advertising sub-concessions for foreign televisions).

(amounts in EUR millions)

Revenues and operating profits	**Free to air tv**		**Ntw Operator**		**Pay per View**		**Other**		**ITALY**	
Italy - business segments breakdown	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**	**2007**	**2006**
Revenues towards third parties	630.4	676.5	14.0	4.7	45.3	22.8	24.6	24.1	714.2	728.1
Total Revenues %	*88.3%*	*92.9%*	*2.0%*	*0.6%*	*6.3%*	*3.1%*	*3.4%*	*3.3%*	*100.0%*	*100.0%*
Inter-segment revenues			28.4	31.2						
Operating costs towards third parties	316.3	318.2	28.7	34.7	25.4	11.2	24.6	24.3	395.1	388.4
Inter-segment operating costs	15.4	17.0			11.6	12.9	1.4	1.3		
EBITDA	**298.7**	**341.3**	**13.7**	**1.2**	**8.3**	**(1.3)**	**(1.4)**	**(1.5)**	**319.1**	**339.7**
Amortisation, depreciation and write-downs	157.4	159.7	14.3	7.9	8.2	7.3	1.5	2.3	181.4	177.1
Operating Profit	**141.3**	**181.7**	**(0.6)**	**(6.7)**	**0.1**	**(8.6)**	**(3.0)**	**(3.8)**	**137.7**	**162.7**
Revenues %	***22.4%***	***26.9%***	***-1.4%***	***-18.7%***	***0.2%***	***-37.7%***	***-12.2%***	***-15.8%***	***19.3%***	***22.3%***

It should be noted that *infra-sector revenues and charges* highlight the net contribution resulting from the sale of services provided or received between the various business units.
In particular:
- *infra-sector revenues* of the Network Operator business unit refer to the valuation of the use of the analogue broadcasting network by non encrypted TV channels (free to air television) and of the broadcasting capacity of digital multiplexes utilised to broadcast the events offered by Mediaset Premium and by the non-encrypted channels (Mediashopping) broadcast by means of the digital terrestrial technology;
- *infra-sector costs* of the “Free to Air Television” Business Unit relate to the use of the broadcasting network and are shown net of the valuation for the use of publishing contents, services and technical infrastructures by the other Business Units.

A summary of the situation of ***consolidated net revenues*** by type of operation is shown in the table below:

(amounts in EUR millions)

2006 full year	Italy consolidated revenues - business segments breakdown	1st quarter 2007	1st quarter 2006	Changes
2,850.0	Mediaset Networks gross advertising revenues	720.4	776.8	(56.4)
4.5	Digital Networks gross revenues	0.9	1.8	(0.9)
71.4	Other television revenues	16.3	13.6	2.7
(425.4)	Agency discounts	(107.2)	(115.7)	8.5
2,500.5	**TOTAL REVENUES Free to air TV**	**630.4**	**676.5**	**(46.1)**
37.8	**Network Operator**	**14.0**	**4.7**	**9.3**
107.8	**Pay per View**	**45.3**	**22.8**	**22.5**
105.4	**Net revenues from non television operations**	**24.6**	**24.1**	**0.5**
2,751.5	**TOTAL ITALY NET CONSOLIDATED REVENUES**	**714.2**	**728.1**	**(13.9)**

More specifically, with respect to ***free to air*** television operations in the quarter, gross ***advertising revenues*** from **Mediaset networks** totalled a decrease equal to –7.3% on the same period of 2006.

Higher *non advertising television revenues* mainly relate to income paid by mobile telephone companies for the sale of the use of Mediaset networks programme schedules for mobile digital television by means of *DVB-H* technology.

Also the increase in revenues generated from ***Network operator*** operations is mainly attributable to income paid starting from the end of the first half of 2006 by mobile telephone companies for the use of network broadcasting capacity dedicated to digital television on mobile phones by means of *DVB-H* technology.

As far as ***Pay per View*** television operations are concerned, in the first quarter of 2007 Mediaset Premium's commercial offer generated revenues of EUR 33.5 million from the sale of prepaid and scratch cards, a sharp increase compared to EUR 21.5 million in the first quarter of 2006. In the quarter, around 290,000 new prepaid cards and around 1.5 million scratch cards were sold. It should be noted that the amounts generated by the sale of prepaid and scratch cards by card re-sellers (and similar its industrial and distribution costs), were booked according to the period of residual validity of the prepaid and scratch cards sold. In the same period, revenues from this area of operations also include, for the amount pertaining to the quarter, EUR 10.5 million income obtained from the sale to mobile telephone companies of the use of the encrypted television rights for mobile phones by means of DVBH technology related to Serie A and Champions League football matches for the 2006/2007 season and from the sub-licence to Telecom Italia Media of the broadcasting rights of the home matches of the 2006-2007 Italian Football Championship for the Mediaset clubs against the clubs included in the La7Cartapiù bouquet.

Overall ***net revenues from non television operations*** remain basically in line with those achieved in the first quarter of 2006, due to higher income generated by brand extension operations (licensing, merchandising and publishing operations) which offset the lack of the revenues generated in 2006 by the activity as advisor for the Football national team, whose four-year contract with FIGC came to a conclusion at the end of 2006.

	1st quarter 2007	1st quarter 2006	Changes	% Changes
Operating costs	**576.5**	565.5	11.0	1.9%
Personnel expenses	**96.3**	98.4	-2.1	-2.1%
Purchases, services, other costs	**298.8**	290.0	8.8	3.0%
Amortisation, depreciation and write-downs	**181.4**	177.1	4.3	2.4%

The ***operating costs*** of domestic operations showed an increase of EUR 11.0 million over the same period of the previous year, mainly due to Mediaset Premium's higher scheduling costs.

The main items in operating costs are personnel expenses and purchases, services and other costs, which are detailed below.

The reduction in ***personnel expenses***, equal to EUR 2.1 million compared to the first quarter of 2006, is mainly due to the decrease in average workforce (as shown in the tables below), resulting from the lower use of temporary staff for television productions. In the same period, there are also recorded lower costs for employees' stock option plans for EUR 1.1 million.

31/12/2006	Number of employees (including temporary staff)	31/03/2007	31/03/2006
327	Managers	326	327
356	Journalists	357	370
747	Middle managers	744	720
3,230	Office workers	3,200	3,280
4,660	**Total**	**4,627**	**4,697**

2006 full year	Average workforce (including temporary staff)	1st quarter 2007	1st quarter 2006
324	Managers	326	324
320	Journalists	354	367
729	Middle managers	753	718
3,143	Office workers	3,194	3,272
4,516	**Total**	**4,627**	**4,681**

Totally, ***purchases, services and other costs*** showed an increase of EUR 8.8 million in the first quarter of 2007 over the same period of the previous year. This variation is attributable to the higher Mediaset Premium scheduling costs, mainly relating to Champions League and to a higher number of football events broadcasted which, starting from the 2006/2007 season, was extended to Serie A away matches, acquired by means of an agreement stipulated with Telecom Italia Media, and to Serie B matches. In the same period of last year this item included *non-recurring costs* for EUR 7.9 million for ancillary charges paid within the framework of the corporate reorganisation linked to the transfer within the group of network operator activities from RTI S.p.A. to Elettronica Industriale S.p.A.

Higher ***amortisation and depreciation*** relate to investments in digital equipment and frequencies, and particularly capital expenditure in the second quarter of last year for the creation of the digital network for mobile telephones.

Analysis of results by geographical segment: Spain

Here follows the income statement referring to Spanish operations which correspond to the consolidated figures of the Telecinco Group.

(amounts in EUR millions)

Spain: Income statement			
2006 full year		**1st quarter 2007**	**2006**
997.6	**Total consolidated net revenues**	**251.1**	**227.8**
79.5	Personnel expenses	19.7	17.9
309.1	Purchases, services, other costs	70.8	66.2
388.6	**Operating costs**	**90.5**	**84.1**
609.0	**EBITDA**	**160.6**	**143.7**
169.4	Amortisations, depreciation and write-downs	42.6	42.1
439.6	**Operating profit**	**118.0**	**101.6**
-	Gain/(Losses) from disposal of equity investments	-	-
439.6	**EBIT**	**118.0**	**101.6**
10.0	Financial income/(losses)	4.2	2.6
1.0	Income/(expenses) from equity investments	0.5	0.2
450.6	**EBT**	**122.6**	**104.4**
(136.2)	Income taxes	(36.5)	(31.0)
314.4	**Net profit from continuing operations**	**86.1**	**73.4**
-	Net profit from discontinued operations	-	-
(0.1)	Minority interests in net profit	-	-
314.3	**Mediaset Group net profit**	**86.1**	**73.3**

The table below details the percentage impact on consolidated net revenues of some key Income Statement items referring to Spanish operations.

2006 full year		**1st quarter 2007**	**2006**
100.0%	**Total consolidated net revenues**	**100.0%**	**100.0%**
39.0%	Operating costs	36.0%	36.9%
61.0%	EBITDA	64.0%	63.1%
17.0%	Amortisation, depreciation and write-downs	17.0%	18.5%
44.1%	**EBIT**	**47.0%**	**44.6%**
45.2%	**EBT**	**48.8%**	**45.8%**
31.5%	**Mediaset Group net profit**	**34.3%**	**32.2%**
30.2%	Tax rate (EBT %)	29.8%	29.7%

In the first quarter of 2007, the consolidated net revenues generated by the Telecinco Group increased by EUR 23.3 million over the same period of the previous year.

The table below details the revenues of the Telecinco Group, highlighting its most significant items:

(amounts in EUR millions)

2006 full year		1st quarter 2007	2006	Changes	
965.4	**Gross advertising revenues**	**244.4**	**225.4**	**19.0**	**8.4%**
952.2	Telecinco	240.4	223.6	16.8	7.5%
13.2	Other	4.0	1.8	2.2	121.3%
(42.6)	Agency discounts	(10.8)	(9.6)	(1.2)	12.9%
922.8	**Net advertising revenues**	**233.6**	**215.8**	**17.8**	**8.2%**
74.7	Other revenues	17.6	12.1	5.5	45.8%
997.6	**Total net consolidated revenues**	**251.1**	**227.9**	**23.3**	**10.2%**

The increase in revenues is mainly due to the performance of ***advertising revenues from television rights*** referring to Telecinco, which reached EUR 240.4 million, thus showing a 7.5% increase. ***Other gross advertising revenues*** include advertising revenues generated by other television operations (theme channels and DTT), plus the Internet and Teletext.

The increase in ***other revenues*** is mainly attributable to the distribution of some significant Spanish co-productions.

	1st quarter 2007	1st quarter 2006	Changes	% Changes
Operating costs	**133.1**	126.2	6.9	5.5%
Personnel expenses	**19.7**	17.9	1.8	9.9%
Purchases, services, other costs	**70.8**	66.2	4.6	7.0%
Amortisation, depreciation and write-downs	**42.6**	42.1	0.5	1.2%

The **operating costs** of the Telecinco Group showed an increase of EUR 6.9 million over the same period of 2006, a variation which is mainly attributable to variable cost components compared to sales and to the increase in personnel expenses.

Personnel expenses of the companies belonging to the Telecinco Group showed a EUR 1.8 million increase over the same period of the previous year.

The tables below show the evolution of personnel in the Telecinco Group in the relevant periods.

31/12/2006	Number of employees (including temporary staff)	31/03/2007	31/03/2006
94	Managers	99	65
111	Journalists	129	109
81	Middle managers	87	111
861	Office workers	857	841
32	Industry workers	31	33
1,179	**Total**	**1,203**	**1,159**

2006 full year	Average workforce (including temporary staff)	1st quarter 2007	1st quarter 2006
89	Managers	97	65
111	Journalists	114	109
92	Middle managers	84	114
859	Office workers	852	845
32	Industry workers	32	33
1,184	**Total**	**1,179**	**1,166**

EBITDA recorded an increase of 16.9 million in the first quarter of 2007 over the same period of the previous year, the percentage impact on consolidated net revenues went from 63.1% in the first quarter of 2006 up to 64.0% in the same period of 2007.

In the first quarter of 2007, **EBIT** for the Spanish segment increased by EUR 16.4 million; operating profitability went up to 47.0% compared to 44.6% in the previous year.

Below follows the analysis of the other items of the income statement with reference to the whole Mediaset Group.

	1st quarter 2007	1st quarter 2006	Changes	% Changes
EBIT	**255.7**	265.6	-9.9	-3.7%

The decreased **EBIT** in the first quarter of 2007 as well as the other trends previously commented with reference to geographical segments are affected in comparison with the previous year by the capital gain of EUR 1.3 million recorded in the first quarter of 2006 as a result of the disposal of a 0.03% stake in Telecinco. Operating profitability amounted to 26.5% compared to 27.8% in the first quarter of 2006.

	1st quarter 2007	1st quarter 2006	Changes	% Changes
Financial (income)/losses	**-8.9**	-3.7	-5.2	n.s.

The higher negative net balance of financial income is mainly attributable to the increase in the consolidated debt position in the relevant quarter compared to the same period of the previous year.

	1st quarter 2007	1st quarter 2006	Changes	% Changes
EBT	**247.6**	261.5	-13.9	-5.3%
Tax Rate (%)	*32.4%*	*30.5%*		
Net profit	**124.5**	145.1	-20.6	-14.2%

The profit for the period is net of estimated income taxes according to the recognition defined by IAS 34, using the tax rate that is expected to be applied at the end of the current year. The Tax Rate, in the first quarter of 2006 was positively affected by the recognition of deferred tax assets generated by the redefinition of the tax reference value for the intangible assets included in the framework of infra-group structure and activities reorganisation operation carried out in the period.

Balance sheet and financial position

Here follows the summary balance sheet for the Group and for the geographical segments, reclassified in order to highlight the two macro aggregations which are ***Net invested capital*** and ***Net financial position***, the latter comprising *Gross financial debt* reduced by *Cash and other cash equivalents* and by *Other financial assets*. The detail of the items which determine the *Net financial position* are shown in the notes below .

These tables are therefore different from the ones included in the Annual report, prepared according to the breakdown of the current and non current element of assets and liabilities.

In these reclassified and summary tables, assets recognised in the Balance Sheet as *non current assets held for sale* are included in their original categories (that is, *television rights*, *other fixed assets*, *equity investments* and *other financial assets*).

The item *Equity investments and other financial assets* includes assets recognised in the Balance sheet under items *Equity investments in associated and joint companies* and *Other financial assets* (limited for the latter item to *equity investments* and to *non current receivables*, with the exclusion of *financial receivables* and *financial assets available for sale* which are included in the *Net financial position*).

The item *net working capital* and *other assets and liabilities* includes *current assets* (with the exclusion of *cash and cash equivalents* and of *current financial assets* which are included in the *Net financial position*), *assets and liabilities for advance paid and deferred taxes*, *provisions for risks and charges*, *payables to suppliers* and *payables to taxation authorities*.

The analytical detail of the main items in Net financial position is described in the relevant note below.

(amounts in EUR millions)

Balance Sheet Summary	**31/03/2007**	**31/12/2006**
Television rights	2,373.4	2,388.2
Goodwill and differences arising from consolidation	368.7	368.7
Other tangible and intangible non current assets	1,063.4	1,085.2
Equity investments and other financial assets	94.0	95.4
Net working capital and other assets/(liabilities)	(312.5)	(305.6)
Post-employment benefit plans	(133.3)	(130.3)
Net invested capital	**3,453.8**	**3,501.7**
Group shareholders' equity	2,754.2	2,634.1
Minority interests	342.0	299.2
Total Shareholders' equity	**3,096.2**	**2,933.3**
Net financial position	**(357.6)**	**(568.3)**

Below are separate balance sheet results for the two geographical segments, Italy and Spain, in the concerned periods.

It should be noted that the balance sheet situation regarding *Italian operations* includes – under the ***Equity investments and other financial assets*** item – the book value of the stake held in Gestevision Telecinco, which is eliminated at the end of the consolidation process. As a consequence ***Group shareholders' equity*** includes the dividends received by Telecinco, which are not shown in the income statement by geographical segment for reasons of clarity.

(amounts in EUR millions)

Balance Sheet Summary (geographical breakdown)	**Italy**		**Spain**	
	31/03/2007	**31/12/2006**	**31/03/2007**	**31/12/2006**
Television rights	2,191.2	2,220.5	182.2	167.8
Goodwill and differences arising from consolidation	15.2	15.2	-	-
Other tangible and intangible non current assets	981.3	992.4	82.1	92.7
Equity investments and other financial assets	655.8	657.7	15.3	16.2
Net working capital and other assets/(liabilities)	(220.0)	(233.1)	(92.5)	(73.9)
Post-employment benefit plans	(133.3)	(130.3)	-	-
Net invested capital	**3,490.3**	**3,522.5**	**187.1**	**202.8**
Group shareholders' equity	2,632.9	2,556.3	684.4	598.4
Minority interests	1.9	1.7	0.6	0.5
Total Shareholders' equity	**2,634.8**	**2,558.1**	**685.0**	**598.9**
Net financial position	**(855.5)**	**(964.5)**	**497.9**	**396.1**

The table below shows a summary of the balance sheet situation of the Group at March 31st, 2007 highlighting the effects deriving from the line-by-line consolidation of investments in the Telecinco Group.

(amounts in EUR millions)

Balance Sheet Summary (geographical breakdown) as at 31st December 2006	**Italy**	**Spain**	**Eliminations/ Adjustments**	**Mediaset Group**
Television rights	2,191.2	182.2	0.0	2,373.4
Goodwill and differences arising from consolidation	15.2	-	353.5	368.7
Other tangible and intangible non current assets	981.3	82.1	0.0	1,063.4
Equity investments and other financial assets	656.0	15.3	(577.2)	94.1
Net working capital and other assets/(liabilities)	(220.3)	(92.5)	-	(312.8)
Post-employment benefit plans	(133.3)	-	-	(133.3)
Net invested capital	**3,490.1**	**187.1**	**(223.6)**	**3,453.6**
Group shareholders' equity	2,632.9	684.4	(563.1)	2,754.2
Minority interests	1.7	0.6	339.5	341.8
Totale Shareholders' equity	**2,634.6**	**685.0**	**(223.6)**	**3,096.0**
Net financial position	**(855.5)**	**497.9**	**-**	**(357.6)**

The summary of the cash flow statement by geographical segment, in order to assess the contribution of financial movements in the two periods, is shown below. Also this table is reclassified with respect to the statement envisaged by IAS 7 used for the preparation of the mandatory cash flow statement scheme, highlighting changes in *Net financial position* which represents the most significant indicator of the Group's ability to meet financial obligations.

(amounts in EUR millions)

	Mediaset Group		**Italy**		**Spain**	
	31/03/2007	**31/03/2006**	**31/03/2007**	**31/03/2006**	**31/03/2007**	**31/03/2006**
Net financial position at the beginning of the year	**(568.3)**	**(358.0)**	**(964.4)**	**(713.8)**	**396.1**	**355.8**
Free Cash Flow	**211.0**	**167.0**	**110.7**	**76.6**	**100.3**	**90.4**
- Cash Flow from operating activities (*)	402.8	407.8	271.0	290.7	131.8	117.1
- Investments in fixed assets	(184.9)	(737.3)	(137.3)	(689.3)	(47.6)	(48.0)
- Disposals of fixed assets	1.5	14.4	0.3	14.2	1.2	0.2
- Net cash outflow arising from business combinations (**)	-	-			-	-
- Changes in net working capital and other current assets/liabilities	(8.4)	482.1	(23.3)	461.0	14.9	21.1
(Re-purchases)/Sales of treasury shares	**(2.4)**	**27.6**	**(2.4)**	**23.3**	**-**	**4.3**
Cash changes generated by equity investments	**2.2**	**48.3**	**0.7**	**48.4**	**1.5**	**(0.1)**
Dividends received		**0.2**				**0.2**
Dividends paid	**-**	**-**				**-**
Financial Surplus/Deficit	**210.7**	**243.1**	**108.9**	**148.3**	**101.8**	**94.8**
Net financial position at the end of the period	**(357.6)**	**(114.9)**	**(855.5)**	**(565.5)**	**497.9**	**450.6**

(*): Net profit +/- minority interests + amortisations +/- net provisions +/- valuation of investments recorded using the net equity method + changes in valuation reserves - gains/losses on equity investments

The Group's **free cash flow** amounted to **EUR 211.0 million,** increasing compared to EUR 167.0 million in the same period of 2006. A significant contribution to this result is given by the positive trend of free cash flow both in Italy and Spain.

Equity investments included in the cash flow statement are briefly detailed in the table below:

	Mediaset Group		Italy		Spain	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
Investments in TV rights	(177.3)	(636.5)	(121.5)	(578.8)	(55.8)	(57.7)
Changes in advances on TV rights	8.7	3.0	(0.6)	(7.6)	9.3	10.6
TV rights: investments and advances	**(168.6)**	**(633.5)**	**(122.1)**	**(586.4)**	**(46.5)**	**(47.1)**
Investments in other fixed assets	(16.3)	(103.8)	(15.2)	(102.9)	(1.1)	(0.9)
Total investments in fixed assets	**(184.9)**	**(737.3)**	**(137.3)**	**(689.3)**	**(47.6)**	**(48.0)**

It should be noted that in the first quarter of 2006 approximately EUR 400 million had been invested for the purchase of the encrypted rights of the main Serie A football clubs for the 2007/2008 and 2008/2009 seasons, and EUR 73 million (included in item *Other tangible/intangible fixed assets*) related to the options for the encrypted rights to the main Serie A football clubs for the 2009/2010 season.

In the first quarter of 2006, the management of **equity investments had generated** a net income of EUR 48.3, mainly attributable to the disposal of the equity investment held in Hopa.

Foreseeable developments

At the end of the first four months of 2007, Mediaset networks in Italy confirmed their leadership with respect to the commercial target group (15-64) in all time brackets. Canale 5 strengthened its absolute primacy, while Italia 1 confirmed its third place.

In the first two months of the year, the trend in advertising sales on Mediaset networks was affected by the lasting weakness of the advertising market. Based on data published by Nielsen, advertising investments in Italy significantly decreased in the first two months of 2007 both in overall terms (-5.3%) and with respect to television (-5.9%). The first signs of recovery were recorded starting from March, and became stronger in April, a month in which advertising sales on Mediaset networks grew by 4% over the same period of the previous year. Thanks to this result, advertising sales on Mediaset networks which, at the end of the first quarter, had gone down by –7.3%, recorded a 4.6% decrease at the end of the first four months compared to the same period of the previous year.

Mediaset Premium continues to perform very well: from the beginning of the year more than 300,000 new prepaid cards were sold, and about 2.2 million scratch cards.

In Spain, Telecinco further strengthened its primacy in April in terms of audience shares, both with all individuals, with a full day average of 21.1%, and with respect to the commercial target, increasing the gap in all the main time brackets with its historic competitors Antena 3 and TVE1.

In the current year, with the objective of strongly limiting television costs in Italy and with higher revenues assured for the whole year by the operations connected to DVBH (which in 2006 only contributed starting from the second half of the year), the achievement of a growing consolidated EBIT compared to 2006 is confirmed. The amount of the growth will depend of the development of television advertising sales in Italy and in Spain.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

(amounts in EUR millions)

	Notes	31/3/2007	31/12/2006
ASSETS			
Non current assets			
Property, plant and equipment		452.5	457.2
Television rights		2,373.4	2,388.2
Goodwill		368.7	368.7
Other intangible assets		610.9	628.0
Investments in associates		26.7	27.5
Other financial assets		66.6	66.4
Deferred tax assets		318.0	324.6
TOTAL NON CURRENT ASSETS		**4,216.8**	**4,260.5**
Current assets			
Inventories		36.7	39.9
Trade receivables		1,108.7	1,142.3
Other receivables and current assets		381.8	392.8
Current financial assets		142.3	44.6
Cash and cash equivalents		597.1	447.4
TOTAL CURRENT ASSETS		**2,266.6**	**2,067.0**
Non current assets held for sale		**0.7**	**1.5**
TOTAL ASSETS		**6,484.1**	**6,329.0**

CONSOLIDATED BALANCE SHEET

(amounts in EUR millions)

	Notes	31/3/2007	31/12/2006
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		614.2	614.2
Share premium reserve		275.2	275.2
Treasury shares	1	(416.2)	(413.9)
Other reserves		542.8	542.8
Valuation reserve	2	1.8	3.2
Retained earnings		1,611.9	1,107.0
Net profit for the period		124.5	505.5
Group Shareholders' Equity		**2,754.2**	**2,634.1**
Minority interests in net profit		43.0	156.3
Minority interests in share capital, reserves and retained earnings		299.0	143.0
Minority interests		**342.0**	**299.2**
TOTAL SHAREHOLDERS' EQUITY		**3,096.2**	**2,933.3**
Non current liabilities			
Post-employment benefit plans		133.3	130.3
Deferred tax liabilities		172.5	177.3
Financial liabilities and payables		417.2	441.5
Provisions for non current risks and charges		131.8	127.1
TOTAL NON CURRENT LIABILITIES		**854.8**	**876.2**
Current liabilities			
Financial payables		670.2	612.7
Trade and other payables		1,411.6	1,520.3
Provisions for current risks and charges		48.9	71.5
Current tax liabilities		122.0	80.7
Other financial liabilities		16.1	13.0
Other current liabilities		264.3	221.4
TOTAL CURRENT LIABILITIES		**2,533.1**	**2,519.5**
Liabilities related to non current assets held for sale		**0.0**	**-**
TOTAL LIABILITIES		**3,387.9**	**3,395.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**6,484.1**	**6,329.0**

CONSOLIDATED INCOME STATEMENT

(amounts in EUR millions)

	Notes	31/3/2007	31/3/2006
Sales of goods and services		957.9	948.4
Other revenues and income		7.0	6.8
TOTAL NET CONSOLIDATED REVENUES		**964.9**	**955.2**
Personnel expenses		116.0	116.3
Purchases, services, other costs		369.2	355.5
Amortisation, depreciation and write-downs		224.0	219.1
Impairment losses and reversal of impairment on fixed assets		0.0	0.0
TOTAL COSTS		**709.2**	**690.9**
Gains/(Losses) from disposal of equity investments		0.0	1.3
EBIT		**255.7**	**265.6**
Financial losses		(25.9)	(21.1)
Financial income		17.0	17.4
Income/(expenses) from equity investments		0.8	(0.4)
EBT		**247.6**	**261.5**
Income taxes		80.1	79.8
NET PROFIT FROM CONTINUING OPERATIONS		**167.5**	**181.7**
Net Gains/(Losses) from discontinued operations		0.0	0.0
NET PROFIT FOR THE PERIOD		**167.5**	**181.7**
Attributable to:			
- Equity shareholders of the parent company		124.5	145.1
- Minority Interests		43.0	36.6
Earnings per share	4		
- Basic		0.11	0.13
- Diluted		0.11	0.13

CONSOLIDATED CASH FLOW STATEMENT

(amounts in EUR millions)

	1st quarter 2007	1st quarter 2006
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating profit before taxation, financial income/charges and gain/losses from disposal of equity investments	**256.5**	**263.8**
+ Depreciation and amortisation	224.0	219.2
+ Other provisions and non-monetary movements	5.9	-
+ Change in trade receivables	33.7	19.6
+ Change in trade payables	74.3	93.7
+ Change in other assets and liabilities	(23.5)	37.8
- Interests (paid)/received	(2.0)	(0.3)
- Income tax paid	-	(0.2)
Net cash flow from operating activities [A]	**568.9**	**633.6**
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from the sale of fixed assets	7.6	8.6
Proceeds from the sale of equity investments	0.7	48.4
Interests and other financial income (paid)/received	(0.2)	(0.1)
Purchases in television rights	(177.3)	(636.5)
Changes in advances for television rights	8.7	3.0
Purchases of other fixed assets	(16.3)	(103.8)
Equity investments	1.5	-
Changes in payables for investing activities	(183.0)	256.8
Proceeds/Payments for hedging derivatives	(0.1)	(0.5)
Changes in other financial assets	(86.0)	43.9
Loans to other companies (granted)/repaid	-	
Dividends received	-	0.2
Business Combinations	-	
Net cash flow from investing activities [B]	**(444.4)**	**(380.1)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Share capital issues	-	-
Change in treasury shares	(2.4)	27.6
Net changes in financial liabilities	34.0	(246.9)
Dividends paid	-	
Changes in other financial assets/liabilities	(0.5)	(1.5)
Interests (paid)/received	(5.9)	(2.4)
Net cash flow from financing activities [C]	**25.2**	**(223.2)**
CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	**149.7**	**30.3**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR [E]	**447.4**	**498.1**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD [F=D+E]	**597.1**	**528.4**

TABLE OF CHANGES IN SHAREHOLDERS' NET EQUITY

(amounts in EUR millions)

	Share capital	Share premium reserve	Legal reserve and other reserves	Company's treasury shares	Valuation reserve	Retained earnings/ (accumulated **losses)**	Profit/ (loss) for the **period**	**Total Group shareholders' equity**	Total shareholders' equity attributable **to minority interests**	**TOTAL SHARE-HOLDERS' EQUITY**
Balance at 31st December 2005	**614.2**	**275.2**	**547.3**	**(450.7)**	**6.5**	**997.9**	**603.4**	**2,593.9**	**285.1**	**2,879.0**
Allocation of the parent company's 2005 net profit	-	-	-	-	-	603.4	(603.4)	-	-	-
Dividends paid by the parent company	-	-	-	-	-		-	-	-	-
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	-	-	-	-	-
Reserve establishment for unrealised foreign exchange gains	-	-		-	-	-		-	-	-
Stock Option plan valuation	-	-	8.3	-	(7.1)		-	1.2	0.2	1.4
(Purchase)/sale of treasury shares	-	-	-	32.5	-	-	-	32.5	1.9	34.4
Gains/(losses) credited/(charged) to Equity										
Profits/(losses) from negotiation of treasury shares	-	-	(4.5)		-	-	-	(4.5)	0.2	(4.3)
Actuarial gains/(losses) from defined benefit plans	-	-	-	-	0.1	-	-	0.1	-	0.1
Financial asset valuation credited/(charged) to Equity	-	-	-	-	(2.5)	-	-	(2.5)	-	(2.5)
Other changes	-			-	-	0.2	-	0.2	0.2	0.4
Profit/(loss) for the period	-	-	-	-	-	-	145.1	145.1	36.6	181.7
Balance at 31st March 2006	**614.2**	**275.2**	**551.1**	**(418.2)**	**(3.0)**	**1,601.5**	**145.1**	**2,765.9**	**324.2**	**3,090.1**
Balance at 31st December 2006	**614.2**	**275.2**	**542.8**	**(413.9)**	**3.2**	**1,107.0**	**505.5**	**2,634.1**	**299.2**	**2,933.3**
Allocation of the parent company's 2006 net profit	-	-	-	-	-	505.5	(505.5)	-	-	-
Dividends paid by the parent company	-	-	-	-	-		-	-		-
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	-	-	-		-
Stock Option plan valuation	-	-			0.5			0.5	0.6	1.1
(Purchase)/sale of treasury shares	-	-		(2.3)				(2.3)	-	(2.3)
Gains/(losses) credited/(charged) to Equity										
Profits/(losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Actuarial gains/(losses) from defined benefit plans	-	-	-	-	(1.9)	-	-	(1.9)	-	(1.9)
Financial asset valuation credited/(charged) to Equity	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(0.6)	-	(0.6)	(0.8)	(1.4)
Profit/(loss) for the period	-	-	-	-	-	-	124.5	124.5	43.0	167.5
Balance at 31st March 2007	614.2	275.2	542.8	(416.2)	1.8	1,611.9	124.5	2,754.2	342.0	3,096.2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS IN THE FIRST QUARTER OF 2007

Drafting Criteria

The same IAS/IFRS accounting principles adopted for the drawing up of the Group's consolidated financial statements ended as of December 31, 2006 – which we invite You to refer to – were also implemented for the drawing up of the Group's consolidated quarterly report as of March 31, 2007, except for some valuations – particularly the impairment test, which is applied in order to assess possible loss of value of assets owned – that are generally carried out for the drawing up of the Group's consolidated annual report as based upon the availability of all the necessary information.

The structure and content of all the accounting tables included in this Quarterly Report are in line with those referring to the Group's Annual Report, while the corresponding Notes were drafted in compliance with the minimum requirements set out in the IAS 34 international accounting principle – "Interim Financial Reporting", as also approved by Consob through art. 82 of the Issuers Regulation concerning interim reports. The information included in this Report is therefore not comparable with the information provided in an annual report drawn up in compliance with the requirements set out in IAS 1.

Starting from January 1, 2007, the Italian Budget Law and the corresponding implementation decrees introduced relevant changes in the regulation of employee severance. Currently, the uncertain ground for the interpretation of the regulation, the possible different interpretations regarding the classification of employee severance under IAS 19 and the following changes in the actuarial calculation as well as the impossibility of assessing the impact of employee decisions regarded any change in the actuarial calculation made for the determination of Quarter I results as premature.

In this Quarterly Report income tax for the period is calculated based on the best estimate of year-end tax rate.

Consistently with some reclassifications made for the annual report ended December 31, 2006, the balance sheet and income statement tables relative to the first quarter of 2006 were also subject to reclassification. In particular, some cost items entered in the Group's consolidated income statement, classifiable as employee termination benefits in accordance with IAS 19, and previously entered under costs for services, were listed under Personnel Costs. In the 2007 quarterly income statement, the changes in payables to suppliers due to purchases were reclassified under financial inflows from investment activities. Similarly, also revenues and charges due to cash flow hedging operations for currency denominated payments of television rights were consistently classified under investment flow hedging.

Lastly, it should be noted that Mediaset Group consolidated quarterly result reflected the seasonality of revenues from advertising, which are traditionally concentrated in the first part of the fiscal year.

All the amounts of the items included in this quarterly consolidated report are expressed in EUR millions according to their relevance.

This Quarterly Report is not subject to auditing by the Independent Auditors.

Main corporate operations and equity investments in the quarter

During the quarter in question the following corporate transactions involving the consolidation area were carried out.

On January 19, 2007, RTI S.p.A. completed the transfer of the 50% stake held in Press TV S.p.A. to the Mondadori Group.

On January 24, 2007, the resolution was made for the winding up of Red de Television Digital Madrid S.A.U., a 50% owned company by the Telecinco Group.

On March 1, 2007 , Gestevision Telecinco S.A. acquired an additional 50% stake in Europortal Jumpy Espana S.A.U. This equity investment, which was previously valuated according to the equity method, is now consolidated on a line-by-line basis.

Notes to the main balance sheet and income statement items

1. Treasury Shares

	1st quarter 2007	
	Number of shares	**Book value**
Balance at 1/1/2007	44,481,500	413.9
Additions	300,000	2.5
Disposals	(16,000)	(0.1)
Balance at 31/03/2007	**44,765,500**	**416.2**

The Treasury shares included in the Group’s portfolio comprise n. 1,835,500 shares allocated to the resolved upon stock option plans and n. 42,930,000 shares acquired based on the resolutions made on September 13, 2005 and November 8, 2005 for Treasury share buy-back.

During the first quarter of 2007, n. 300,000 shares were acquired and n. 16,000 shares were sold in order to meet stock option plan requirements. The effect of these transactions generated an overall loss of EUR 36 thousand allocated to a specific reserve of Shareholders’ equity, net of the tax.

2. Valuation reserves

Valuation reserves	Balance at 1/1/2007	Increase/ Decrease	Through Profit and Loss Account	Opening balance adjustments of the hedged item	Fair Value adjustments	Deferred tax effect	Balance at 31/03/2007
Financial assets for cash flow hedging purpose	(0.8)	0.0	0.0	0.6	(0.7)	0.0	(0.8)
Financial assets availbale for sale	-	-		-			-
Stock option plans	11.6	0.5	-	-	-		12.1
Actuarial Gains/(Losses) on defined benefit plans	(7.6)	(2.8)	-	-	-	0.9	(9.5)
Total	**3.2**	**(2.3)**	**0.0**	**0.6**	**(0.7)**	**0.9**	**1.8**

The **Valuation reserve for cash-flow hedging financial instruments** is provided for the valuation of financial derivatives qualified to hedge against exchange risk and the interest rate risk and to cover Stock Option Plans.

The changes which occurred in the first quarter of 2007 are mainly attributable to the financial instruments used to manage exchange risk. In particular, EUR 0.6 million refer to the value adjustment of the initial balance relative to television rights acquired in the same period of reference and EUR – 0.5 million to fair value changes.

The residual part refers to the fair value change in the financial instruments used to hedge Stock Option Plans.

The **Reserve for Stock Option Plans** comprises the counter-item of the cost accrued as of March 31, 2007 – established in compliance with IFRS 2 - concerning the three-year Stock Option Plans granted by Mediaset in the 2004 and 2005 fiscal years and by the subsidiary Gestevision Telecinco S.A. in the 2005 and 2006 fiscal years for the part relating to the Group. The change in the period of reference amounts to EUR 0.5 million and refers to the cost accrued as of March 31, 2007 relating to the Group.

The **Valuation reserve from actuarial profit and loss** comprises the actuarial items relative to the allocation of termination benefit plans, directly entered under the net equity.

3. Net Financial Position

Here below is a detailed table reflecting the Group's consolidated net financial position for Quarter I. This item is an aggregate composed of financial liabilities reduced by *cash and cash equivalents* and *other financial assets*.

	31/03/2007	31/12/2006
Cash and cash equivalents	597.0	447.4
Securities and current financial assets	141.6	43.8
Other financial assets	-	
Total financial assets	**738.6**	**491.3**
Due to banks - non current liabilities	(410.5)	(436.4)
Due to banks - current liabilities	(670.2)	(612.7)
Due to other financial institutions - non current liabilities	(3.4)	(3.8)
Due to other financial institutions - current liabilities	(12.1)	(6.7)
Total financial liabilities	**(1,096.2)**	**(1,059.6)**
Net financial position	**(357.6)**	**(568.3)**

The **Securities and current financial assets** item comprises debt securities issued by BNP Paribas Arbitrage Issuance BV and granted by BNP Paribas SA (AA rating) and owned both by the Parent Company Mediaset S.p.A. and its subsidiary Mediaset Investment S.a.r.l. for a total amount of EUR 100.0 million; capitalisation policies for EUR 5.0 million and mutual investment funds equal to EUR 34,9 million, of which EUR 29.8 million refer to the Telecinco Group.

This item also comprises the fair value of the financial instruments used to hedge against the interest rate risk, amounting to EUR 0.9 million, and current financial assets equal to EUR 0.8 million.

The change in the **Due to banks - non current liabilities** item amounts to EUR 25.0 million and is attributed to a lower utilisation of the credit lines attached to the contract stipulated during 2006 with BNP Paribas. A specific indication regarding the before mentioned contract was given in the Annual Report ended as of December 31, 2006. This contract provides for the verification of the following financial covenants:

1. net financial position /EBITDA no higher than 1.5 to be checked on a half-year basis based on Mediaset consolidated data;
2. EBITDA/net financial losses no lower than 10 to be checked on a half-year basis based on Mediaset consolidated data.

The **Due to banks - non current liabilities** item comprises EUR 310.0 million relative to a loan granted by Mediobanca S.p.A. subject to the financial covenants described here below and calculated on a consolidated basis:

1. consolidated net financial position /EBITDA no higher than 1.5 (to be checked on a half-year basis);
2. consolidated EBITDA/net financial losses no lower than 10 (to be checked on a half-year basis).

This item also includes a loan underwritten with San Paolo IMI for a notional amount of EUR 100.0 million, which is also subject to the financial covenants described here below and calculated on a consolidated basis:

1. net financial position /EBITDA no higher than 4 (to be checked on a half-year basis);
2. net financial position /Equity no higher than 2 (to be checked on a half-year basis);

It should also be noted that during the first quarter a new credit line was underwritten with Intesa San Paolo for a total amount of EUR 200.0 million. As of March 31, 2007, this credit line had not yet been used. This contract is subject to a financial covenant that verifies every six months on the basis of Mediaset consolidated data, that the net financial position/EBITDA ratio is lower or equal to 4.

With respect to the two loans and the credit lines, if the financial covenants are not met, Mediaset S.p.A. should reimburse the used amounts.

These parameters have been met to date..

The **Due to banks - current liabilities** item includes both loans for a comprehensive amount equal to EUR 200.0 million and credit lines underwritten with leading credit institutes. The loans refer to short-term revocation advances with a one year maturity, conventionally established, subject to renewal. The change in this item against December 31, 2006, is attributable to a higher utilisation of this type of financing during the quarter of reference.

The **Due to other financial institution – non current liabilities** item refers to payables to leasing companies for a total amount of EUR 1.6 million and financial liabilities relative to the Telecinco Group for an amount equal to EUR 1.8 million.

The **Due to other financial institution – current liabilities** item mainly includes payables to factoring companies for a total amount of EUR 0.6 million; current payables to leasing companies for EUR 0.6 million; financial liabilities towards affiliated companies for a comprehensive amount of EUR 7.1 million relative to current account relations managed by the Parent Company Mediaset S.p.A. on behalf of said companies; EUR 0.3 million relative to derivatives on securities and EUR 1.0 million relative to financial liabilities regarding the Telecinco Group.

4. Earnings per share (EPS)

The calculation of the basic and diluted earnings per share (Basic EPS and Diluted EPS) is based on the following data:

	31 March 2007	31 March 2006
Net profit for the period (millions of euro)	**124.5**	**145.1**
Weighted average number of ordinary shares (without own shares)	1,136,667,698	1,136,775,801
Basic EPS	**0.11**	**0.13**
Weighted average number of ordinary shares for the diluted EPS computation	1,136,679,378	1,136,865,417
Diluted EPS	**0.11**	**0.13**

5. Segment report

Here below is the information requested in compliance with IAS 14 in the matter of primary and secondary segment identified based on the Group's current internal organisation structure and management reporting. It should be noted that the primary segment coincide with the geographical areas identified based on the localisation of the activities. The secondary segments relative to the areas of operation only pertain to Italy, since Spain, coinciding with the Telecinco Group, does not have any other relevant segment of operation other than the TV business.

Primary segments (geographical areas)

The tables below include the main financial highlights attributable to the two geographical areas, Italy and Spain, as of March 31, 2007.

Inter-segment assets data refer to the elimination of the Gestevision Telecinco shareholding, whose book value was entered under the assets of the geographical area of Italy, and the corresponding consolidation difference was duly entered.

The non monetary costs refer to the provision for risks and charges (net of utilisation), post-employment benefit plan and stock option plan costs.

(EUR millions)

31 March 2006	**ITALY**	**SPAIN**	**Eliminations/ Adjustments**	**MEDIASET GROUP**
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	727.4	227.8	-	955.2
Inter-segment revenue	0.7	-	(0.7)	-
Consolidated net revenues	**728.1**	**227.8**	**(0.7)**	**955.2**
%	76%	24%		100%
Operating profit	**162.7**	**101.6**	**-**	**264.3**
%	62%	38%		100%
EBIT	**164.0**	**101.6**	**-**	**265.6**
Financial income/(losses)	(6.2)	2.6	-	(3.7)
Income/(expenses) from equity investments valued with t	(0.6)	0.2	-	(0.4)
Income/(expenses) from other equity investments			-	
EBT	**157.2**	**104.4**	**-**	**261.5**
Income taxes	(48.8)	(31.0)	-	(79.8)
Profit/(losses) pertaining to minority interests	(0.2)	-	(36.4)	(36.6)
Group Net Profit	**108.2**	**73.3**	**(36.4)**	**145.1**
OTHER INFORMATION				
Assets	5,450.8	965.9	(225.5)	6,191.2
Liabilities	2,786.2	316.8	(1.9)	3,101.1
Investments in tangible and intangible non current assets (*)	689.3	48.0		737.3
Amortization	177.1	42.1		219.1
Impairment losses	-	-		-
Other non monetary expenses	6.0	1.2		7.2

(*) Including the change in the "Advances for the purchase of rights" item .

(EUR millions)

31 March 2007	ITALY	SPAIN	Eliminations/ Adjustments	MEDIASET GROUP
MAIN INCOME STATEMENT FIGURES				
Revenues from external customers	712.7	251.1		963.8
Inter-segment revenue	1.5	-	(1.5)	-
Consolidated net revenues	**714.2**	**251.1**	**(1.5)**	**964.9**
%	74%	26%		100%
Operating profit	**137.7**	**118.0**	**(0.1)**	**255.6**
%	54%	46%		100%
EBIT	**137.7**	**118.0**	**(0.1)**	**255.6**
Financial income/(losses)	(13.1)	4.2	-	(8.9)
Income/(expenses) from equity investments valued with t	0.3	0.5		0.8
Income/(expenses) from other equity investments	-	-		-
EBT	**125.0**	**122.6**	**-**	**247.6**
Income taxes	(43.6)	(36.5)	-	(80.1)
Profit/(losses) pertaining to minority interests	(0.2)	(0.0)	(42.7)	(43.0)
Group Net Profit	**81.2**	**86.1**	**(42.7)**	**124.5**
OTHER INFORMATION				
Assets	5,691.8	1,016.7	(224.3)	6,484.1
Liabilities	3,057.0	331.7	(0.7)	3,387.9
Investments in tangible and intangible non current assets (*)	137.3	47.6		184.9
Amortization	181.4	42.6	-	224.0
Impairment losses	-	-	-	-
Other non monetary expenses	8.6	2.2		10.8

(*) Including the change in the "Advances for the purchase of rights" item

Secondary segment (areas of operations)

Taking the corresponding relevance as well as the Group's organisation and business structure into account, the segments of operation identified in the geographical area of Italy are described here below (as already included in the Report on Operation):

- **Free To Air TV**, the Group's traditional core business, including the operations in relation to advertising sales and programme scheduling for the three Italian national networks currently broadcast in analogue mode and proprietary free to air channels broadcast in digital terrestrial mode;
- **Pay per View**, refers to operations in relation to the pay per view offer of events and programmes under the Mediaset Premium brand;
- **Network Operator** includes operations associated with the management of an analogue broadcasting network dedicated to free to air proprietary channels and of digital terrestrial broadcasting (multiplex), including the network acquired during 2006 open to Italy's major mobile phone operators and dedicated to supporting the offer of DVB-H technology-based mobile digital terrestrial;
- **Other operations** ancillary to core ones (internet, teletext, brand extension, merchandising and licensing, teleshopping, service selling and content provision to mobile phone operators, non-TV advertising licences and foreign TV advertising sub-licences)

(EUR millions)

31 March 2007	FREE TO AIR TELEVISION	NETWORK OPERATOR	PAY PER VIEW	OTHER	GEOGRAPHICAL SEGMENT ITALY
Revenues from external customers	**630.4**	**14.0**	**45.3**	**24.6**	**714.3**
%	88%	2%	6%	3%	100%
Television rights	1,762.1	-	429.1	-	2,191.2
Other tangible and intangible non current assets	341.3	508.2	113.6	18.3	981.3
Goodwill	2.5	6.2		6.5	15.2
Trade receivables	797.3	45.0	26.1	15.4	883.8
Inventories	27.3	3.8	2.1	2.8	36.0
Operating assets	**2,930.5**	**563.2**	**570.8**	**43.0**	**4,107.5**
Investments in television rights	121.0	-	0.5	-	121.5
Investments from business combinations	-	-	-	-	-
Other investments	8.7	5.1	1.4	0.0	15.2
Investments in tangible and intangible assets	**129.7**	**5.1**	**1.9**	**0.0**	**136.7**

(*)Excluding the change in the "Advances for the purchase of rights" item

The comments relative to the breakdown and the changes in the revenues from the segments of operation as above identified are already provided in the Report on Operations.

The main operating assets attributed to the secondary segments refer to ***television rights***. In particular:

- ***Free-to-air* :** the library (movies, fiction, miniseries, serials, cartoons), self produced series and soaps, entertainment rights, news and sports events broadcast on the three generalist channels;
- ***Pay-per-view*** : sports, movie and entertainment rights under the *Mediaset Premium* brand. In particular, sports rights include the broadcasting rights of the matches of Italy's major football clubs for the seasons 2004/2007 (acquired in 2004 and 2005) and for the seasons 2007/2009 acquired in 2006. The latter mainly refer to the rights of the Milan F.C., Inter F.C., Roma F.C., Lazio F.C., Livorno F.C., Messina F.C., Torino F.C. and Atalanta F.C. matches, with the exclusion of the satellite rights of Milan F.C., Inter F.C., Roma F.C., Lazio F.C. and Torino F.C. matches acquired by Sky, that Mediaset holds for all the existing broadcasting platforms, while it also reserves the right to sell those which do not fall within its commercial offering.

6. Related parties transactions

The Group carries out transactions with its holding company, subsidiaries, companies under a joint control and affiliated companies under market conditions.

The table below is a summary of the most relevant financial aggregates relative to the transactions between Mediaset S.p.A. and each single group company:

	Trade receivables	Trade payables	Other receivables/ (payables)	Revenues	Operating costs	Financial income/(charges)
Fininvest S.p.A.	1.3	1.3	-	0.1	1.2	-
Associated companies						
A.C. Milan S.p.A.	0.1	75.7	-	0.0	0.2	-
Alba Servizi Aerotrasporti S.p.A.	0.0	0.8	-	0.0	1.2	-
Arnoldo Mondadori Editore S.p.A.	7.3	0.7	-	6.3	0.4	-
Banca Mediolanum S.p.A.	1.3	0.0	-	1.1	-	-
Il Teatro Manzoni S.p.A.	0.1	0.1	-	-	0.5	-
Mediolanum Vita S.p.A.	-	-	-	-	-	-
Medusa Film S.p.A.	1.0	62.6	-	0.3	0.0	0.1
Medusa Cinema S.p.A.	0.0	0.1	-	0.0	0.1	-
Medusa Video S.r.l.	0.1	0.0	-	0.0	0.0	-
Pagine Italia S.p.A.	0.0	-	-	0.0	-	-
Quinta Communication S.A.	-	5.0	-	-	-	-
Servizi Milan S.r.l.	0.9	-	-	-	2.5	-
Press Tv S.p.A.	0.1	(0.0)	-	-	0.0	-
Altre Società Consociate	6.4	2.7	-	2.7	1.7	0.0
Total parent company and associated	**18.6**	**149.0**	**-**	**10.6**	**8.0**	**0.1**
Joint control companies						
Boing S.p.A.	1.7	2.0	(2.1)	1.4	0.4	(0.0)
Fascino Produzione e Gestione Teatro S.r.l.	0.0	10.5	(5.0)	(0.0)	19.0	(0.0)
MediaVivere S.r.l.	4.1	6.9	-	0.5	10.1	-
Premiere Megaplex S.A.	0.0	-	-	-	-	-
Red de Television Digital Valencia S.A.	-	-	0.7	-	-	-
Titanus Elios S.p.A.	-	-	-	-	0.8	-
Affiliated companies						
Aprok Imagen S.L.	0.0	0.4	-	-	0.2	-
Auditel S.r.l.	-	-	-	-	1.3	-
Beigua S.r.l.	-	-	-	-	-	-
Campus Multimedia In-Formazione	0.1	0.1	-	0.0	0.1	-
Canal Factoria de Ficcion S.A.	0.7	0.1	-	0.4	0.1	-
Publieci Television S.A.	0.9	-	-	0.5	-	-
Super Nueve Televisiòn S.A.	-	-	-	-	-	-
Producciones Mandarina S.L.	0.1	4.8	-	0.1	4.9	-
Hormigas Blancas Producciones S.L.	0.1	1.6	-	0.0	1.9	-
Total joint control and affiliates	**7.8**	**26.3**	**(6.4)**	**3.0**	**38.8**	**(0.0)**
Other related parties	**-**	**0.5**	**-**	**-**	**0.4**	**-**
TOTAL	**26.4**	**175.8**	**(6.4)**	**13.5**	**47.2**	**0.1**

Revenues and trade receivables from the companies belonging to the Fininvest Group and the Mediolanum Group mainly refer to the sale of TV advertising. Costs and trade payables mainly refer to the purchase of TV rights and television production rights.

The transactions entered into the *"Other related parties"* sub-item are mainly attributed to consultancy services provided by Sin&rgetica, a company owned by a member of the Mediaset S.p.A. Board of Directors, and by Livolsi & Partner, a company owned by a Director of Fininvest S.p.A.

It should also be noted that as of March 31, 2007, the Mediaset Group purchased television rights from Fininvest Group companies for a total amount of EUR 14.9 million (EUR 214.9 million as of March 31, 2006, of which EUR 187.6 million refer to the acquisition of the encrypted rights of Milan F.C. matches for the seasons 2007/2008 and 2008/2009).

In the first quarter of 2007, these purchases exclusively pertained to the company Medusa Film S.p.A., with which other contracts for EUR 10.7 million were underwritten, which were previously entered as advances, and new advances were paid for EUR 4.6 million.

The main impact on the Group's consolidated financial flows for the first quarter of 2007 resulting from the transactions with the related parties includes EUR 40.8 million (EUR 39.4 million as of March 31, 2006) relative to payments made to the affiliated company Medusa Film S.p.A. for the purchase of television rights and the payment of advances and EUR 2.3 million relative to outlays to Milan F.C.. During the first quarter of 2007, the Mediaset Group cashed in EUR 4.2 million from the companies of the Mondadori Group and EUR 1.2 million from the companies of the Mediolanum Group for TV advertising sales.

7. Subsequent events after March 31st, 2007.

No relevant events occurred after the end of the quarter of reference.

For the Board of Directors
The Chairman