

First quarter 2005 Mediaset Group**Consolidated results****Net revenues: €931.0 million****EBIT: €344.0 million****Net profit: €198.7 million****Advertising revenues and TV ratings****Italy****TV advertising revenues Publitalia: +1.5%****Mediaset channels confirm Prime Time leadership****Spain****TV advertising revenues Publiespana: +20.1%****Telecinco Spain'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 results for the first three months of 2005, prepared in compliance with the new international accounting principles (IAS/IFRS), the obligatory standard for the consolidated accounts of European listed companies from 2005.

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

In particular, in Italy, **Publitalia '80's TV advertising revenues** for the three channels grew in the first three months of 2005 by **1.5%** to reach **€759.4 million**, compared with the €748.5 million of the same period of the previous year. This result was better than expected if one considers that the first quarter of 2004 was the period of greatest growth in the last year and that February 2005 had one less day given that 2004 was a leap year.

The **ratings** for Mediaset's channels were also excellent.

In Prime Time Canale 5, Italia 1 and Retequattro achieved a combined **share of 44.1%**, confirming the company's leadership in the Italian television market.

This leadership is even stronger in the **commercial target** of 15-64-year olds, the group of most interest to advertisers: Mediaset's total ratings in the early evening slot reached **44.7%**.

Also the **Telecinco Group** achieved excellent results in the first quarter of 2005.

Advertising revenues grew at a sustained pace, recording an increase of **20.2%** compared with the first quarter of 2004.

There was also an increase in **ratings**. In the first three months of 2005, Telecinco confirmed its position as Spain's most popular channel in all the time bands.

In particular in **prime time**, Telecinco **is the leader with a 23.5% share**, ahead of Antena 3 TV (22.3%) and TVE1 (19.2%).

In the **commercial target** (13-54-year olds), Telecinco reinforced its undisputed leadership with a **24.6% share**, 8.6 points more than TVE1 (16%) and 2.4 more than Antena 3 TV (22.2%).

As already notified, the Mediaset Group has commissioned the auditing firm Deloitte & Touche S.p.A. To conduct a check of the preliminary reconciliation summaries for IAS/IFRS as at 1 January 2004, 31 December 2004 and 1 January 2005. The results of the audit will be made available soon.

MEDIASET GROUP CONSOLIDATED RESULTS

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

- **consolidated net revenues** came to **€931.0 million**, compared with €848.2 million in the first quarter of 2004 (**+ 9.8%**).
- **EBIT** of **€344.0 million**, an **increase of 21.2%**, net of amortizations and depreciations of €223.5 million.
- there was a **significant growth** in operating profit as a proportion of consolidated net revenues (**operating profitability**) of **36.9%**, compared with 33.5% in the first quarter of 2004.
- **Profit before taxation** and minority interest **grew by 21.2%**, up from €283.3 million in the first quarter of 2004, to **€343.3 million** for the first three months of 2005.
- **net profit** for the Group, net of estimated taxation, came to **€198.7 million**, compared with €156.9 million for the first quarter of the previous year (**+26.6%**).



- the Group's **net financial position** showed a surplus that went from the +€62.0 million on 31 December 2004, to **+€ 417.8 million** on 31 March 2005.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- **consolidated net revenues** in the first three months of 2005 grew by **6.3%** compared with the same period of the previous year, rising from €675.1 million to **€717.7 million**.
- **total television costs** (labour costs + TV operating costs + amortizations of TV rights), showed a slight increase of 3.8%.
- **EBIT**, including a capital gain of €40.9 million, deriving from the sale of a 1.9% stake in Telecinco, came to **€248.7 million**, compared with the €227.0 million of the first quarter of 2004 (**+9.6%**).
- **profit before taxation** showed an **increase of 9.5%**, rising from €225.2 million in the first three months of 2004, to **€246.5 million** this time.
- **net profit increased by 21%** reaching **€164.2 million**, compared with the €135.7 million of the first quarter of 2004.

Spain

- in the first three months of 2005 the **consolidated net revenues** generated by the Telecinco Group came to **€213.3 million, an increase of 23.2%**, compared with the same period of the previous year.
- The Telecinco Group's **total costs** (operating costs + amortizations and depreciations), went from €116.4 million in the first three months of 2004, to €120.2 million for the first three months of 2005.
- Telecinco's **operating profit** rose from the €56.8 million of the first three months of 2004 to **€93.1 million** in the first three months of the current year (**+63.9%**).
- **pre-tax profit** came to **€94.6 million** compared with the €58.1 million of the first quarter of 2004.
- **net profit** reached **€64.6 million**, compared with the €40.6 million of the first quarter of 2004.

FORECAST FOR THE YEAR

Calculated on an annual basis, the growth objectives in advertising revenues and the maintenance of efficiency targets – both in terms of television costs and investments in rights – are expected to make it possible for the Group to maintain its high operating profitability and to improve the cash generation recorded in 2004

Italia

- **Revenues:** in the first four months of 2005 Publitalia's **television advertising revenues** were up by 3.6%, thanks also to growth generated in April of **10%** compared with the same period of 2004.
- **Ratings:** in the spring guarantee period (30 January–16 May) Mediaset's channels confirmed their absolute leadership, both in the **24-hours (43.5%)** and in **Prime Time (45.3%)**.

Spain

- **Revenues:** also in the first four months of the year, Publiespana's **advertising sales** for Telecinco showed a sustained level of growth
- **Ratings:** Telecinco maintained its leadership in all the time bands with a **share of 22.5% in the 24-hours and 23.6% in prime time**.

Cologno Monzese, 17 May 2005

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Highlights from the consolidated income statement (*)

in €m

| 2004 | Q1 2005 | Q1 2004 |
|---|--------------|--------------|
| 3,379.0 Revenues from sales and services | 922,8.0 | 838.2 |
| 56.2 Other revenues and income | 8,2 | 10.0 |
| 3,435.2 Total consolidated net revenues | 931.0 | 848.2 |
| 400.2 Labour costs | 107.8 | 99.3 |
| 1,066.3 Procurement, services and other costs | 298.8 | 258.2 |
| 1,466.5 Operating costs | 406.6 | 357.5 |
| 1,968.7 Gross operating profit | 524.4 | 490.7 |
| 878.2 Amortisation and depreciations | 223.5 | 206.9 |
| 1,90.58 Operating profit | 300.9 | 283.9 |
| - ((Losses)/gains from equity disposals) | 43.1 | - |
| 1,900.5 EBIT | 344.0 | 283.9 |
| 19.9 Financial income /(charges) | 0.3 | 1.5 |
| (64.3) Income/(charges) from investments | (1.0) | (2.1) |
| 1,046.1 Profit before taxation | 343.3 | 283.3 |
| (393.6) Income taxes | (112.3) | (106.9) |
| 652.5 Net profit from operations | 231.0 | 176.4 |
| (Net profit from discontinued activities) | - | - |
| (102.9) (Minority interest (profit)/loss) | (32.3) | (19.5) |
| 549.6 Profit for the Mediaset Group Mediaset | 198.7 | 156.9 |

Highlights from the consolidated balance sheet

in €m

| | 31/03/2005 | 31/12/2004 |
|---------------------------------------|----------------|----------------|
| Non current assets | 3,584.8 | 3,521.0 |
| Non current assets held for sale | - | 0.0 |
| Current assets | 1,813.4 | 1,518.3 |
| TOTAL ASSETS | 5,398.2 | 5,039.3 |
| Group net equity | 3,055.1 | 2,870.4 |
| Minority net equity | 272.5 | 231.1 |
| TOTAL SHAREHOLDERS' EQUITY | 3,327.6 | 3,101.5 |
| Non current liabilities | 512.7 | 504.9 |
| Non current liabilities held for sale | - | 0.0 |
| Current liabilities | 1,557.9 | 1,432.9 |
| TOTAL LIABILITIES | 5,398.2 | 5,039.3 |

(*) The Quarterly Report to 31 March 2005 is not subject to certification by the external auditors