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*Quarterly Report*  
*First Quarter 2008*

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**MEDIASET GROUP**

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**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 of Milan: 09032310154

Internet site: [www.mediaset.it](http://www.mediaset.it)

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## **CORPORATE BOARDS**

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<b>Board of Directors</b>	<b>Chairman</b>	Fedele Confalonieri
	<b>Deputy Chairman</b>	Pier Silvio Berlusconi
	<b>CEO</b>	Giuliano Adreani
	<b>Directors</b>	Marina Berlusconi Pasquale Cannatelli Paolo Andrea Colombo Mauro Crippa Bruno Ermolli Luigi Fausti Marco Giordani Alfredo Messina Gina Nieri Carlo Secchi Attilio Ventura
<b>Executive Committee</b>		Fedele Confalonieri Pier Silvio Berlusconi Giuliano Adreani Gina Nieri
<b>Internal Control Committee</b>		Luigi Fausti ( <i>Chairman</i> ) Alfredo Messina Carlo Secchi
<b>Remuneration Committee</b>		Bruno Ermolli ( <i>Chairman</i> ) Paolo Andrea Colombo Attilio Ventura
<b>Governance Committee</b>		Attilio Ventura Paolo Andrea Colombo Luigi Fausti
<b>Board of Statutory (*) Auditors</b>	<b>Chairman</b>	Alberto Giussani
	<b>Acting Auditors</b>	Francesco Vittadini Silvio Bianchi Martini
	<b>Substitute Auditors</b>	Mario D'Onofrio Antonio Marchesi
<b>Independent Auditors (*)</b>		Reconta Ernst & Young SpA

(\*) Appointed by the AGM held on 16 April 2008

## **MEDIASET GROUP: FINANCIAL HIGHLIGHTS**

### **Main Income Statement Data**

2007			IQ 2008		IQ 2007	
mio €	%		mio €	%	mio €	%
4,082.1	100%	Total net Revenues	1,098.9	100%	964.9	100%
3,002.1	73.5%	Italy	850.5	77.4%	714.2	74.0%
1,081.6	26.5%	Spain	249.0	22.7%	251.1	26.0%
1,149.0	100%	Operating Profit	255.8	100%	255.7	100%
663.8	57.8%	Italy	137.9	53.9%	137.7	53.9%
485.2	42.2%	Spain	117.9	46.1%	118.0	46.1%
1,149.0	28.1%	Group Operating Profit (EBIT)	255.8	23.3%	255.7	26.5%
1,095.5	26.8%	Profit before Tax and Minority Interest	231.0	21.0%	247.6	25.7%
506.8	12.4%	Group Net Profit	121.0	11.0%	124.5	12.9%

### **Main Balance Sheet and Financial Data**

31st December 2007		31st March 2008	31st March 2007
mio €		mio €	mio €
4,067.2	Net Invested Capital	3,973.3	3,453.8
2,858.4	Total Net Shareholders' Equity	3,006.0	3,096.2
2,557.7	Net Group shareholders' Equity	2,664.3	2,754.2
300.7	Minorities Shareholders' Equity	341.7	342.0
(1,208.8)	Net Financial Position	(967.3)	(357.6)
1,730.7	Operating Cash Flow	454.8	402.8
953.2	Investments	681.5	184.9
488.8	Dividends paid by the Parent Company	-	-
155.9	Dividends paid by Subsidiaries	-	-

### **Personnel**

2007			IQ 2008		IQ 2007	
	%			%		%
6,306	100.0%	Mediaset Group Personnel (headcount)	6,293	100.0%	5,830	100.0%
5,112	81.1%	Italy	5,102	81.1%	4,627	79.4%
1,194	18.9%	Spain	1,191	18.9%	1,203	20.6%
6,260	100.0%	Mediaset Group Personnel (average)	6,222	100.0%	5,806	100.0%
5,065	80.9%	Italy	5,028	80.8%	4,627	79.7%
1,195	19.1%	Spain	1,194	19.2%	1,179	20.3%

### **Main Indicators**

2007		IQ 2008	IQ 2007
28.1%	Operating Profit/ Net Revenues	23.3%	26.5%
22.1%	Italy	16.2%	19.3%
44.9%	Spain	47.4%	47.0%
28.1%	EBIT/ Net Revenues	23.3%	26.5%
26.8%	Pre-Tax and Minority Interest/ Net Revenues	21.0%	25.7%
12.4%	Net Profit/ Net Revenues	11.0%	12.9%
0.45	Consolidated Net Profit per Share (EUR)	0.11	0.11
0.43	Dividend per Share (EUR)	0.11	0.11

## **REPORT ON OPERATIONS AS AT 31 MARCH 2008**

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### **Introduction**

This Quarterly Report (*Interim Report on Operations* in compliance with Art. 154 ter of Italian Law Decree 195/2007) was drafted in accordance with the aforesaid Italian Law Decree, applying the same (IAS-IFRS) International Accounting Principles adopted for the drafting of the Group's consolidated Annual Report as at 31 December 2007.

The structure and the content of the re-classified accounting tables and mandatory accounting schemes included in this Report are in line with those established for the drafting of the Annual Report, while the Notes were drawn up in compliance with the minimum requirements provided for in IAS 34 – *Interim reports*.

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

### **Summary of the Group's results**

Here follows a summary of the main results achieved by the Mediaset Group as at 31 March 2008 compared to the figures in the same period of 2007:

- **consolidated net revenues** amounted to **EUR 1,098.9 million**, showing a **13.9%** increase.
- **Ebit**, equal to **EUR 255.8 million**, is in line with the result achieved in the same period of the previous year. This result is mainly attributable to the positive contribution provided in Italy by *free to air TV*, which compensated for the lower result achieved in digital terrestrial activities and, in particular, Mediaset Premium, whose income statement, though showing a significant growth in revenues, reflects the investments aimed at improving and completing the Pay TV offer launched at the beginning of the fiscal year. **EBIT margin** accounted for 23.3% against 26.5% posted in the same period of 2007;
- **Earnings before tax and minority interest** equalled **EUR 231.0 million**, against **EUR 247.6 million** as at 31 March 2007; this variation is mainly due to the financial charges generating from an increase in the consolidated debt position following to the acquisitions completed over the previous fiscal year and the charges resulting from the equity method valuation of the shareholding held in Edam Acquisition I Coöperatief BV, entered under intangible assets, as identified upon the Purchase Price Allocation (PPA), following to the acquisition by the latter company of the majority interest in the Endemol Group;
- **Net profit for the Group**, equal to **EUR 121.0 million**, against EUR 124.5 million as at 31 March 2007. This variation reflects the improved tax rate following the reduction in ordinary

taxes both in Italy and in Spain, as enforced from the beginning of 2008. The impact of amortisation and depreciation on the consolidated net result for the period, identified upon PPA of Edam, totalled EUR -5.4 million.

- **Consolidated net financial position** increased from EUR -1,208.8 million as at 31 December 2007 to **EUR -967,3 million** as at 31 March 2008. In the first three months of this fiscal year, **free cash flow** from Group's operations, gross of income deriving from and payment relative to dividends, investments and disposals of shareholdings and Treasury shares, amounted to **EUR 279.9 million**, up EUR 211.0 million against the same period of the previous last year.

### **Analysis of results by geographical segments: Italy**

- In the first quarter of 2008 **consolidated net revenues** from Group's operations in Italy reached **EUR 850.5 million**, a 19.1% increase over the same period of the previous year. Based on homogenous bases and excluding the contribution to growth deriving from the consolidation of the companies of the Medusa Group starting from the second half of 2007, the growth in the consolidated net revenues in the first quarter of 2008 is equal to +12.3%.
- **Ebit** of Group's operations in Italy totalled **EUR 137.9 million**, in line with **EUR 137.7 million** posted in the same period of reference last year. EBIT margin accounted for **16.2%** against **19.3%** of 2007.
- **Gross advertising sales on Mediaset networks** reached **EUR 742.1 million** as at 31 March 2008, growing 3.0% against the same period of the previous year. This result is due to a particularly growing trend registered in the first two months of the year, offsetting an economic situation characterised by uncertainties and suffering from the slowing down of the US economy. In March, gross advertising sales were in line with the previous year's trend for the same period, though reflecting the effect of Eastern holidays, during which advertising sales traditionally drop.
- **Total TV costs** for the period of reference were in line with those of the previous year, reflecting the extremely limited budgeted cost increase target for the year.
- **"Mediaset Premium"** pay per view activities showed a significant increase in the revenues from the sales of prepaid and scratch cards. In the period of reference, concurrently with the launch, starting from the month of January of the new Premium Gallery offer, 437,000 prepaid cards were activated against 292,000 of the same period of the previous year.

In the first three months of 2008, full day **audience shares** on Mediaset networks in Italy exceeded ten million viewers, a 0.9% increase against the same period in 2007.





Day Time and late night programmes posted a 1.5% and 0.5% increase, respectively, against the same period in 2007, while Prime Time remained essentially in line with the previous year (-0.1%).

From a social-demographic standpoint, this growth is cross-sectional to all age brackets (children +1.6%, 35/54 years +3.2%, over 65 +1.8%, 15/64 years +0.5%), except for the 15/34 and 55/64 aged bracket, which dropped by -2.6% and -1.1%, respectively.

Mediaset networks closed the first quarter of 2008 recording a Full Day share of 40.2%, a Day Time share of 40% and a Prime Time share of 41.1%. Worth noting is the third ranking of Italia 1, coming in ahead of the state-owned broadcaster Rai2 and the slight growth of Rete4 (+0.1%) in evening programmes. Canale 5 audience share dropped by -0.2% across all time windows.

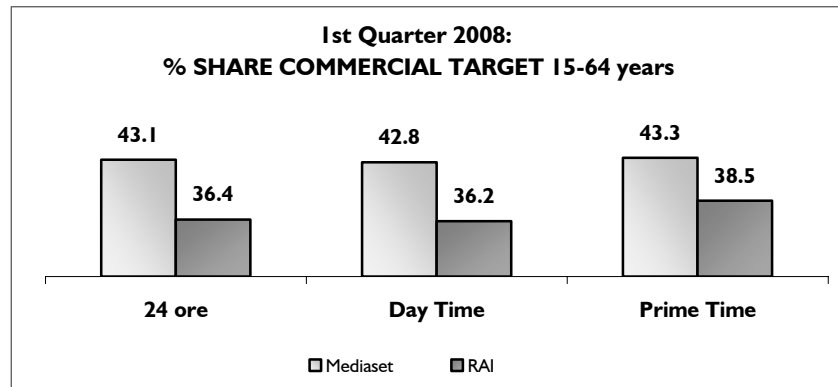
Here below are the results reached by each single network during the period of reference:

(Source: Auditel)

Share individuals - 1st quarter 2008	24 hours	Prime Time	Day Time 7:00-2:00
	21.4%	22.0%	21.2%
	10.4%	10.3%	10.5%
	8.4%	8.8%	8.3%
	<b>40.2%</b>	<b>41.1%</b>	<b>40.0%</b>

Considering the results obtained with the commercial target group aged 15- 64, which represents 70% of the Italian population and which is the target of 80% of advertising investments, Mediaset confirmed its leadership in all the three time windows, with Canale 5 e Italia 1 ranking first and third, coming in ahead of the state-owned broadcasters Rai1 and Rai2, respectively.

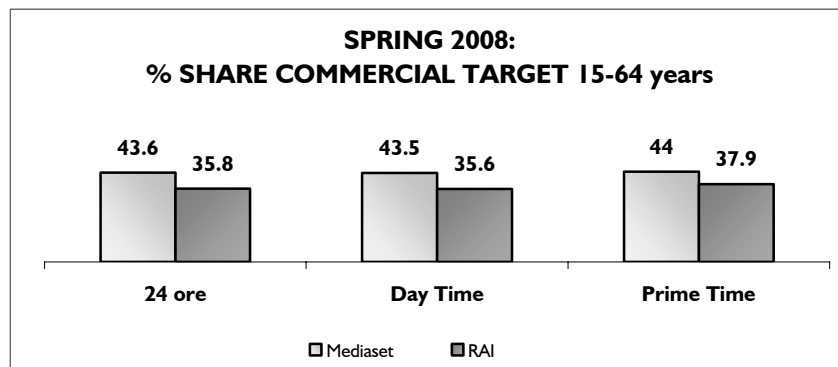
(Source: Auditel)



In particular, in the first two and a half months of the guarantee period of Spring 2008 (from 13 January to 29 March, excluding the week of the Sanremo Music Festival), Mediaset networks recorded a 24 hours audience share of 40.9%, a Day Time share of 40.6% and a Prime Time share of 41.6%. Worth noting is Canale 5 performance, which, after equalling Rai1 in autumn, succeeded in overtaking the state-owned network by over half percentage point (22.3% against 21.7%). With reference to the other networks, Italia1 confirmed its third position in all the three time windows. A slight downtrend for Rete4, down -0.1 share points on the day total.

In the same period, as is shown in the table below, Mediaset confirmed its leading position in all the three time windows for the 15-64 aged target group, leaving RAI further behind by almost 8 share points in the 24 hours and Day Time and by more than 6 share points in the early evening slot.

(Source: Auditel)



Among the main programmes which mainly contributed to achieving audience share peaks in the season on **Canale 5** commercial target are, with specific reference to the entertainment area:

*Amici di Maria de Filippi* (27.4% in the early evening slot and 31.4% in the afternoon time window on Saturdays), posting excellent results; *La Corrida* (31.1%) and *Grande Fratello* (24%). In the Day Time the good start of *Mattinocinque* is worth noting, which contributed to increasing the audience share in the time windows between 8:40 a.m. and 10:50 a.m. from 14.5% in 2007 to 16.6% in 2008. In addition, a positive performance was also registered for the following programmes: *Forum*, back on Canale 5 (23.2% in average share with peaks reaching 27%), *Uomini e Donne* (24.9%), *Chi vuol essere Milionario* (23.4%) and *Verissimo* (24.1%). On the attack in Prime Time, the twentieth edition of *Striscia la Notizia* reached 27.5% in share.

On the TV series front, the positive performance of *Io ti assolvo* (26.1%), *L'ultimo Padrino* (23.2%), the sequel of *I Cesaroni* (29%), particularly popular among the commercial target aged 15- 19 years (64.3% girls and 48.9% boys) is particularly significant.

With reference to information, the *TG5 news* at 08:00 p.m. confirms to be the mostly watched news in Italy on the commercial target with 28.7% of share.

For the third ranking of **Italia 1**, the results achieved in Prime Time by the following programmes remarkably contributed to making the difference: *Buona la Prima!* (12.4%), *Colorado* (13.4%) and *Le Iene Show* (12.2%) and, in the late evening slot on Thursdays, *Mai dire Grande Fratello* (followed by over 36% of the young people aged 15- 34 years).

Positive the performance of the combined TV series: *CSI: Miami and New York* (11.6%).

With regard to sports programmes, *Motomondiale* reached 11.5% of share for the 125cc category races, 14% in the 250cc and 23.7% in MotoGp. Lastly, *Controcampo ultimo minuto* is still very popular with a +16% of share.

In addition, the midday edition of *Studio Aperto* reached a 20% audience share on individuals and 30.1% on the 15/34 year commercial target, increasing by 1.5% against the same period of last year on both targets. Lastly, the performance obtained by *Simpson* and *Futurama*, totalling 28.8% and 29.5% of share, respectively, as well as that relative to the film dedicated to children on the early evening slot on Saturdays (34.9%) was particularly successful on the 4-14 year commercial target.

Among Retequattro productions, the following programmes are worth mentioning: the excellent start of the fourteenth edition of *Stranamore* (10.9%), *Le storie di Top Secret* (9.1%), the evening broadcast of *Forum* (10.1% on the individuals target and 14.5% on the over 55 year commercial target), *Pianetamare* (10.0%) and *Melaverde* (13.3%). With reference to the series, *Hunter* (11.5% on the adult commercial target and 14.8% on the over 55), *Walker Texas Ranger* (10.3%) and *Law & Order: unità speciale* (9.7%) were the most popular and mostly watched programmes.

The soap operas also posted good results, headed by *Tempesta d'amore* (10.6% in the 8:00-8:25 time window and 10% in Prime Time) and *Vivere* (10.8%).

In addition, in its programme scheduling **Retequattro** also dedicated much room to films, broadcasting 38 films on a total of 91 evenings, reaching a 9.2% average audience share with special peaks with the following films: *Braveheart* (16.3%), *Rambo 2* (13.8%), *Schindler's List* (13.5%) and *Lo chiamavano Trinità* (13.1%).

In the first three months of 2008, RTI produced 43.2% of the TV programmes broadcast by the Mediaset networks.

Type	Number in-house productions								
	1st Quarter 2008			1st Quarter 2007			Change %		
	Prime Time	Day Time	Total	Prime Time	Day Time	Total	Prime Time	Day Time	Total
<b>Programmes TV</b>									
Entertainment and talk show	16	20	36	12	26	38	33.3%	-23.1%	-5.3%
Documentaries	-	2	2	-	1	1	0.0%	100.0%	100.0%
Cultural and Informative Progr.	1	13	14	1	15	16	0.0%	-13.3%	-12.5%
Soft news	1	8	9	-	9	9	0.0%	-11.1%	0.0%
News	-	4	4	-	4	4	0.0%	0.0%	0.0%
Reality	1	7	8	-	4	4	0.0%	75.0%	100.0%
Promo and Ads	-	7	7	-	6	6	0.0%	16.7%	16.7%
Sport	1	10	11	-	11	11	0.0%	-9.1%	0.0%
Game and Quiz show	2	3	5	2	2	4	0.0%	50.0%	25.0%
Music	-	2	2	1	2	3	-100.0%	0.0%	-33.3%
Teleshopping	1	23	24	2	22	24	-50.0%	4.5%	0.0%
Serial Fiction	3	-	3	3	-	3	0.0%	0.0%	0.0%
<b>Total programmes TV</b>	<b>26</b>	<b>99</b>	<b>125</b>	<b>21</b>	<b>102</b>	<b>123</b>	<b>23.8%</b>	<b>-2.9%</b>	<b>1.6%</b>
Soap	-	2	2	-	2	2	0.0%	0.0%	0.0%
<b>Total</b>	<b>26</b>	<b>101</b>	<b>127</b>	<b>21</b>	<b>104</b>	<b>125</b>	<b>23.8%</b>	<b>-2.9%</b>	<b>1.6%</b>

The table below is an analysis of the hours produced by the Mediaset networks as at 31 March 2008.


Type	Hours of Broadcasting product				
	Ist quarter 2008	%	Ist quarter 2007	%	Change %
Entertainment and talk show	452	23.3%	436	22.2%	3.7%
Documentaries	1	0.1%	1	0.1%	0.0%
Cultural and Informative Progr.	188	9.6%	269	13.7%	-30.1%
Soft news	171	8.9%	200	10.2%	-14.5%
News	475	24.6%	464	23.6%	2.4%
Reality	144	7.5%	79	4.0%	82.3%
Promo and Ads	12	0.6%	13	0.7%	-7.7%
Sport	175	9.1%	181	9.2%	-3.3%
Game and Quiz show	118	6.1%	122	6.2%	-3.3%
Music	37	1.9%	41	2.1%	-9.8%
Soap	52	2.7%	51	2.6%	2.0%
Serial Fiction	43	2.2%	30	1.5%	43.3%
Teleshopping	65	3.4%	77	3.9%	-15.6%
<b>Total</b>	<b>1,931</b>	<b>100.0%</b>	<b>1,965</b>	<b>100.0%</b>	<b>-1.7%</b>

**Analysis of results by geographical segment: Spain**

- In the first three months of 2008, the **consolidated net revenues of the Telecinco Group** reached **EUR 249.0 million**, showing a slight drop **(-0.9%)** over the same period of the previous year.
- Revenues from advertising sales amounted to **EUR 231.7 million**, substantially in line with last year’s result for the same period (EUR 233.6 million in 2007), despite the concurrence, in the first three months of 2008, of the Easter holidays and the programmes dealing with the elections.
- In the same period under examination, following to the implementation of a strict cost control policy, **EBIT** totalled **EUR 117.9 million**, in line with **EUR 118.0 million** recorded in the same period of the previous year, while the **EBIT margin** rose from **47.0%** in the first quarter of 2007 to **47.4%** in the same period of 2008.

At the end of the first quarter of the 2008 fiscal year, Telecinco confirmed its leadership in terms of audience shares for the 25th consecutive month, achieving a 19.1% share in the 24 hours, leaving behind its main competitors, TVE-I and Antena 3, by 2.3% and 2.6%, respectively.

(Source: Sofres)

 TELECINCO	Share 1st Quarter 2008	Individuals	Commercial target
24 hours		19.1%	20.8%
Prime Time (from 08:30 p.m. to 00:00 a.m.)		20.6%	22.8%
Day Time		18.3%	19.7%

In **Prime Time**, Telecinco recorded a 20.6% average share, with 4.2 points more than Antena 3 (16.4%) and 4.7 points more than TVE I (15.9%).

With regard to the **commercial target**, Telecinco strengthened its primacy in average daily audience shares, with a 20.8% share, ahead of Antena 3 by 4.2% (16.6%) and TVE I by 7.8% (13.0%), as well as in Prime Time, with 22.8% of share, increasing the distance from Antena 3 by 6.7 points (16.1%) and TVE I by 10.1 points (12.7%).

Among Telecinco’s most successful programmes in the first quarter of 2008, the following are worth mentioning: *Yo Soy Bea* (24.8%), *Aida* (31.1%), *CSI Las Vegas* (24.4%), *Las Galas de*

*Supervivientes* (27.0%), *Camera Caf * (21.2%), *Escenas de Matrimonio* (21.4%). Moreover, the Formula 1 Grand Prix achieved a 68.4% share.

The table below includes the Telecinco programme scheduling and shows with comparables regarding the first quarter of 2007 and 2008, the network's ongoing commitment and strategy to increasingly using in-house original productions.

<b>Telecinco Broadcasted contents (hours)</b>	<b>Ist Quarter 2008</b>		<b>Ist Quarter 2007</b>		<b>Changes</b>	
Film	130	6.0%	121	5.6%	9	7.4%
TV Movies, Mini-series e Telefilm	128	5.9%	118	5.5%	10	8.5%
Cartoons	70	3.2%	67	3.1%	3	4.3%
<b>Total TV Rights</b>	<b>328</b>	<b>15.0%</b>	<b>306</b>	<b>14.2%</b>	<b>22</b>	<b>7.2%</b>
Quiz-game-show	323	14.8%	192	8.9%	131	68.2%
Sport	32	1.4%	22	1.0%	10	43.2%
Documentaries and others	762	34.9%	920	42.6%	(159)	-17.2%
News	467	21.4%	494	22.9%	(28)	-5.6%
Fiction	255	11.7%	207	9.6%	48	23.2%
Others	19	0.9%	19	0.9%	(0)	-1.6%
<b>Total in-house productions</b>	<b>1,856</b>	<b>85.0%</b>	<b>1,854</b>	<b>85.8%</b>	<b>2</b>	<b>0.1%</b>
<b>Total</b>	<b>2,184</b>	<b>100.0%</b>	<b>2,160</b>	<b>100.0%</b>	<b>24</b>	<b>1.1%</b>

## **Analysis of results by geographical segments and areas of operations**

An analysis of the income statement and of the consolidated financial and balance sheet situation was also carried out, 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 form and content of the income statement, balance sheet and consolidated cash flow statement shown below correspond to those presented in the Consolidated Annual Report and are, therefore, 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 understanding the operating performance of the Group and of the individual Business Units. Though not envisaged by EU GAAP, the descriptions of the criteria adopted for their preparation and the relevant notes detailing the items included in the mandatory statements are supplied in accordance with the provisions set out in CONSOB Communication 6064293 of 28 July 2006 and in CESR Recommendation of 3 November 2005 (CESR/o5-178b), regarding alternative performance indicators (“Non GAAP Measures”).

Financial information and income statement data are provided with reference to the first three months of 2008 and 2007; balance sheet data are supplied with reference to the period as at 31 March 2008 and 31 December 2007.

### **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.

It should be noted that the equity method valuation adopted for the shareholding held in Edam is entered in the income statement of the geographical segment of Spain, because the stakes are owned by Mediacinco Cartera, a company included in the consolidation area of Gestevisión Telecinco.

(amounts in EUR millions)

<b>Mediaset Group: Income statement</b>			
		<b>Ist Quarter</b>	
<b>2007</b>		<b>2008</b>	<b>2007</b>
<b>4,082.1</b>	<b>Total consolidated net revenues</b>	<b>1,098.9</b>	<b>964.9</b>
462.1	Personnel expenses	128.0	116.0
1,454.0	Purchases, services, other costs	426.0	369.2
<b>1,916.1</b>	<b>Operating costs</b>	<b>554.0</b>	<b>485.2</b>
<b>2,166.0</b>	<b>EBITDA</b>	<b>544.9</b>	<b>479.7</b>
1,017.0	Amortisations, depreciation and write-downs	289.1	224.0
<b>1,149.0</b>	<b>Operating profit</b>	<b>255.8</b>	<b>255.7</b>
-	Gain/ (Losses) from disposal of equity investments	-	-
<b>1,149.0</b>	<b>EBIT</b>	<b>255.8</b>	<b>255.7</b>
(50.9)	Financial income/(losses)	(16.6)	(8.9)
(2.7)	Income/(expenses) from equity investments	(8.2)	0.8
<b>1,095.5</b>	<b>EBT</b>	<b>231.0</b>	<b>247.6</b>
(414.3)	Income taxes	(69.8)	(80.1)
<b>681.2</b>	<b>Net profit from continuing operations</b>	<b>161.2</b>	<b>167.5</b>
-	Net profit from discontinued operations	-	-
(174.4)	Minority interests in net profit	(40.2)	(43.0)
<b>506.8</b>	<b>Mediaset Group net profit</b>	<b>121.0</b>	<b>124.5</b>

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

		<b>Ist Quarter</b>	
<b>2007</b>		<b>2008</b>	<b>2007</b>
<b>100.0%</b>	<b>Total consolidated net revenues</b>	<b>100.0%</b>	<b>100.0%</b>
46.9%	Operating costs	50.4%	50.3%
53.1%	EBITDA	49.6%	49.7%
24.9%	Amortisation, depreciation and write-downs	26.3%	23.2%
<b>28.1%</b>	<b>Operating profit</b>	<b>23.3%</b>	<b>26.5%</b>
<b>28.1%</b>	<b>EBIT</b>	<b>23.3%</b>	<b>26.5%</b>
<b>26.8%</b>	<b>EBT</b>	<b>21.0%</b>	<b>25.7%</b>
<b>12.4%</b>	<b>Mediaset Group net profit</b>	<b>11.0%</b>	<b>12.9%</b>
37.8%	Tax rate (EBT %)	30.2%	32.4%

## Analysis of results by geographical segment: Italy

Here follows a summary of the reclassified Income Statement relative to the Mediaset Group Italian operations:

(amounts in EUR millions)

Italy: Income statement			
		Ist Quarter	
2007		2008	2007
<b>3,002.1</b>	<b>Total consolidated net revenues</b>	<b>850.5</b>	<b>714.2</b>
377.6	Personnel expenses	107.1	96.3
1,137.2	Purchases, services, other costs	351.2	298.8
<b>1,514.8</b>	<b>Operating costs</b>	<b>458.3</b>	<b>395.1</b>
<b>1,487.3</b>	<b>EBITDA</b>	<b>392.2</b>	<b>319.1</b>
823.5	Amortisations, depreciation and write-downs	254.3	181.4
<b>663.8</b>	<b>Operating profit</b>	<b>137.9</b>	<b>137.7</b>
-	Gain/(Losses) from disposal of equity investments	-	-
<b>663.8</b>	<b>EBIT</b>	<b>137.9</b>	<b>137.7</b>
(56.2)	Financial income/(losses)	(17.2)	(13.1)
0.4	Income/(expenses) from equity investments	0.1	0.3
<b>608.0</b>	<b>EBT</b>	<b>120.8</b>	<b>125.0</b>
(276.9)	Income taxes	(40.1)	(43.6)
<b>331.1</b>	<b>Net profit from continuing operations</b>	<b>80.7</b>	<b>81.4</b>
-	Net profit from discontinued operations	-	-
(0.3)	Minority interests in net profit	(0.2)	(0.2)
<b>330.8</b>	<b>Mediaset Group net profit</b>	<b>80.5</b>	<b>81.2</b>

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

		Ist Quarter	
2007		2008	2007
<b>100.0%</b>	<b>Total consolidated net revenues</b>	<b>100.0%</b>	<b>100.0%</b>
50.5%	Operating costs	53.9%	55.3%
49.5%	EBITDA	46.1%	44.7%
27.4%	Amortisation, depreciation and write-downs	29.9%	25.4%
<b>22.1%</b>	<b>Operating profit</b>	<b>16.2%</b>	<b>19.3%</b>
<b>22.1%</b>	<b>EBIT</b>	<b>16.2%</b>	<b>19.3%</b>
<b>20.3%</b>	<b>EBT</b>	<b>14.2%</b>	<b>17.5%</b>
<b>11.0%</b>	<b>Mediaset Group net profit</b>	<b>9.5%</b>	<b>11.4%</b>
45.5%	Tax rate (EBT %)	33.3%	34.9%

Here below is a description of the contribution to **EBIT** of Italian operations, with comparison data from the previous year, in the identified **areas of operation** in accordance with IAS 14, considering their importance and different operating and/or internal markets of reference.

The areas of operation 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 broadcast in analogue mode and the operations linked to non-encrypted own channels broadcast in digital terrestrial technology;

- **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 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 non-television ancillary areas of operation** (internet, teletext, sale of services and content providing to mobile telephone companies, non television advertising concessions, teleshopping, publishing activities, licencing and merchandising). From the second half of 2007, these areas of operation include activities regarding the *distribution and management* of movie theatres already belonging to the Medusa Group.

Revenues and operating profits Italy - business segments breakdown	Revenues			Operating profit		
	31/03/2007	31/03/2008	Change%	31/03/2007	31/03/2008	Change%
Free-to-air tv	630.4	650.2	3.1%	141.3	161.1	14.0%
Network Operator	42.4	50.0	17.9%	(0.6)	2.1	n.s.
Pay Per View	45.3	108.8	140.1%	0.1	(29.0)	n.s.
Other	24.6	106.0	n.s.	(3.0)	12.4	n.s.
Intracompany Eliminations and Adjustment	(28.4)	(64.4)	n.s.	-	(8.7)	n.s.
<b>Total</b>	<b>714.2</b>	<b>850.5</b>	<b>19.1%</b>	<b>137.7</b>	<b>137.9</b>	<b>0.1%</b>

The analysis below refers to the income statements by single area of operation.

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 (commercial 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 broadcast in digital terrestrial technology (Mediashopping);
- *infra-sector revenues* of the Non Televisive business units refer to the distribution of rights for the portion related to inter-company *free to air* or *pay per view* use ;
- *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 Unit.

Free to Air	1st Quarter		Changes EUR m	Changes %
	2007	2008		
Mediaset Networks gross advertising revenue	720.4	742.1	21.7	3.0%
Digital Networks gross revenues	0.9	2.0	1.1	121.7%
Other television revenues	16.3	16.6	0.3	1.8%
Agency discounts	(107.2)	(110.5)	(3.3)	-3.1%
<b>Total Revenues</b>	<b>630.4</b>	<b>650.2</b>	<b>19.9</b>	<b>3.1%</b>
Personnel, purchases, services, other costs	(316.3)	(311.1)	5.2	1.6%
Inter-segment operating costs	(15.4)	(17.3)	(1.9)	-12.5%
<b>Total operating costs</b>	<b>(331.7)</b>	<b>(328.4)</b>	<b>3.3</b>	<b>1.0%</b>
<b>EBITDA</b>	<b>298.7</b>	<b>321.8</b>	<b>23.1</b>	<b>7.7%</b>
Amortisation, depreciation and write-downs	(157.5)	(160.8)	(3.3)	-2.1%
<b>Operating Profit</b>	<b>141.3</b>	<b>161.1</b>	<b>19.8</b>	<b>14.0%</b>

As previously indicated, the increase in EBIT is mainly attributable to growing gross **revenues from advertising sales** relative to **Mediaset networks** and the concurrent implementation of a strict TV cost control policy.

Network Operator	1st Quarter		Changes EUR m	Changes %
	2007	2008		
Revenues towards third parties	14.0	19.7	5.7	41.0%
Inter-segment revenues	28.4	30.3	2.0	6.9%
<b>Total Revenues</b>	<b>42.4</b>	<b>50.0</b>	<b>7.6</b>	<b>17.9%</b>
Personnel, purchases, services, other costs	(28.7)	(32.5)	(3.8)	-13.2%
<b>Total operating costs</b>	<b>(28.7)</b>	<b>(32.5)</b>	<b>(3.8)</b>	<b>-13.2%</b>
<b>EBITDA</b>	<b>13.7</b>	<b>17.5</b>	<b>3.8</b>	<b>27.7%</b>
Amortisation, depreciation and write-downs	(14.3)	(15.4)	(1.1)	-8.0%
<b>Operating Profit</b>	<b>(0.6)</b>	<b>2.1</b>	<b>2.7</b>	<b>n.s.</b>

The increase in revenues generated from **Network operator** operations is mainly attributable to income paid for the use of broadcasting capacity of digital networks.

Pay per view	1st Quarter		Changes EUR m	Changes %
	2007	2008		
<b>Total Revenues</b>	<b>45.3</b>	<b>108.8</b>	<b>63.5</b>	<b>140.1%</b>
Personnel, purchases, services, other costs	(25.5)	(54.4)	(28.9)	-113.3%
Inter-segment operating costs	(11.6)	(11.2)	0.5	3.9%
<b>Total operating costs</b>	<b>(37.1)</b>	<b>(65.6)</b>	<b>(28.5)</b>	<b>-76.8%</b>
<b>EBITDA</b>	<b>8.2</b>	<b>43.2</b>	<b>35.0</b>	<b>n.s.</b>
Amortisation, depreciation and write-downs	(8.1)	(72.2)	(64.1)	n.s.
<b>Operating Profit</b>	<b>0.1</b>	<b>(29.0)</b>	<b>(29.1)</b>	<b>n.s.</b>

As far as **Pay per View** television operations concern, in the first three months of 2008, 250,000 prepaid rechargeable cards and 2.1 millions scratch cards were sold, generating EUR 41.6 millions of turnover, with a significant growth with reference to EUR 23.7 millions of the

first three months of 2007. In the same period, the revenues from the sale of prepaid and scratch cards were EUR 44.1 millions (with a pronounced increase compared to the EUR 33.5 millions recorded in the same period of 2007). It should be noted that the revenues from the sale to distributors of prepaid and scratch cards (and similarly also the industrial direct costs and distribution costs) are booked based on the period of residual validity of the cards sold, which were not recharged, and the recharges. Revenues from this area of operation also include, for the period under investigation, EUR 62.2 million income, against EUR 10.5 million in the same period of the previous year, obtained from the sale to other platforms of the use of encrypted television rights. Compared to the same period of the previous year, EBIT in this area of operation reflected the impact of higher costs relative to 2007-2009 football season contracts, including a substantial increase in pay per view rights starting from the second half of 2007, as well as the costs borne for the purchase of rights and development of the programme scheduling of the three channels, which expanded the *Premium Gallery* commercial offer starting from January 2008.

Other	1st Quarter		Changes EUR m	Changes %
	2007	2008		
Multimedia	8.0	6.3	(1.7)	-21.3%
Teleshopping	7.4	7.3	(0.1)	-1.4%
Movie distribution and cinema	-	48.4	48.4	n.s.
Other advertising revenues	9.1	9.8	0.7	7.7%
Inter-segment revenues	-	34.1	34.1	n.s.
<b>Total Revenues</b>	<b>24.6</b>	<b>106.0</b>	<b>81.4</b>	<b>n.s.</b>
Personnel, purchases, services, other costs	(24.6)	(60.4)	(35.8)	-145.5%
Inter-segment operating costs	(1.4)	(2.3)	(0.9)	-64.3%
<b>Total operating costs</b>	<b>(26.0)</b>	<b>(62.7)</b>	<b>(36.7)</b>	<b>-141.2%</b>
<b>EBITDA</b>	<b>(1.4)</b>	<b>43.3</b>	<b>44.7</b>	<b>n.s.</b>
Amortisation, depreciation and write-downs	(1.5)	(30.9)	(29.4)	n.s.
<b>Operating Profit</b>	<b>(3.0)</b>	<b>12.4</b>	<b>15.4</b>	<b>n.s.</b>

As was previously indicated, starting from the second half of last year, movie distribution and cinema activities were also included. In the first quarter of 2008, these activities generated a significant increase in revenues against the same period of last year. This increase was mainly attributable to higher income deriving from the activities of film distribution, which enabled it to consolidate its primacy among Italy's film distributors with a 21% market share, ranking third among movie theatre management companies.

Below are the tables regarding personnel employed as of the quarter under investigation. The increase in the number of employees in the period of reference is mainly due to the staff of the movie and cinema activities' companies included in the consolidation area.

<b>Number of employees (including temporary staff)</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
Managers	338	326
Journalists	375	357
Middle managers	799	744
Office workers	3,581	3,200
Industry workers	9	-
<b>Total</b>	<b>5,102</b>	<b>4,627</b>

<b>Average workforce (including temporary staff)</b>	<b>Ist Quarter 2008</b>	<b>Ist Quarter 2007</b>
Managers	337	326
Journalists	370	354
Middle managers	797	753
Office workers	3,520	3,194
Industry workers	4	-
<b>Total</b>	<b>5,028</b>	<b>4,627</b>

## Analysis of results by geographical segment: Spain

Here follows the income statement referring to Spanish operations, corresponding to the consolidated figures of the Telecinco Group.

(amounts in EUR millions)

Spain: Income statement			
		1st Quarter	
2007		2008	2007
<b>1,081.6</b>	<b>Total consolidated net revenues</b>	<b>249.0</b>	<b>251.1</b>
84.9	Personnel expenses	20.8	19.7
318.1	Purchases, services, other costs	75.5	70.8
<b>403.0</b>	<b>Operating costs</b>	<b>96.3</b>	<b>90.5</b>
<b>678.7</b>	<b>EBITDA</b>	<b>152.7</b>	<b>160.6</b>
193.5	Amortisations, depreciation and write-downs	34.8	42.6
<b>485.2</b>	<b>Operating profit</b>	<b>117.9</b>	<b>118.0</b>
-	Gain/(Losses) from disposal of equity investments	-	-
<b>485.2</b>	<b>EBIT</b>	<b>117.9</b>	<b>118.0</b>
5.3	Financial income/(losses)	0.6	4.2
(3.1)	Income/(expenses) from equity investments	(8.3)	0.5
<b>487.4</b>	<b>EBT</b>	<b>110.2</b>	<b>122.6</b>
(137.4)	Income taxes	(29.7)	(36.5)
<b>350.0</b>	<b>Net profit from continuing operations</b>	<b>80.5</b>	<b>86.1</b>
-	Net profit from discontinued operations	-	-
3.0	Minority interests in net profit	1.0	-
<b>353.1</b>	<b>Mediaset Group net profit</b>	<b>81.5</b>	<b>86.1</b>

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

		1st Quarter	
2007		2008	2007
<b>100.0%</b>	<b>Total consolidated net revenues</b>	<b>100.0%</b>	<b>100.0%</b>
37.3%	Operating costs	38.7%	36.0%
62.7%	EBITDA	61.3%	64.0%
17.9%	Amortisation, depreciation and write-downs	14.0%	17.0%
<b>44.9%</b>	<b>EBIT</b>	<b>47.4%</b>	<b>47.0%</b>
<b>45.1%</b>	<b>EBT</b>	<b>44.3%</b>	<b>48.8%</b>
<b>32.6%</b>	<b>Mediaset Group net profit</b>	<b>32.7%</b>	<b>34.3%</b>
<b>28.2%</b>	<b>Tax rate (EBT %)</b>	<b>27.0%</b>	<b>29.8%</b>

In the first quarter of 2008, the consolidated net revenues generated by the Telecinco Group dropped by EUR 2.1 million over the same period of the previous year due to a reduction in advertising sales, which coincided with the political elections and Easter holidays.

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

(amounts in EUR millions)

2007		1st Quarter	
		2008	2007
1,036.9	Television advertising revenues	238.0	240.4
15.0	Other advertising revenues	4.2	4.0
<b>1,051.8</b>	<b>Gross advertising revenues</b>	<b>242.2</b>	<b>244.4</b>
(45.7)	Agency discounts	(10.4)	(10.8)
<b>1,006.1</b>	<b>Net advertising revenues</b>	<b>231.7</b>	<b>233.6</b>
75.5	Other revenues	17.3	17.6
<b>1,081.6</b>	<b>Total net consolidated revenues</b>	<b>249.0</b>	<b>251.1</b>

Consolidated net revenues are in line with the same period of the previous year, showing a slight decrease, equal to -0.8%. The reduction in revenues reflected the decrease in **advertising revenues from television rights** referring to Telecinco, amounting to **EUR 238.0 million (-1,1%)**. **Other gross advertising revenues**, including advertising revenues generated from theme channels on digital terrestrial technology, Internet and Teletext, increased by **5.7%** in the period under investigation.

**Other revenues**, mainly attributable to the distribution of film and audiovideo content rights, remained in line with the same period of the previous year.

	1st Quarter 2008	1st Quarter 2007	Changes EUR m	Changes %
<b>Operating costs</b>	<b>131.1</b>	133.1	-2.1	-1.6%
<b>Personnel expenses</b>	<b>20.8</b>	19.7	1.1	5.8%
<b>Purchases, services, other costs</b>	<b>75.5</b>	70.8	4.7	6.6%
<b>Rights amortisations</b>	<b>32.5</b>	41.3	-8.8	-21.2%
<b>Other amortisations and depreciations</b>	<b>2.2</b>	1.3	0.9	68.1%

The **operating costs** of the Telecinco Group dropped by **1.6%** against the first quarter of 2007, thanks to the implementation of a strict cost control policy on programme scheduling and lower variable cost components linked to revenues different from those regarding advertising sales.

**Personnel expenses** as at 31 March 2008 showed a **5.8%** increase against the same period of the previous year.

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

<b>Number of employees (including temporary staff)</b>	<b>31/03/2008</b>	<b>31/03/2007</b>
Managers	106	99
Journalists	127	129
Middle managers	83	87
Office workers	845	857
Industry workers	30	31
<b>Total</b>	<b>1,191</b>	<b>1,203</b>

<b>Average workforce (including temporary staff)</b>	<b>1st Quarter 2008</b>	<b>1st Quarter 2007</b>
Managers	103	97
Journalists	128	114
Middle managers	82	84
Office workers	851	852
Industry workers	30	32
<b>Total</b>	<b>1,194</b>	<b>1,179</b>

In the first quarter of 2008, **EBITDA** dropped by approximately EUR 7.9 million against the same period in 2007. The percentage impact on consolidated net revenues consequently decreased from 64.0% in the first quarter of 2007 to 61.3% in the same period of 2008.

As at 31 March 2008, **EBIT** for the Spanish segment totalled **EUR 117.9 million**, in line with **EUR 118.0 million** registered in the same period of 2007; **EBIT margin** went up to 47.4% from 47.0% in the previous year, confirming the achievement of one of the highest percentages among the European TV groups.

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

	<b>1st Quarter 2008</b>	1st Quarter 2007	Changes EUR m	Changes %
<b>EBIT</b>	<b>255.8</b>	255.7	0.1	0.1%

	<b>1st Quarter 2008</b>	1st Quarter 2006	Changes EUR m	Changes %
<b>Financial income/ (losses)</b>	<b>-16.6</b>	-8.9	-7.7	87.0%

The higher negative net balance in the financial income is mainly attributable to the increase in the average consolidated debt position in the quarter of reference against the same period of the previous year and higher average cost of debt as a result of the market rates trend in the period.

	Ist Quarter 2008	1st Quarter 2007	Changes EUR m	Changes %
<b>Income/(expenses) from equity investments</b>	<b>-8.2</b>	0.8	-9.0	n.s.

In the quarter under investigation, the result in investments mainly reflects charges resulting from the equity method valuation of the 33.3% stake held by Mediacinco in Edam.

In the first quarter of 2008, Edam generated consolidated revenues equal to EUR 320 million and EBITDA equal to EUR 57.4 million, corresponding to 17.2 % of total revenues (15.4% in the same period of 2007). The consolidated net result showed a loss equal to EUR -26.7 million, mainly due for EUR 45.9 million to financial losses and EUR 39.3 million of amortisation and depreciation regarding the intangible assets identified during the *Purchase Price Allocation* phase in the context of the acquisition of the majority stakes in Endemol.

	Ist Quarter 2008	1st Quarter 2007	Changes EUR m	Changes %
<b>EBT</b>	<b>231.0</b>	247.6	-16.6	-6.7%
<i>Tax Rate (%)</i>	30.2%	32.4%		
<b>Net profit</b>	<b>121.0</b>	124.5	-3.6	-2.9%

Period EBIT 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 reduction in the tax rate reflected the enforcement of the new ordinary tax rates applicable, starting from 2008, both in Italy (IRES reduced from 33% to 27.5%; IRAP from 4.25% to 3.5%) and in Spain (tax rate reduction from 32.5% to 30%).

## 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.

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*, *non current assets held for sale*, *provisions for risks and charges*, *payables to suppliers* and *payables to taxation authorities*.

(amounts in EUR millions)

<b>Balance Sheet Summary</b>	<b>31/03/2008</b>	<b>31/12/2007</b>
Film and television rights	2,866.8	2,351.5
Goodwill and differences arising from consolidation	398.9	394.5
Other tangible and intangible non current assets	948.3	1,070.8
Equity investments and other financial assets	598.7	554.8
Net working capital and other assets/(liabilities)	(737.1)	(202.2)
Post-employment benefit plans	(102.3)	(102.2)
<b>Net invested capital</b>	<b>3,973.3</b>	<b>4,067.2</b>
Group shareholders' equity	2,664.3	2,557.7
Minority interests	341.7	300.7
<b>Total Shareholders' equity</b>	<b>3,006.0</b>	<b>2,858.4</b>
<b>Net financial position</b>	<b>(967.3)</b>	<b>(1,208.8)</b>

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 Gestelevision Telecinco as well as the 25% equity investment held in Mediacinco Cartera, the company owning a 33.3% shareholding in Edam, entirely consolidated by Telecinco, having the majority control with 75% of the shares. These investments are then eliminated at the end of the consolidation process. As a result, **Group's Shareholders' equity** of operations in Italy 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)

<b>Balance Sheet Summary (geographical breakdown)</b>	<b>Italy</b>		<b>Spain</b>	
	<b>31/03/2008</b>	<b>31/12/2007</b>	<b>31/03/2008</b>	<b>31/12/2007</b>
Film and television rights	2,711.7	2,205.0	155.1	146.5
Goodwill and differences arising from consolidation	40.3	41.0	-	-
Other tangible and intangible non current assets	838.0	970.6	110.2	100.2
Equity investments and other financial assets	748.3	719.6	493.7	472.3
Net working capital and other assets/(liabilities)	(627.3)	(132.5)	(109.7)	(69.6)
Post-employment benefit plans	(102.3)	(102.2)	-	-
<b>Net invested capital</b>	<b>3,608.7</b>	<b>3,701.5</b>	<b>649.3</b>	<b>649.4</b>
Group shareholders' equity	2,540.5	2,478.1	691.8	606.0
Minority interests	1.4	1.4	57.1	56.4
<b>Total Shareholders' equity</b>	<b>2,541.9</b>	<b>2,479.5</b>	<b>748.9</b>	<b>662.5</b>
<b>Net financial position</b>	<b>(1,066.9)</b>	<b>(1,222.0)</b>	<b>99.6</b>	<b>13.2</b>

The table below shows a summary of the balance sheet situation of the Group as at 31 March 2008, highlighting the effects deriving from the line-by-line consolidation of investments in the Telecinco Group.

(amounts in EUR millions)

<b>Balance Sheet Summary (geographical breakdown) as at 31st March 2008</b>	<b>Italy</b>	<b>Spain</b>	<b>Eliminations/ Adjustments</b>	<b>Mediaset Group</b>
Film and television rights	2,711.7	155.1	-	2,866.8
Goodwill and differences arising from consolidation	40.3	-	358.6	398.9
Other tangible and intangible non current assets	838.0	110.2	-	948.3
Equity investments and other financial assets	748.3	493.7	(643.3)	598.7
Net working capital and other assets/(liabilities)	(627.3)	(109.7)	-	(737.1)
Post-employment benefit plans	(102.3)	-	-	(102.3)
<b>Net invested capital</b>	<b>3,608.7</b>	<b>649.3</b>	<b>(284.7)</b>	<b>3,973.3</b>
Group shareholders' equity	2,540.5	691.8	(567.9)	2,664.3
Minority interests	1.4	57.1	283.2	341.7
<b>Total Shareholders' equity</b>	<b>2,541.9</b>	<b>748.9</b>	<b>(284.7)</b>	<b>3,006.0</b>
<b>Net financial position</b>	<b>(1,066.9)</b>	<b>99.6</b>	<b>-</b>	<b>(967.3)</b>

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.

	Mediaset Group		Italy		Spain	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
<b>Net financial position at the beginning of the year</b>	<b>(1,208.8)</b>	<b>(568.3)</b>	<b>(1,222.0)</b>	<b>(964.4)</b>	<b>13.2</b>	<b>396.1</b>
<b>Free Cash Flow</b>	<b>279.9</b>	<b>211.0</b>	<b>168.8</b>	<b>110.7</b>	<b>111.1</b>	<b>100.3</b>
- Cash Flow from operating activities (*)	454.8	402.8	342.6	271.0	112.2	131.8
- Investments in fixed assets	(681.5)	(184.9)	(627.5)	(137.3)	(54.1)	(47.6)
- Disposals of fixed assets	0.6	1.5	0.1	0.3	0.5	1.2
- Changes in net working capital and other current assets/li	506.0	(8.4)	453.6	(23.3)	52.5	14.9
<b>Change in consolidation area</b>	<b>(13.7)</b>		<b>(13.7)</b>			
(Re-purchases)/Sales of treasury shares	(1.4)	(2.4)		(2.4)	(1.4)	-
Share capital issues						
Cash changes generated by equity investments	(23.2)	2.2	-	0.7	(23.2)	1.5
Dividends received						
Dividends paid						
<b>Financial Surplus/Deficit</b>	<b>241.5</b>	<b>210.7</b>	<b>155.1</b>	<b>108.9</b>	<b>86.4</b>	<b>101.8</b>
<b>Net financial position at the end of the period</b>	<b>(967.3)</b>	<b>(357.6)</b>	<b>(1,066.9)</b>	<b>(855.5)</b>	<b>99.6</b>	<b>497.9</b>

(\*): 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 279.9 million**, on a rising trend compared to EUR 211.0 million in the same period of 2007. A significant contribution to this result is given by the positive trend of free cash flow both in Italy and Spain.

**Fixed assets increases** included in the cash flow statement are briefly detailed in the table below:

	Mediaset Group		Italy		Spain	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Investments in TV and movie theatre rights	(670.4)	(177.3)	(628.8)	(121.5)	(41.6)	(55.8)
Changes in advances on TV rights	6.8	8.7	18.2	(0.6)	(11.4)	9.3
<b>TV rights: investments and advances</b>	<b>(663.6)</b>	<b>(168.6)</b>	<b>(610.6)</b>	<b>(122.1)</b>	<b>(53.0)</b>	<b>(46.5)</b>
Investments in other fixed assets	(17.9)	(16.3)	(16.8)	(15.2)	(1.1)	(1.1)
<b>Total investments in fixed assets</b>	<b>(681.5)</b>	<b>(184.9)</b>	<b>(627.5)</b>	<b>(137.3)</b>	<b>(54.1)</b>	<b>(47.6)</b>

It should be noted that in the first quarter of 2008, approximately EUR 435 million have been booked for the purchase of the encrypted multiplex rights of the main Serie A football clubs for the 2009/2010 season ( Juventus, Milan, Inter, Roma, Lazio and Turin) (included under item *investments in television rights*) taking the **changes in net working capital** as counterpart.

In the period under investigation, item **Variation in the consolidation area** includes EUR -7.5 million regarding the impact on *Net financial position* of the 49% equity investment made in Sportsnet Media Limited, completed on 28 March 2008 (as shown in detail in the relevant comment under *Main corporate operations and equity investment in the quarter*) through the non-cash investment of Publiasia Limited and New Century Advertising Co. Ltd, previously consolidated on a line-by-line basis and the payment of EUR 4.0 million concerning the share paid in the period of reference for the agreed upon relevant capital increase. This item also includes an outlay equal to EUR 6.2 million relative to the increase in the shareholding held by the Group in Gestevisión Telecinco, vis-à-vis the purchase in the stock market of an interest equal to 0.18% in the capital of the same company.

Item **Equity investments** includes the investment, equal to EUR 21.5 millions, made by Gestelevision Telecinco for the acquisition of a 29.24% indirect stake in Caribevision TV Network LLC in the period under investigation.

### **Foreseeable developments**

- After the first four months of 2008, Mediaset channels confirmed their leadership in Italy in the commercial target (15-64 year-olds) with an average share of 43.5% in Prime Time and 43.3% in the 24 hours. Canale 5 was the leading national channel in prime time with a 24.3% share, while Italia 1 confirmed its third place with 11.7%.
- After the first four months of 2008, gross advertising sales for Mediaset's channels confirmed the positive trend observed in the first months of the year, recording an increase of around 3% on the same period of the previous year, in line with the result at the end of the first quarter.
- The excellent performance of Mediaset Premium continued: at the end of April 2008 active customers had grown to 2,565,000, compared with 1,940,000 at 30 April 2007.
- In the first four months of 2008 Telecinco confirmed its position as the most popular channel in both the 24 hours and prime time. In particular, in prime time Telecinco, with a 20.7% share, is the only one of the historic networks to have increased its ratings, outperforming Antena 3 by 4 points and TVE1 by 4.9 points. During the same period Telecinco consolidated its undisputed leadership in the commercial target in all the time bands with 22.8% in prime time and 20.8% in the 24 hours.
- For the current year, the expectation is for an improvement in consolidated net profit compared with that of 2007. The scale of the improvement will mainly be determined by the trend in advertising revenues in both of the principle markets.

For the Board of Directors  
The Chairman

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED BALANCE SHEET

(amounts in EUR millions)

	Notes	31/3/2008	31/12/2007
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment		516.4	520.5
Television and movie rights		2,866.8	2,351.5
Goodwill and differences arising from consolidation		398.9	394.5
Other intangible assets		431.9	550.3
Investments in associates		529.0	486.5
Other financial assets		70.0	68.6
Deferred tax assets		338.3	335.5
<b>TOTAL NON CURRENT ASSETS</b>		<b>5,151.3</b>	<b>4,707.4</b>
<b>Current assets</b>			
Inventories		51.4	42.7
Trade receivables		1,182.8	1,212.8
Other receivables and current assets		252.2	297.4
Current financial assets		10.1	19.8
Cash and cash equivalents		225.8	157.0
<b>TOTAL CURRENT ASSETS</b>		<b>1,722.3</b>	<b>1,729.7</b>
<b>Non current assets held for sale</b>		<b>0.0</b>	<b>0.0</b>
<b>TOTAL ASSETS</b>		<b>6,873.6</b>	<b>6,437.1</b>

**CONSOLIDATED BALANCE SHEET***(amounts in EUR millions)*

	Notes	31/3/2008	31/12/2007
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		614.2	614.2
Share premium reserve		275.2	275.2
Treasury shares	1	(416.7)	(416.7)
Other reserves		477.5	477.2
Valuation reserve	2	(13.9)	0.4
Retained earnings		1,607.0	1,100.6
Net profit for the period		121.0	506.8
<b>Group Shareholders' Equity</b>		<b>2,664.3</b>	<b>2,557.7</b>
Minority interests in net profit		40.2	174.4
Minority interests in share capital, reserves and retained earnings		301.5	126.3
<b>Minority interests</b>		<b>341.7</b>	<b>300.7</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>3,006.0</b>	<b>2,858.4</b>
<b>Non current liabilities</b>			
Post-employment benefit plans		102.3	102.2
Deferred tax liabilities		165.8	164.1
Financial liabilities and payables		700.2	855.8
Provisions for non current risks and charges		177.0	174.9
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>1,145.3</b>	<b>1,297.0</b>
<b>Current liabilities</b>			
Financial payables		486.4	518.0
Trade and other payables		1,703.4	1,329.6
Provisions for current risks and charges		35.7	56.9
Current tax liabilities		195.8	104.7
Other financial liabilities		66.1	42.3
Other current liabilities		234.9	230.2
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,722.3</b>	<b>2,281.7</b>
<b>Liabilities related to non current assets held for sale</b>		<b>0.0</b>	<b>0.0</b>
<b>TOTAL LIABILITIES</b>		<b>3,867.6</b>	<b>3,578.7</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>6,873.6</b>	<b>6,437.1</b>

## CONSOLIDATED INCOME STATEMENT

(amounts in EUR millions)

INCOME STATEMENT	Notes	31/3/2008	31/3/2007
Sales of goods and services		1,087.4	957.9
Other revenues and income		11.5	7.0
<b>TOTAL NET CONSOLIDATED REVENUES</b>		<b>1,098.9</b>	<b>964.9</b>
Personnel expenses		128.0	116.0
Purchases, services, other costs		426.0	369.2
Amortisation, depreciation and write-downs		289.1	224.0
Impairment losses and reversal of impairment on fixed assets		-	-
<b>TOTAL COSTS</b>		<b>843.1</b>	<b>709.2</b>
Gains/(Losses) from disposal of equity investments		-	-
<b>EBIT</b>		<b>255.8</b>	<b>255.7</b>
Financial losses		(66.3)	(25.9)
Financial income		49.6	17.0
Income/(expenses) from equity investments		(8.2)	0.8
<b>EBT</b>		<b>231.0</b>	<b>247.6</b>
Income taxes		69.8	80.1
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>		<b>161.2</b>	<b>167.5</b>
Net Gains/(Losses) from discontinued operations		-	-
<b>NET PROFIT FOR THE PERIOD</b>		<b>161.2</b>	<b>167.5</b>
Attributable to:			
- Equity shareholders of the parent company		121.0	124.5
- Minority Interests		40.2	43.0
<b>Earnings per share</b>	4		
- Basic		0.11	0.11
- Diluted		0.11	0.11

## CONSOLIDATED CASH FLOW STATEMENT

(amounts in EUR millions)

	March 2008	March 2007
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Operating profit before taxation	247.8	256.5
+ Depreciation and amortisation	260.3	224.0
+ Other provisions and non-cash movements	(12.8)	5.9
+ Change in trade receivables	30.0	33.7
+ Change in trade payables	71.9	74.3
+ Change in other assets and liabilities	115.0	(22.0)
- Interests (paid)/received	(0.1)	(2.0)
- Income tax paid	(0.2)	-
<b>Net cash flow from operating activities [A]</b>	<b>711.9</b>	<b>570.4</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from the sale of fixed assets	0.3	7.6
Proceeds from the sale of equity investments	-	0.7
Interests (paid)/received	(0.8)	(0.2)
Purchases in television rights	(670.4)	(177.3)
Changes in advances for television rights	6.7	8.7
Purchases of other fixed assets	(17.9)	(16.3)
Equity investments	(21.5)	-
Changes in payables for investing activities	301.4	(183.0)
Proceeds/Payments for hedging derivatives	(8.7)	(0.1)
Changes in other financial assets	(5.2)	(86.0)
Loans to other companies (granted)/repaid	(1.7)	-
Dividends received	-	-
Business Combinations/Changes in consolidation area	(13.7)	-
<b>Net cash flow from investing activities [B]</b>	<b>(431.5)</b>	<b>(445.9)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Share capital issues	-	-
Change in treasury shares	(1.4)	(2.4)
Changes in financial liabilities	(184.6)	34.0
Dividends paid	-	-
Net changes in other financial assets/liabilities	(12.4)	(0.5)
Interests (paid)/received	(13.2)	(5.9)
<b>Net cash flow from financing activities [C]</b>	<b>(211.6)</b>	<b>25.2</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS [D=A+B+C]</b>	<b>68.8</b>	<b>149.7</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR [E]</b>	<b>157.0</b>	<b>447.4</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR [F=D+E]</b>	<b>225.8</b>	<b>597.1</b>

**TABLE OF CHANGES IN SHAREHOLDERS' 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 SHAREHOLDERS' EQUITY
<b>Balance at 1/ 1/ 2007</b>	<b>614.2</b>	<b>275.2</b>	<b>542.8</b>	<b>(413.9)</b>	<b>3.2</b>	<b>1,107.0</b>	<b>505.5</b>	<b>2,634.1</b>	<b>299.2</b>	<b>2,933.3</b>
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)
<b>Gains/ (losses) credited/ (charged) to Equity</b>										
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
<b>Balance at 31/ 03/ 2007</b>	<b>614.2</b>	<b>275.2</b>	<b>542.8</b>	<b>(416.2)</b>	<b>1.8</b>	<b>1,611.9</b>	<b>124.5</b>	<b>2,754.2</b>	<b>342.0</b>	<b>3,096.2</b>
<b>Balance at 1/ 1/ 2008</b>	<b>614.2</b>	<b>275.2</b>	<b>477.2</b>	<b>(416.7)</b>	<b>0.4</b>	<b>1,100.6</b>	<b>506.8</b>	<b>2,557.7</b>	<b>300.7</b>	<b>2,858.4</b>
Allocation of the parent company's 2007 net profit	-	-	-	-	-	506.8	(506.8)	-	-	-
Dividends paid by the parent company	-	-	-	-	-	-	-	-	-	-
Dividends paid by subsidiaries to minority shareholders	-	-	-	-	-	-	-	-	-	-
Stock Option plan valuation	-	-	-	-	0.6	-	-	0.6	0.4	1.0
(Purchase)/sale of treasury shares	-	-	-	-	-	(0.6)	-	(0.6)	(0.7)	(1.3)
<b>Gains/ (losses) credited/ (charged) to Equity</b>										
Profits/ (losses) from negotiation of treasury shares	-	-	-	-	-	-	-	-	-	-
Actuarial gains/ (losses) from defined benefit plans	-	-	-	-	(1.3)	-	-	(1.3)	-	(1.3)
Financial asset valuation credited/ (charged) to Equity	-	-	-	-	(13.6)	-	-	(13.6)	-	(13.6)
Changes in the consolidation area	-	-	-	-	-	0.2	-	0.2	(1.3)	(1.1)
Other changes	-	-	0.3	-	-	-	-	0.3	2.4	2.7
Profit/ (loss) for the period	-	-	-	-	-	-	121.0	121.0	40.2	161.2
<b>Balance at 31/ 03/ 2008</b>	<b>614.2</b>	<b>275.2</b>	<b>477.5</b>	<b>(416.7)</b>	<b>(13.9)</b>	<b>1,607.0</b>	<b>121.0</b>	<b>2,664.3</b>	<b>341.7</b>	<b>3,006.0</b>

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## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2008**

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### **Main corporate operations and changes in the consolidation area in the quarter**

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

On 19 February 2008, Gestevision Telecinco completed the acquisition of a 29.24% indirect stake in Caribevision TV Network LLC, a newly established television network broadcasting from New York, Miami and Porto Rico, aimed at the Spanish speaking public, for a consideration equal to EUR 21.5 million.

On 26 March 2008, Medusa Film S.p.A. transferred to its holding RTI S.p.A. 100% of the stock capital held in Medusa Cinema, Medusa Multicinema and Medusa Video S.p.A. These transactions are preliminary to the acquisition of Taodue S.r.l., as better detailed in the subsequent comment included in the *Events after 31 March 2008* section.

On 28 March 2008, Mediaset Investment Sarl stipulated a series of agreements with the Chinese China Global Media Group, owner of a free-to-air sports channel called China Sport Network, which is currently on the air in 7 provinces of the People's Republic of China, with a coverage of approximately 400 million people. Following to these agreements and a consideration totalling USD 35 million, corresponding to approximately EUR 22.2 million, Mediaset Investment underwrote a capital increase in Sportsnet Media Limited through the contribution of the 100% stake owned in PubliAsia Limited and New Century Advertising Co. Ltd and the payment of USD 15.5 million – of which USD 6.4 million (equal to approximately EUR 4 million) paid concurrently with the execution of the transaction, USD 4.8 million paid on 10 April 2008 and the residual amount of USD 4.3 million paid on 10 May 2008. These amounts will be invested in the further development of activities for the above mentioned channel. Based on the value acknowledged by shareholders to the assets subject to said transfer, Mediaset and the Chinese China Global Media Group CO. Ltd. own 49% and 51% of this company, respectively.

Within the framework of the stipulated agreements, Mediaset is committed to acknowledging, subject to the achievement of pre-established financial targets linked to advertising sales for the CSPN channel by the afore mentioned company in the next two fiscal years, an adjustment of the consideration due for the acquisition of the stake up to a maximum of USD 14 million.

Based on the agreements stipulated with the Chinese China Global Media Group, New Century Advertising, a company established in Beijing in 2007 by the Mediaset Group in the form of a WFOE (Wholly foreign owned enterprise), will manage advertising sales, the purchase of rights and TV programme productions for the CSPN free to air sports channel.

## **Notes to the main balance sheet and income statement items**

### **I. Treasury Shares**

	1st quarter 2008	
	Number of shares	Book value
Balance at 1/1/2008	44,825,500	416.6
Additions	-	-
Disposals	-	-
<b>Balance at 31/3/2008</b>	<b>44,825,500</b>	<b>416.6</b>

It should be noted that during the first quarter of 2008 no changes occurred with reference to the purchase and sale of Treasury Shares.

## 2. Valuation reserves

Valuation reserves	Balance at 1/1/2008	Increase/Decrease	Through Profit and Loss Account	Opening balance adjustments of the hedged item	Fair Value adjustments	Deferred tax effect	Balance at 31/03/2008
Financial assets for cash flow hedging purpose	(15.0)	(1.5)	(0.0)	4.4	(21.1)	4.7	(28.6)
Financial assets available for sale	-	-	-	-	-	-	-
Stock option plans	16.4	0.6	-	-	-	-	17.0
Actuarial Gains/(Losses) on defined benefit plans	(1.0)	(1.9)	-	-	-	0.6	(2.3)
<b>Total</b>	<b>0.4</b>	<b>(2.8)</b>	<b>(0.0)</b>	<b>4.4</b>	<b>(21.1)</b>	<b>5.3</b>	<b>(13.9)</b>

**Valuation reserve for financial cash flow hedging instruments** is set up within the framework of the valuation of qualified hedging derivative instruments with respect to the exchange rate risk and the interest risk.

With respect to financial instruments for the management of the interest rate risk, changes during the period amounting to EUR -1.8 million primarily regard the change in the fair value of collar and IRS derivative instruments concerning contracts stipulated to hedge against financial liabilities.

Changes that occurred within the framework of valuation reserves for the financial instruments for the hedging of the exchange rate risk refer for EUR 4.4 million to the adjustment of the initial carrying value of television rights acquired in the period and EUR -19.4 million to changes in fair value.

The **Reserve for Stock Option Plans** includes the amount of costs accrued as at 31 March 2008, determined pursuant to IFRS 2, for the three-year Stock Option Plans granted by Mediaset in 2005 and 2007 and by its subsidiary Telecinco in 2005, 2006 and 2007 for the amount pertaining to the Group. Changes in the period equal to EUR 0.6 million refer to the cost amount accrued as at 31 March 2008 pertaining to the Group.

The **Reserve from the valuation of actuarial profits and losses** includes the actuarial components regarding the valuation of defined benefit plans, directly recognised in equity.

### **3. Net Financial Position**

Below is the breakdown of the **consolidated net financial position** pursuant to Consob Communication dated 27 July 2006, showing the Group's current and non current net financial debt. For each of the exhibited items the reference to the relevant comment note is also given.

Changes in the Net financial position occurred in the period of reference are thoroughly detailed in the *Balance Sheet and Income Statement* sections of the *Group's Report on Operations*.

	31/03/2008	31/12/2007
Cash in hand and cash equivalents	1.8	0.6
Bank and postal deposits	224.0	156.4
Securities and other current financial assets	4.8	15.3
<b>Total liquidity</b>	<b>230.6</b>	<b>172.4</b>
Financial receivables from affiliated companies	-	-
Current financial receivables	4.7	3.5
<b>Total current financial receivables</b>	<b>4.7</b>	<b>3.5</b>
Due to banks	(486.4)	(518.0)
Debiti e passività finanziarie correnti	(5.8)	(1.4)
Financial liabilities due to affiliated companies and joint ventures	(11.5)	(10.6)
<b>Current financial debt</b>	<b>(503.7)</b>	<b>(529.9)</b>
<b>Current Net Financial Position</b>	<b>(268.4)</b>	<b>(354.0)</b>
Securities and other non current financial assets	0.3	0.3
Due to banks	(664.9)	(822.5)
Payables and other non current financial liabilities	(34.4)	(32.7)
<b>Non current financial debt</b>	<b>(698.9)</b>	<b>(854.8)</b>
<b>Net Financial Position</b>	<b>(967.3)</b>	<b>(1,208.8)</b>

Item **Securities and other current financial assets** includes securities and derivative instruments to hedge interest rate risk related to financial liabilities. The variation is mainly attributable to the transfer of securities owned by Gestelevision Telecinco S.A.

Item **Financial receivables** mainly comprises government contributions pursuant to Italian Law No. 1.213 of 4/11/65, as amended through Italian Law No. 153 dated 1/3/1994, received vis-à-vis film productions developed by Medusa Film S.p.A., as approved by the competent authorities, but not yet released, for a total amount of EUR 3.5 million.

Item **Payables and current financial liabilities** mainly refers to the current amount of payables due to leasing companies, equal to EUR 4.0 million, and payables due to factoring companies for a total of EUR 0.8 million.

Item **Payables and other non current financial liabilities** includes the non current portion of payables due to leasing companies, equal to EUR 28.9 million, and EUR 3.7 million to facilitated loans.

Item **Financial liabilities due to affiliated companies and joint ventures** refers to financial liabilities related to current account relations managed on behalf of such companies by parent company Mediaset S.p.A.

Changes in **non current financial debt due to banks**, is mainly attributable to a restatement of the item current financial debt due to banks, equal to EUR 50 millions, as well as a reduced recourse to credit lines.

#### **4. Earnings per share (EPS)**

The calculation of the basic and diluted earnings per share is based on the following data:

	<b>IQ 2008</b>	<b>IQ 2007</b>
<b>Net profit for the period (millions of euro)</b>	<b>121.0</b>	<b>124.5</b>
Weighted average number of ordinary shares (without own)	1,136,402,064	1,136,667,698
<b>Basic EPS</b>	<b>0.11</b>	<b>0.11</b>
Weighted average number of ordinary shares for the diluted EPS computation	1,136,402,064	1,136,679,378
<b>Diluted EPS</b>	<b>0.11</b>	<b>0.11</b>

## **5. SEGMENT REPORT**

Here below is the information requested in compliance with IAS 14 in the matter of primary and secondary segments identified based on the Group's current internal organisation structure and management reporting. It should be noted that the primary segments 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 at 31 March 2007 and 2008.

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, and, in 2007, include the 25% shareholding held by Mediaset in Mediacinco (the remaining 75% is owned by Telecinco) and the loan granted by Mediaset to Mediacinco for a total amount of EUR 59.6 million.

The non monetary costs refer to the provision for risks and charges and stock option plan costs.

31st March 2007	ITALY	SPAIN	Eliminations/ Adjustments	MEDIASET GROUP
<b>MAIN INCOME STATEMENT FIGURES</b>				
Revenues from external customers	712.7	251.1		963.8
Inter-segment revenue	1.5	-	(1.5)	-
<b>Consolidated net revenues</b>	<b>714.2</b>	<b>251.1</b>	<b>(1.5)</b>	<b>964.9</b>
%	74%	26%		100%
<b>Operating profit</b>	<b>137.7</b>	<b>118.0</b>	-	<b>255.7</b>
%	54%	46%		100%
<b>EBIT</b>	<b>137.7</b>	<b>118.0</b>	-	<b>255.7</b>
Financial income/(losses)	(13.1)	4.2	-	(8.9)
Income/(expenses) from equity investments	0.3	0.5		0.8
Income/(expenses) from other equity investm	-	-		-
<b>EBT</b>	<b>125.0</b>	<b>122.6</b>	-	<b>247.6</b>
Income taxes	(43.6)	(36.5)	-	(80.1)
Profit/(losses) pertaining to minority interest	(0.2)	(0.0)	(42.7)	(43.0)
<b>Group Net Profit</b>	<b>81.2</b>	<b>86.1</b>	<b>(42.7)</b>	<b>124.5</b>
<b>OTHER INFORMATION</b>				
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	137.3	47.6		184.9
Amortization	181.4	42.6	-	224.0
Impairment losses	-	-	-	-
Other non monetary expenses	8.4	2.2		10.6
<b>31st March 2008</b>				
<b>MAIN INCOME STATEMENT FIGURES</b>				
Revenues from external customers	849.9	249.0		1,098.9
Inter-segment revenue	0.6	-	(0.6)	-
<b>Consolidated net revenues</b>	<b>850.5</b>	<b>249.0</b>	<b>(0.6)</b>	<b>1,098.9</b>
%	77%	23%		100%
<b>Operating profit</b>	<b>137.9</b>	<b>117.9</b>	-	<b>255.8</b>
%	54%	46%		100%
<b>EBIT</b>	<b>137.9</b>	<b>117.9</b>	-	<b>255.8</b>
Financial income/(losses)	(17.2)	0.6	-	(16.6)
Income/(expenses) from equity investments valued with t	0.1	(8.3)	-	(8.2)
Income/(expenses) from other equity investments	-	-	-	-
<b>EBT</b>	<b>120.8</b>	<b>110.2</b>	-	<b>231.0</b>
Income taxes	(40.1)	(29.7)	-	(69.8)
Profit/(losses) pertaining to minority interests	(0.2)	1.0	(41.0)	(40.2)
<b>Group Net Profit</b>	<b>80.5</b>	<b>81.5</b>	<b>(41.0)</b>	<b>121.0</b>
<b>OTHER INFORMATION</b>				
Assets	6,063.5	1,155.6	(345.5)	6,873.6
Liabilities	3,400.0	406.8	60.8	3,867.6
Investments in tangible and intangible non current assets	627.5	54.1	-	681.5
Amortization	254.3	34.8	-	289.1
Impairment losses	-	-	-	-
Other non monetary expenses	7.7	0.1	-	7.8

(\*) Including the change in the “Advances for the purchase of rights” item

## Secondary segments (areas of operation)

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 Operations):

- **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 the second quarter of 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, service selling and content provision to mobile phone operators, publishing activities, licensing and merchandising, non-TV advertising licences and teleshopping). Starting from the third quarter of 2007, this group of operations includes film distribution and movie theatres management activities.

31st March 2007	FREE TO AIR TELEVISION	NETWORK OPERATOR	PAY PER VIEW	OTHER	GEOGRAPHICAL SEGMENT ITALY
<b>Revenues from external customers</b>	<b>630.4</b>	<b>14.0</b>	<b>45.3</b>	<b>24.6</b>	<b>714.3</b>
%	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
<b>Operating assets</b>	<b>2,930.5</b>	<b>563.2</b>	<b>570.8</b>	<b>43.0</b>	<b>4,107.5</b>
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
<b>Investments in tangible and intangible assets</b>	<b>129.7</b>	<b>5.1</b>	<b>1.9</b>	<b>0.0</b>	<b>136.7</b>

31st March 2008	FREE TO AIR TELEVISION	NETWORK OPERATOR	PAY PER VIEW	OTHER AND ADJUSTMENTS	GEOGRAPHICAL SEGMENT ITALY
<b>Revenues from external customers</b>	<b>650.2</b>	<b>50.0</b>	<b>108.8</b>	<b>41.6</b>	<b>850.5</b>
%	76%	6%	13%	5%	100%
Television rights	1,841.4	-	861.1	9.2	2,711.7
Other tangible and intangible non current assets	245.7	498.2	0.6	93.5	838.0
Goodwill	2.6	6.2	-	31.5	40.3
Trade receivables	820.5	42.1	77.2	76.1	1,015.8
Inventories	24.2	6.3	5.1	5.4	40.9
<b>Operating assets</b>	<b>2,934.5</b>	<b>552.8</b>	<b>943.9</b>	<b>215.6</b>	<b>4,646.7</b>
Investments in television rights (*)	181.7	-	456.9	(9.8)	628.8
Other investments	7.3	8.3	0.2	1.0	16.8
<b>Investments in tangible and intangible assets</b>	<b>189.0</b>	<b>8.3</b>	<b>457.1</b>	<b>(8.8)</b>	<b>645.6</b>

(\*) 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.

## **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.	1.7	1.7	(12.8)	0.1	1.5	-
<b>Associated companies</b>						
A.C. Milan S.p.A.	0.1	155.2	-	0.0	0.2	-
Alba Servizi Aerotrasporti S.p.A.	0.0	1.0	-	0.0	1.1	-
Arnoldo Mondadori Editore S.p.A.	4.1	0.8	-	5.7	0.4	-
Banca Mediolanum S.p.A.	1.1	0.0	-	0.9	-	-
Il Teatro Manzoni S.p.A.	0.2	0.0	-	-	0.3	-
Mediolanum Vita S.p.A.	-	-	-	-	-	-
Quinta Communication S.A.	-	5.0	-	-	-	-
Servizi Milan S.r.l.	2.7	0.1	-	-	2.6	-
Other associated companies	4.7	3.4	-	1.4	2.3	(0.0)
<b>Total parent company and associated</b>	<b>14.7</b>	<b>167.2</b>	<b>(12.8)</b>	<b>8.2</b>	<b>8.3</b>	<b>(0.0)</b>
<b>Joint control companies</b>						
Boing S.p.A.	0.3	2.2	(7.4)	0.3	1.3	(0.1)
Fascino Produzione e Gestione Teatro S.r.l.	-	9.1	(4.1)	-	14.6	(0.0)
MediaVivere S.r.l.	2.2	15.1	-	0.3	10.2	-
Premiere Megaplex S.A.	-	-	-	-	-	-
Titanus Elios S.p.A.	-	-	-	-	1.2	-
<b>Affiliated companies</b>						
Aprok Imagen S.L.	0.0	0.3	-	-	0.2	-
Auditel S.r.l.	-	-	-	-	1.4	-
Beigua S.r.l.	-	-	-	-	-	-
Campus Multimedia In-Formazione	0.1	0.0	-	0.0	0.1	-
Canal Factoria de Ficcion S.A.	0.1	-	-	-	-	-
Publiceci Television S.A.	0.6	-	-	0.3	-	-
Producciones Mandarina S.L.	0.3	3.9	-	0.2	3.8	-
La Fabrica De La Tele (già Hormigas Blancas f	0.6	4.3	-	0.0	4.6	-
Edam Acquisition Holding Cooperatief U.A.	0.1	10.0	-	0.1	23.5	-
<b>Total joint control and affiliates</b>	<b>4.4</b>	<b>44.8</b>	<b>(11.5)</b>	<b>1.2</b>	<b>61.0</b>	<b>(0.1)</b>
<b>Other related parties</b>	<b>0.5</b>	<b>18.5</b>	<b>-</b>	<b>0.3</b>	<b>16.3</b>	<b>-</b>
<b>TOTAL</b>	<b>19.5</b>	<b>230.5</b>	<b>(24.3)</b>	<b>9.7</b>	<b>85.6</b>	<b>(0.1)</b>

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. Payables due to Fininvest S.p.A., equal to EUR 14.5 million, include EUR 12.8 million concerning the liability accrued as at 31 March 2008 relative to the balance of the consideration paid for the acquisition of the equity investment in Medusa, pursuant to the relevant transfer contract.

The transactions with Edam Acquisition Holding Cooperatief U.A., mainly refer to the companies belonging to Endemol Group owned by Edam. With these companies the Group is entitled to the acquisition of television formats and other contents, both in Italy and Spain.

The transactions entered into the “Other related parties” sub-item are mainly attributed to Telecinco transactions with Vocento Group (which is its minority shareholder) for the acquisition of television contents.

The main impact on the Group's consolidated financial flows for the first quarter of 2008 resulting from the transactions with related parties includes EUR 11.0 million relative to outlays to Milan F.C. for the purchase of television rights.

## **7. Subsequent events after 31 March 2008**

On 28 April 2008, following to the stipulation of the agreements entered into on 29 November 2007, MedDue S.r.l., a company established at the end of 2007 and fully owned by RTI S.p.A., acquired 53.75% of Taodue S.r.l., a leading company in the production of quality TV dramas founded by Pietro Valsecchi and Camilla Nesbitt, for a consideration equal to EUR 107.5 million. Upon completion of the relevant corporate transactions, expected in the second half of the current fiscal year, MedDue will acquire full control of Medusa Film's capital (currently fully owned by RTI S.p.A) and Taodue's, and it will be owned by RTI at 75% and by the current partners of Taodue at 25%.

*Andrea Goretti, Manager responsible for the drafting of Mediaset S.p.A. accounting documents, hereby declares that, pursuant to Art. 154-bis, par. 2, of the Consolidated Finance Act, the accounting data contained in this document corresponds to the accounting results, books and entries.*