

## Press Release

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### **Mediaset Group's first half 2004 Results**

#### Consolidated results

**Net revenues: €1,812.5 million**

**Operating profit: €639.6 million**

**Pre-tax profit: €660.4 million**

#### Advertising revenues and TV ratings

##### Italy

**TV advertising revenues Publitalia: +8.8%**

**Ratings: Mediaset channels lead in all time bands among viewers of between 15-64 with TV costs falling by 2.3%**

##### Spain

**TV advertising revenues Publiespana: +24.6%**

**Telecinco is Spain's leading 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 half of 2004.

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

In particular, in Italy, **Publitalia 80's advertising revenues** for Mediaset channels in the first half of 2004 grew by **8.8%** reaching **€1,541.9 million**, against the €1,416.6 million of the same period of the previous year.

The Mediaset channels also had **excellent ratings** during the period.

Total viewing figures over the six month period (4 January-3 July) remained extremely high, in spite of the European Football Championship broadcast by Rai in June; Mediaset achieved national leadership in all the time bands among the

**audience aged between 15 and 64**, the commercial target of reference for advertisers **45.2% in prime time, 45.5% in the 24 hours, 45.7% in day time**.

The results were even better in the “Spring 2004” **guarantee period** (from 25 January 29 May, excluding, as is customary, the Sanremo Festival)). Mediaset increased its share in the commercial target in all the time bands: **prime time (46.8%), 24 hour (46.4%), day time (46.4%)**. And Canale 5 was Italy’s leading channel in all the bands.

It should be noted that these excellent results were achieved in the face of reductions in total TV costs of **-2,3%**, compared with the first half of 2003.

In Spain the **Telecinco Group** also achieved excellent results in the first half of 2004. **Advertising sales** saw unprecedented growth, with an increase of **24.6%** on the same period of the previous year.

Ratings also grew in the period. In **Prime Time Telecinco reinforced its undisputed position as Spain’s leading channel in the commercial target with a 27.8% share**, a 1.1 point increase on the first half of 2003.

Telecinco is also the **outright leader** with a prime time share of the total audience of **23.5%** (22.5% in the first half of 2003), In the 24-hour period Telecinco had a 22.4% share (21.7% in the first half of 2003) consolidating its total audience leadership among commercial broadcasters.

## **CONSOLIDATED FINANCIAL HIGHLIGHTS**

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

- **consolidated net revenues** came to **€1,812.57 million** compared with €1,626.4 million in the first half of 2003 (**+11.4%**).
- **operating profit (Ebit)** was **€639.6 million, an increase of 35.3%**, net of amortizations and depreciations for a total of €442.7 million (€520.8 million in the first half of 2003).
- there was a **significant improvement in operating profitability**, or operating profit as a proportion of consolidated net revenues, to **35.3%**, compared with the 29.1% of the first half of 2003.
- **pre-tax profit** came to **€660.4 million** recording an **increase of 50.7%** on the €438.2 million of the same period of 2003.
- the Group’s **net financial position** also improved rising from –€199.3 million at 31 December 2003 to **-€81.7 million** at 30 June 2004. In the first half the Group’s characteristic **cash generation** showed a marked increase (€486.6 million

compared with the €250.9 of the first half of 2003) reaching in **Italy €354.4 million** (€189.2 million in the first half of 2003) and in **Spain €132.2 million** (€61.7 million in the first half of 2003).

## A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

### Italy

- the **consolidated net revenues** of the Group's activities in Italy in the first half of 2004 grew by **7.8%** compared with the same period of the previous year, rising from €1,305.8 million to **€1,407.8 million**.
- **total television costs** (labour costs + TV operating costs + amortization of TV rights), showed a **reduction of 2.3%** compared with 2003. **Total costs** (Operating costs+ amortizations and depreciation) including €26.7 million related to digital terrestrial, **showed marginal growth of 0.4%**, from €903.5 million in the first half of 2003 to **€907.5 million** in the first six months of 2004.
- **Operating profit (Ebit) grew by 24.4%** reaching **€500,3 million** compared to the €402.3 million of the first half of 2003.
- **Pre-tax profit** recorded an **increase of 41.4%** rising from €366.9 million in the first half of 2003 to **€518.7 million** in the first six months of 2004.

### Spain

- In the first six months of 2004 the **consolidated net revenues** generated by the Telecinco Group came to **€405.3million, an increase of 26.4%**, compared with the same period of the previous year.
- The Telecinco Group's **total costs** (Operating costs + amortizations and depreciation), went from €228.6 million in the first half of 2004, to €244.4 million for the first six months of 2004, an increase of **6.9%**. Net of non-recurring costs mainly sustained as a result of the stock exchange listing, **the increase was marginal at 1.2%**.
- Telecinco's **operating profit** rose from the €92.0 million of the first half of 2003 to **€160.9 million** in the first half of the current year.
- **Pre-tax profit came to €163.3 million** compared with the €92.9 million of the first half of 2003.

## FORECAST FOR THE YEAR

On the basis of the performance of the first eight months and in the light of expectations for extremely limited increases in TV costs, the forecast for the year is for a significant improvement in operating profit and characteristic cash generation compared with 2003.

### Italy

- also in July and August **advertising sales** for Mediaset remained particularly positive, leading to an **increase of 9.9%** for the **first eight months** compared with the same period of the previous year.
- On the audience front Mediaset confirmed its **leadership in the commercial target** (15-64) with a **45.0% share in the 24-hour** and **44.6% in Prime Time**, despite the broadcasting of the Olympic Games by Rai in August.

### Spain

- **advertising sales** by Publiespana for Telecinco for the **first eight months** of the year show an **increase of 26.2%**, compared with the same period of 2003, further improving the growth trend established in the first half of the year (+24.6%).
- There were also excellent results in terms of ratings. In the first eight months of the year, Telecinco confirmed its undisputed leadership in the **commercial target** with a **share of 25.1%**. In **Prime Time** Telecinco is **Spain's most popular channel** with a **share of 23.2%**.

Cologno Monzese, 7 September 2004

## Highlights from the consolidated income statement

*In € millions*

2003	1st half 2004	1st half 2003
3,029.3 Revenues from sales and services	1,790.0	1,608.7
40.7 Other revenues and income	22.5	17.7
<b>3,070.0 Total consolidated net revenues</b>	<b>1,812.5</b>	<b>1,626.4</b>
379.5 Labour costs	204.3	191.6
901.8 Procurement, services and other costs	525.9	441.3
<b>1,281.3 Operating costs</b>	<b>730.2</b>	<b>632.9</b>
<b>1,788.7 Gross operating profit</b>	<b>1,082.3</b>	<b>993.5</b>
967.9 Amortizations and depreciations	421.1	499.2
<b>820.8 Operating profit before amortisation of goodwill of Telecinco</b>	<b>661.2</b>	<b>494.3</b>
43.2 Amortisation of goodwill Telecinco	21.6	21.6
<b>777.6 Operating profit</b>	<b>639.6</b>	<b>472.7</b>
(6.2) Financial income /(charges)	32.6	(1.7)
(84.3) Income/(charges) from investments	(9.1)	(21.5)
<b>687.1 Profit before extraordinary items</b>	<b>663.1</b>	<b>449.5</b>
(12.0) Extraordinary income/(charges)	(2.7)	(11.3)
<b>675.1 Pre-tax profit</b>	<b>660.4</b>	<b>438.2</b>
(58.9) Pre tax minority interest profit	(78.3)	(44.7)

## Highlights from the consolidated balance sheet

*In € millions*

31/12/2003	30/06/2004	30/06/2003
1,923.6 Television rights	1,906.7	1,906.0
563.1 Other tangible/intangible assets	579.9	577.4
300.3 Change in consolidation net of Telecinco	356.7	321.9
136.0 Financial assets	136.0	187.6
215.7 Net working capital & other assets/liabilities	304.1	266.2
(106.9) Severance indemnity reserve	(110.5)	(104.8)
<b>3,031.8 Net invested capital</b>	<b>3,172.9</b>	<b>3,154.3</b>
<b>(199.3) Net financial position</b>	<b>(81.7)</b>	<b>(314.4)</b>
2,591.6 <b>Shareholders' equity</b>	2,897.5	2,613.1
240.9 Minority interest	193.7	226.8
<b>2,832.5 Shareholders' equity and minority interest</b>	<b>3,091.2</b>	<b>2,839.9</b>