

PRESS RELEASE

Mediaset Group Q1 2001 Results

Net revenues 1,301.4 bn lire

Operating profit 471.5 bn lire

Operating margin 36.2%

Advertising sales: +6 %

Record ratings: 44.8% share (+2.0%)

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 1st quarter 2001 results.

The Group's performance in the first three months of 2001 can be summarised as follows:

- **Consolidated net revenues** increased by **102.1 bn lire**, up **8.5%** from the 1,199.3 bn lire of Q1 2000 to **1,301.4 bn lire** for the first quarter 2001. This increase in the Group's revenues is mainly the result of an overall increase in **television revenues (+7.8%)**.
 - In particular **advertising sales** for Mediaset's networks came to **1,392 bn lire** an **increase of 6%**, and in line with the growth trend recorded in the third quarter of 2000 and in contrast to the trend in the reference market, both national and internationally.
In fact, in the first three months of the year, the Group has successfully contrasted the forecast slow-down in the advertising market and has distinguished itself compared with the most important national and European operators who have recorded limited growth or, in some cases, a fall off in revenues..
 - **Other television revenues** increased by 19.7 bn lire mainly as a result of the revenues generated by the sale of pay TV rights.

The first quarter has also registered a significant acceleration in **revenues** coming from **multimedia activities** (+10 bn lire), these are attributable to the distribution of

thematic channels and advertising sales linked to the Internet and Mediavideo (the teletext service of the three networks).

- **Operating costs**, rose from 745.4 bn lire in Q1 2000 to **829.9 bn lire** this time as a result of productions costs sustained with a view to strengthening the schedules of the three networks. In line with the programming decisions taken in 2000, a number of new formats have been introduced (in-house soaps, longer series drama and international game shows) that were not present at the beginning of 2000 and which guarantee the achievement of ratings objectives in the slots of highest commercial value. In particular, overall TV costs, net of income generated from the sale of rights, showed a limited increase of 7.2%.
- **Operating profit (Ebit)** rose to **471.5 bn lire** compared with the 453.9 bn lire of Q1 2000, this represents an **increase of 3.9%**, net of amortisations and depreciations for a total of 325 bn lire (305.9 bn in Q1 2000).
- **As a proportion of consolidated net revenues the Group's operating margin** remains extremely high at **36.2%**. However, an evaluation of this result must, in any case, take account of the high seasonality that characterises the Mediaset Group's results and tends to emphasise the performance in the first half of the year.
- **Pre-tax profit** for the period came to **415.3 bn lire**, compared with 440.6 bn in Q1 2000. This change is largely due, in the context of a higher operating profit, to the lower profit generated by subsidiaries and increased financial charges resulting from the adjustment of the market value of company portfolio stock and currency debts.
- The Group's **net financial position** remained in surplus, increasing from 242.7 bn lire at December 31, 2000 to **384.7 bn** at March 31, 2001. This increase in liquidity is mainly the result of a positive cash flow in the current year, partially reduced on account of the acquisition of right, traditionally concentrated in the first part of the year.

Publitalia - Advertising

In the first months of 2001 the advertising market has confirmed the slow-down that began in the closing months of 2000.

Consequently, the performance of Publitalia (+6%) should be considered particularly positively in the light of both the overall market situation and the extraordinary results obtained in the first half of 2000.

RTI - Broadcasting

In the first three months of 2001 Canale 5, Italia 1 and Retequattro confirmed the excellent ratings results obtained in the autumn season.

The **overall 24-hour audience share** reached **44.8%**, more than two points above the figure for the same period of 2000. The most significant increase, however, was in prime time (+4 points). Also in day-time the networks improved the ratings obtained in the first three months of 2000 (+1.2 points).

These results are mainly due to **the excellent performance of Canale 5**: +4.1% in prime time and +2.6% over 24 hours.

The network also confirmed its position as **absolute leader in the commercial target** (15-64 years) with a 4.5 point increase on 2000.

FORECAST FOR THE YEAR

- The trend in **television advertising sales in the first four months of 2001 show and increase of 5.6%**. A result that shows that also in April Publitalia continues to perform well in the context of a market in which other television operators are witnessing a slow down, if not a reduction, in their revenues.
- In the first four months of 2001, Mediaset networks recorded excellent **ratings** with a 24-hour share of **44.8%**, an increase of **1.7 points** compared with the same period of the previous year.

On the basis of evidence currently available, and in a market essentially less favourable than in 2000, it is hoped that the Group will be able to confirm, in the coming months, the trend recorded in the first part of 2001.

Cologno Monzese, 14 May 2001

Highlights from the consolidated income statement (*)

31/12/2000 (ml./euro)	31/12/2000 (bn./lire)	INCOME STATEMENT	31/03/2001 bn./lire	31/03/2000 bn./lire	31/03/2001 ml./euro	31/03/2000 ml./euro
2,331.65	4,514.7	Revenues from sales and services	1,290.9	1,185.5	666.69	613.81
31.92	61.8	Other revenues and income	10.5	10.8	5.42	5.58
2,363.57	4,576.5	Total consolidated net revenues	1,301.4	1,199.3	672.11	619.39
290.30	562.1	Labour costs	142.3	133.6	73.49	69.00
716.10	1,386.5	Other operating costs	362.6	305.9	187.27	157.98
1,006.40	1,948.6	Operating costs	504.9	439.5	260.76	226.98
1,357.17	2,627.9	Gross operating profit	796.5	759.8	411.35	392.41
665.74	1,289.0	Amortisations and depreciations	325.0	305.9	167.85	158.00
691.43	1,338.9	Operating profit	471.5	453.9	243.50	234.41
(52.41)	(101.5)	Financial income (charges)	(36.8)	(10.1)	(19.00)	(5.22)
10.02	19.4	Income from investments (charges)	(19.3)	(3.5)	(9.96)	(1.81)
649.04	1,256.8	Profit before extraordinary items	415.4	440.3	214.54	227.38
(1.14)	(2.2)	Extraordinary income (charges)	(0.1)	0.4	(0.05)	0.18
647.90	1,254.6	Pre-tax profit	415.3	440.6	214.49	227.56

Highlights from the consolidated balance sheet (*)

31/12/2000 (ml./euro)	31/12/2000 (bn./lire)	BALANCE SHEET	31/03/2001 bn./lire	31/03/2000 bn./lire	31/03/2001 ml./euro	31/03/2000 ml./euro
<u>BALANCE SHEET HIGHLIGHTS</u>						
1,763.94	3,415.5	Television rights	3,588.6	3,483.7	1,853.33	1,799.18
449.99	871.3	Other tangible/ intangible assets	881.1	975.6	455.02	503.86
585.53	1,138.8	Financial Assets	1,114.3	941.2	575.49	486.09
(450.67)	(872.6)	Net working capital and other Assets/liabilities	(757.8)	(1,186.9)	(391.40)	(612.98)
(85.06)	(164.7)	Severance indemnity reserve	(169.3)	(156.5)	(87.44)	(80.83)
2,263.73	4,383.3	Net invested capital	4,656.8	4,057.1	2,405.00	2,095.32
125.32	242.7	Net financial position	384.7	602.9	198.70	311.37
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2,389.15	4,626.0	Shareholders' equity and minority	5,041.5	4,660.0	2,603.70	2,406.69

interest

() These figures are still subject to certification by the external auditors and Statutory Board of Auditors*