
REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP

The Report, drawn up pursuant to article 123, part two, of the CFA, is made available at the registered office of the company, published on its Internet website and transmitted to Borsa Italian with the methodologies and within the timeframes that are laid down by the relative legislation, rules and regulations that currently in force

Issuer: Mediaset S.p.A.

Website: www.mediaset.it

Year-end to which the Report refers: 31st December 2010

Approval date of the Report: 22nd March 2011

GLOSSARY

The Executive Director: The Executive Director charged with overseeing the functioning of the Internal Controls system of Mediaset S.p.A.

The Shareholders' Meeting: Meeting of the Shareholders of Mediaset S.p.A.

The SEC Code: The Self Regulating Code for quoted companies approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. and available on the website www.borsaitaliana.it

The Mediaset Code: The Self Regulating Code put in place by the Issuer and available on the website www.mediaset.it/investor/governance/autodisciplina_it.shtml.

The Italian Civil Code: The Italian Legal Code containing Company Law.

The Board/Board of Directors: The Board of Directors of the Issuer.

The Assigned Executive: The Assigned Executive with the responsibility for the drafting of the company's accounting documents.

The Issuer/Company: Mediaset S.p.A.

The Financial Year: The financial year of the company to which the Report refers.

The Organisational Model: The Organisational, Management and Controls Model, pursuant to the Legislative Decree 231 /2001 and available on the website www.mediaset.it/corporate/impresa/modello231_01_it.shtml.

Procedure: The Procedure for the transaction with related parties adopted by the Board of Directors Meeting of Mediaset of 9th November 2010

Issuers' Regulations: The Regulations issued by the Consob (Italian SEC) with its resolution n° 1971 of 1999, as afterwards modified, regarding Issuers.

Market Regulations: The Regulations issued by the Consob (Italian SEC) with its resolution n° 16191 of 2007, as afterwards modified, regarding stock markets.

Related Parties Regulations: The Regulations issued by Consob (Italian SEC) with its Resolution number 17221 of 12th March 2010 regarding transactions with related parties and available on the website www.mediaset.it/investor/governance/particorrelate_it.shtml [mediaset.it](http://www.mediaset.it).

Report: The report on Corporate Governance and company ownership structures that companies are obliged to draw up pursuant to article 123, part two, of the CFA.

System: The Internal Controls System.

Articles of Incorporation: The Articles of Incorporation of Mediaset S.p.A and available on the website www.mediaset.it/investor/governance/statuto_it.shtml.

CBA: The Legislative Decree of 1st September 1993, n° 385 (Consolidated Banking Act)

CFA: The Legislative Decree of 24th February 1998, n° 58 (Consolidated Finance Act).

I. PROFILE OF THE ISSUER

Mediaset and its subsidiaries make up the leading Italian commercial television group, quoted on the Italian Stock Exchange since 1996. The Group's main activities are generalist TV, advertising, free and pay Digital TV, managing the transmission network, contents production, Internet and Mobile TV. Abroad, Mediaset is the relative majority shareholder of the Spanish TV Group Telecinco.

Mediaset has put in place the traditional administration and controls system made up of the following company bodies: the Shareholders' Meeting, the Board of Directors, the Executive Committee and the Board of Statutory Auditors. The accounting controls, in accordance with the relative legislative measures that are currently in force regarding these matters, are assigned to an external auditing company that is inscribed in the special roll kept by the Consob (Italian SEC).

The Board of Directors has set up, among its own members, three committees with proposing and consulting functions: the Compensation Committee, the Internal Controls Committee and the Corporate Governance Committee.

The powers and functional methodologies of the company bodies and Committees are governed by Law, by the Articles of Incorporation of the company and by the resolutions passed by the competent bodies.

For the purpose of encouraging values that are based on correctness and loyalty an Ethical Code has also been introduced, which defines the whole ensemble of values that the Mediaset Group recognises, accepts and shares, at all levels, in the carrying out of its business activities.

The information contained in this Report, except when stated otherwise, refers to that at the date of its approval by the Board of Directors (22nd March 2011).

2. INFORMATION ON THE OWNERSHIP STRUCTURES AT THE DATE OF 22ND MARCH 2011

Structure of the Share Capital

The Share Capital of Mediaset S.p.A. amounts to Euros 614,238,333.28 fully subscribed and paid up.

The Share Capital only consists of ordinary shares as shown below

	N° of shares	% on share capital	Listed	Rights and obligations
Ordinary shares	1181227564 * (nominal value EUR 0.52 each)	100%	Borsa Italiana - Blue Chip segment -	Pursuant to law and Company By-Laws

On 22nd March 2011, the company holds 44,825,500 of its own shares in its portfolio, amounting to 3.795% of the Share Capital which voting right is suspended pursuant to article 2357, part three, of the Italian Civil Code.

No other financial instruments have been issued that give the right to subscribe to new share issues.

There are not foreseen any share based incentive plans that will give rise to increases, even free of charge ones, of the Share Capital.

Restrictions on the transfer of securities

Pursuant to the Articles of Incorporation the shares are nominative, indivisible and freely transferable. There are applied all the measures regarding representation, legitimisation and the circulation of company holdings that are laid down for securities traded on regulated stock markets.

Relevant holdings in the Share Capital

On 22nd March 2011, according to the contents of the communications received pursuant to article 120 of the CFA, the relevant holdings in the Share Capital of Mediaset S.p.A. are the following:

SIGNIFICANT INVESTMENTS IN CAPITAL			
Declarant	Direct shareholder	% Owned up ordinary share capital	% Owned voting capital
Berlusconi Silvio	Fininvest S.p.A.	38,980	38,980
Blackrock Inc.	Blackrock Inc	2,287	2,287
Mackenzie Cundill Investment Management Ltd.	Mackenzie Cundill Investment Management Ltd.	3,440	3,440
Mediaset S.p.A.	Mediaset S.p.A.	3,795	3,795(*)

(*) without voting rights.

Securities that confer special rights

No securities have been issued that confer special controlling rights.

Employee shareholdings: mechanism for exercising voting rights

There is no employee shareholding system with a mechanism for exercising voting rights that is different from the one laid down for all of the company's other shareholders.

Restrictions on the voting right

They carry the right to vote all those ordinary shares that are currently in circulation, with the exception of the treasury shares that are held by the company itself and regarding which the voting right is suspended pursuant to article 2357, part three, of the Italian Civil Code.

Pursuant to the Articles of Incorporation there can take part in the Shareholders' Meeting all those persons who have the right to vote. The legitimacy of taking part in the Shareholders' Meeting and exercising the right to vote is attested to by a communication to the company, made by the intermediary, in favour of the person who has the right to vote based on the relative proving details available at the end of the accounting day of the seventh open market trading day before the date that has been fixed for the Shareholders' Meeting at first call. The debit and credit entries posted to the accounts after this timeframe are not valid for the purposes of legitimising the right to vote in the Shareholders' Meeting. The communications sent by the intermediary must arrive at the company within the close of the third open market trading day before the date that has been fixed for the Shareholders' Meeting at first call, or within any other different timeframe that is established by the relative legal measures that are currently in force. There remains the legitimate right to take part and vote whenever the communications arrive at the company after the timeframes laid down in the previous paragraph, as long as they arrive before the Shareholders' Meeting has actually begun its proceedings.

Agreements between shareholders

There are no voting pacts concerning the company pursuant to article 122 of the CFA.

Change of control clauses

The company, in the context of its normal business activities, has existing loan and financing contracts, including the contracts relative to the bond issue of 21st January 2010 that foresee, as is custom and usage in financial market practices, specific impacts if a “change of control” takes place such as, for example, their extinction or modification in the case of a change of control of the company. However, none of these contracts can be considered, as of itself, to be significant.

The indemnities of the Directors in the cases of resignations, terminations or the ceasing of their relationship with the company following a public purchase offer

Currently there are no agreements in force pursuant to article 123, part two, of the Consolidated Finance Act.

Rules applicable to the nomination and replacement of the Directors and changes to the Articles of Incorporation

Regarding the rules that are applicable to the nominating and replacement of the Directors reference should be made to the section 4) dealing with the Board of Directors. Pursuant to the articles of Incorporation, except for the competencies of the Extraordinary Shareholders' Meeting, which retains its power to pass resolutions regarding these matters, it is up to the Board of Directors to pass the relative resolutions concerning mergers and split-offs, in those cases that are laid down by articles 2505, 2505, part two, and 2506, part three, of the Italian Civil Code, the opening and the closing of secondary sites, the indicating of who among the Directors have the powers to legally represent the company, the reduction of the company's Share Capital in the case of the withdrawal of a shareholder and the changing and updating of the Articles of Incorporation for legislative and regulatory measures.

Mandates for increasing the Share Capital and authorisations for the acquisition of treasury shares

There are no mandates for increases of Share Capital pursuant to article 2443 of the Italian Civil Code, or for the issuing of any financial instruments that constitute holdings in the company.

The Shareholders' Meeting of 21st April 2010 passed a resolution giving the Board of Directors the faculty of being able purchase, also through trading in options or financial instruments, also derivatives, on the Mediaset share, up to a maximum number of 118,122,756 ordinary shares of the company with the nominal value of Euro 0.52 each, amounting to 10% of the current Share Capital, in one or more lots, up till the approval of the Financial Statements for the year closed at 31st December 2010 but, in any case, for a period that is no longer than 18 months from the date of the relative resolution of the shareholders' Meeting. The amount shown above is covered by the available reserves as shown in the last regularly approved set of Financial Statements.

The purchase transactions are to be carried out as follows:

- i) The purchases to be used for the stock option plans for 2003/2005, 2006/2008 and 2009/2011 must be made on the quoted Stock Exchange with the operational methodologies referred to in article 144, part two, letters b) and c) of the Issuer Regulations at a price that is no higher than that between the price of the last independent transaction and the price of the highest independent offer currently on the computerised Stock Exchange managed by Borsa Italiana.
- ii) Any other purchases must be made on the quoted Stock Exchange with the operational methodologies referred to in article 144, part two, letters b) and c) of the Issuer Regulations at a price that is no higher than that between the price of the last independent transaction and the

price of the highest independent offer currently on the computerised Stock Exchange managed by Borsa Italiana.

The purchase transactions are carried out while observing article 2357 and the following ones of the Italian Civil Code, article 132 of the Legislative Decree 58/98, article 144, part two, of the Consob (Italian SEC) Regulations that actuates the Legislative Decree of 24th February 1998, n° 58, concerning the disciplining of the Issuers and any other applicable law, rule or regulation including those referred to in the Directive 2003/6 and the relative executive measures both EU and Italian.

From the date of the Shareholders' Meeting until today there have been no purchases of the company's own shares. Therefore, on 22nd March 2011, the company holds 44,825,500 of its own shares in its portfolio, amounting to 3.795% of the Share Capital.

Management and coordination activities (as per article 2497 and the following ones of the Italian Civil Code)

Mediaset S.p.A. is subject to the de facto control of Fininvest S.p.A., because that company holds 38.980% of its Share Capital. On 4th May 2004 Fininvest S.p.A. communicated to Mediaset that it does not carry out any management and coordination activities, as per article 2497 and the following ones of the Italian Civil Code, regarding Mediaset. The Company took the communication of Fininvest S.p.A. into consideration at the Board of Directors Meeting of 11th May 2004. What has been declared by Fininvest is continuously confirmed by the fact that Mediaset S.p.A. defines its own strategies independently and that it has total organisational, operational and transactional autonomy, not being subject to absolutely any directional or coordinating actions by Fininvest, regarding its own business activities. Specifically, Fininvest does not issue any directives to Mediaset nor does it carry out any technical, administrative or financial support or coordination activities on behalf of Mediaset and its subsidiaries

Mediaset S.p.A. currently exercises management and coordination activities, pursuant to article 2497 and the following ones of the Italian Civil Code, over the following companies within the Mediaset Group: Digitalia '08 S.r.l., Elettronica Industriale S.p.A., Med Due S.r.l., Media Shopping S.p.A, Mediaset Investimenti S.p.A., Medusa Film S.p.A., Promo Service Italia S.r.l., Publitalia '80 S.p.A., R.T.I. S.p.A., Taodue S.r.l., Video Time S.p.A. and X Content S.r.l., in liquidation.

3. COMPLIANCE

The Board of Directors of Mediaset S.p.A., from March 2000, decided to put in place the measures contained in the SEC Code. The Board of Directors Meeting of 1st March 2007, taking into account the relative legislative and regulatory context and the organisational structure of the Mediaset Group, approved the updating of the Mediaset Code and, in fact, taking into it the standards contained in the new SEC Code of March 2006. The company has continued, over time, to update its own system of corporate governance to align it with best domestic and international practices regarding it, with the recommendations of the SEC Code and with the regulatory measures that have been introduced from time to time, keeping the shareholders and the stock market informed on a yearly basis.

The subsidiary company Gestelevision Telecinco S.A., quoted on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia and on the Spanish Computerised Stock Exchange, and its subsidiary companies, is subject to Spanish Law and the Spanish corporate governance system.

4. THE BOARD OF DIRECTORS

4.1 NOMINATIONS AND REPLACEMENT

The nominations and the replacements of the Directors are regulated by article 17 of the Articles of Incorporation, which is given in Attachment A to this Report.

It is underlined that, based on the Articles of Incorporation that are currently in force, they only have the right to present the lists of candidates those shareholders who have voting rights and who, either alone or together with other shareholders, represent at least 2.5% of the part of the Share Capital that is made up of shares with voting rights in the Ordinary Shareholders' Meeting, or any different percentage that is laid down by the relative legal measures that are currently in force and which, from time to time, will be communicated in the Notice calling the Shareholders' Meeting held to pass resolutions regarding the nomination of the Board of Directors. It is highlighted that pursuant to article 144, part four, and article 144, part seven, of the Issuers' Regulations, as well as the Consob (Italian SEC) Resolution n° 16779/2009, the shareholding percentage required for the presentation of the list of candidates for membership of the Board of Directors at the Shareholders' Meeting of 22nd April 2009 was 1.5%.

Furthermore, it is pointed out that Mediaset, apart from what is laid down by the CFA, the Issuers Regulations and the Mediaset Code, is not subject to any other legislation, rules and regulations regarding the membership of the Board of Directors.

4.2 MEMBERSHIP

Article 17 of the Articles of Incorporation lays down that the Company be administered by a Board of Directors consisting of five to twenty one Directors.

The Shareholders' Meeting, with its resolution passed on 22nd April 2009, fixed the number of the Board members at fifteen.

The following persons were elected as members of the Board of Directors:

Fedele Confalonieri, Pier Silvio Berlusconi, Giuliano Adreani, Mauro Crippa, Marco Giordani, Gina Nieri, Niccolo' Querci, Marina Berlusconi, Pasquale Cannatelli, Bruno Ermolli, Alfredo Messina, Paolo Andrea Colombo, Carlo Secchi, Attilio Ventura, Luigi Fausti (resigned on 1st March 2011).

The members of the Board of Directors were elected with 566,281,745 favourable votes or 91.5% of the voting Share Capital, which is 618,859,052 shares or 52.39% of the total Share Capital.

At the Shareholders' Meeting of 22nd April 2009 there was only presented one list of candidates for positions as Directors by the shareholder Fininvest S.p.A., with a shareholding amounting to 38.62% of the Share Capital, and broken down as follows: Fedele Confalonieri, Pier Silvio Berlusconi, Giuliano Adreani, Mauro Crippa, Marco Giordani, Gina Nieri, Niccolo' Querci, Marina Berlusconi, Pasquale Cannatelli, Bruno Ermolli, Alfredo Messina, Paolo Andrea Colombo, Carlo Secchi, Independent Director, Attilio Ventura, Independent Director, Luigi Fausti, Independent Director and Danilo Pellegrino.

Together with the list there was also deposited, for each individual candidate, all the necessary documentation that is laid down by law, by the relative regulations and by the Articles of Incorporation for the members of the per Board of Directors.

The makeup of the list also takes into account the view expressed by the company regarding the maximum accumulation of administration and control offices pursuant to the Mediaset Code.

The personal and professional characteristics of each individual Director are given in Attachment B to this Report.

Also, relative to what is laid down by the Mediaset Code and based on the information supplied by the parties involved there are given, in the Attachment C to this Report, the memberships of the Board of Directors and of the Committees and the offices held by the current members of the Board of Directors in companies quoted on regulated stock markets, also foreign ones and in financial, banking and insurance companies, or those of relevant dimensions, with the exception of those held in subsidiary companies of Mediaset S.p.A. or in those that it participates in, as well as further information relative to the same persons.

The Board of Directors Meeting of 1st March accepted the resignation from his position as a Director, for health reasons, of the Independent Director Luigi Fausti.

The Board of Directors Meeting of 22nd March 2011, nominated by cooption, pursuant to article 2386 of the Italian Civil Code and the Articles of Incorporation, to replace Dr. Luigi Fausti, Dr. Michele Perini as a non-executive Independent Director and who shall remain in office until the next Shareholders' Meeting. The Board of Directors evaluated the independence of this director based on the information supplied to it. DR. Michele Perini was found to possess the independence requisites as per article 148, paragraph 3, of the Consolidated Finance Act and those laid down by the Mediaset Code. Dr. Michele Perini's curriculum vitae can be viewed on the company's website.

There are no succession plans for the Directors.

The maximum accumulation of the offices held in other companies

In observance of the measures laid down in the Mediaset Code, the Board of Directors, in its meeting of 11th March 2008, expressed the following views regarding the accumulation of the offices of Director and/or Statutory Auditor:

- An Executive Director must not hold any of the following positions:

I. The office of Executive Director in any other quoted company, either Italian or foreign, or in a finance, banking or insurance company, or in a large sized one, i.e. with a Net Equity of more than 10 Billion Euros, and

II. The office of Non Executive Director or Statutory Auditor, or that of a member of another controls body, in more than five quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than 10 Billion Euros.

- A Non Executive Director must not hold any of the following:

I. The office of Executive Director in more than three quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than 10 Billion Euros and the office of Non Executive Director or Statutory Auditor, or that of a member of another controls body, in more than five quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than 10 Billion Euros, or

II. The office of Non Executive Director or Statutory Auditor, or that of a member of another controls body, in more than ten quoted companies, either Italian or foreign, or in finance, banking or insurance companies, or in any large sized ones, i.e. those with a Net Equity of more than 10 Billion Euros.

The acceptance of any office, for all the Directors of the company, requires their prior evaluation of their possibility of being able to dedicate the time that is actually necessary in order to be able to diligently carry out the high level tasks entrusted to them and fulfil the consequent responsibilities. This means taking into account, among other things, also the number of the offices of Director and/or of Statutory Director that is held by them in other quoted companies in regulated stock markets, also foreign ones, and in finance, banking or insurance companies, or in any large sized ones.

There remain excluded from the accumulation limit the offices held in Mediaset and in companies of the Mediaset Group.

In the case where the above limits are passed the Directors involved must speedily inform the Board, which will evaluate the situation in the light of the company's interests and will ask the Director involved to make the consequent decisions.

The Board of Directors picks up yearly, based on the information supplied to it by each individual Director, or on other information in its possession, and inserts into the Report on Corporate Governance the offices of Director and/or Statutory Auditor that are held in the aforesaid companies.

4.3. THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is the collegiate body of the company that administers it, playing a central role in the context of the company's organisation and it heads the functions and the responsibility for the strategic and organisational direction of the company, as well as checking on the existence of the controls that are necessary in order to be able to monitor the progress of the company and the Group. The system used for the delegation of powers is such as to maintain, within the context of the company's business and organisation, the central role played by the Board of Directors. The Board of Directors has the powers laid down by law and by article 23 of the Articles of Incorporation. The Board of Directors, pursuant to the Articles of Incorporation, can nominate one or more Vice Chairmen and delegate to one or more of its own members, also with the position of Managing Director, all or part of its own powers, except for what is laid down in article 2381 of the Italian Civil Code and in article 23 of the Articles of Incorporation, as well as being able to nominate an Executive Committee to which it can delegate its own powers, except for those which are reserved solely for the Board itself.

Furthermore, the Board of Directors can set up other Committees that can also consist of persons who are not Board members, setting their tasks, powers, compensation, if any, and establishing their membership and functioning methodologies.

The Board meets with regular periodicity, observing the legal due dates and a working calendar and it organises itself in such a way as to ensure that its functions are carried out effectively and efficiently.

During the financial year 2010, the Board of Directors met ten times. The average length of each meeting is about 2 hours. The participation percentage of the Directors during the financial year, on a total basis, was 90% and the independent Directors have ensured an average overall

presence of about 80%. The participation percentage of each individual Director at the Board Meetings is shown in the Attachment C to this Report.

For the year 2011 four Board of Directors Meetings have been planned, and communicated to the market, for the approval of the periodic accounting data and, as of today, two of them have been held already.

The speediness and completeness of the pre-meeting information is ensured by the Chairman by means of the distribution to the Directors, in the days immediately before the date fixed for the Board Meeting, of the documentation relative to the matters contained in the Agenda, in order to enable the interested parties to be informed about the Agenda items and to have useful elements that will enable them to participate effectively in the work of the Board.

The Chairman favours the participation in the Board Meetings of the company executives who are responsible for the competent company functions so that they can supply the appropriate in-depth information for the purpose of giving the Directors a fully detailed understanding of the items on the Agenda.

During 2010, the Board has carried out the activities that fall within its competencies and this has continued in 2011, specifically concerning the following:

It has examined and approved the strategic, industrial and financing plans of the company and the group it heads, the company's corporate governance and the group's structure.

It has evaluated the adequacy of the organisational, administrative and general accounting set-ups of the company and of those subsidiary companies that have strategic relevance, with particular reference to the internal controls system and to the proper managing of conflicts of interest. These evaluations, which had a positive outcome, were supported by specific explanatory reports, relative to the different operational and control structures of the companies, drawn up under the care of the delegated bodies.

It has positively evaluated the general progress of operations, taking into consideration, specifically, the information received from the Executive Committee, from the Chairman, from the Vice Chairman, from the Managing Director and from the Internal Controls Committee, as well as periodically comparing the actual results with the planned ones.

It has examined and approved in advance all those operations that have outstanding strategic, economic, equity and financial significance for the company and the subsidiary companies and, specifically, those with related parties.

It approved the necessary changes to update the Articles of Incorporation for the imperative measures of the Legislative Decree number 27 of 27th January 2010 concerning the governing of shareholders' rights.

In conformity with what is laid down by the Related Parties Regulations it put in place the procedure that establishes the rules for the identification, the approval, the execution and the publishing of the transactions with related parties carried out by with Mediaset S.p.A., whether directly or through subsidiary companies.

It has evaluated, during the meeting of 22nd March 2010, in light of the reports received from the parties entrusted with overseeing the internal controls system and from the Internal Controls Committee that the internal controls system is suitable, appropriate, operational and effective.

Self-assessment of the Board of Directors

The Board of Directors, taking into account the positive experience of the previous years, also set in motion, for the financial year 2010 the self-assessment process called Board Performance Evaluation entrusting, as usual, the Corporate Governance Committee to set up and drive the process.

This process, which was introduced starting from 2006 and carried out yearly has enabled the checking on the dimensions and functioning of the Board on an overall basis and also of its Committees and to be able to evaluate its contributions to the Board of Directors own activities.

Also for the year 2010, the Corporate Governance Committee has confirmed the usage of the methodology used by the company in the previous financial year for carrying out the board performance evaluation. This methodology was validated by a specialised consultancy company. In its Report to the Board, the Committee suggested continuing with the use of a list of questions to be submitted to the Directors in order to facilitate the self-assessment process.

The Board of Directors, in its meeting of 21st December 2010, carried out the self-assessment process availing itself of a list of questions distributed to each individual Director concerning the following: (i) the structure, membership, role and responsibility of the Board; (II) how the Board Meetings proceed, the relative information flows and the decisional processes employed; (III) the functioning and membership of the Committees set up within the Board.

From the relative debate, in which there were involved absolutely all of the Directors, there emerged, yet again, a positive picture in terms of the effectiveness and the efficiency of the work carried out by both the Board and the Committees. Specifically, from among the most positive aspects, there are highlighted the following ones:

- That there is an extremely constructive climate existing within the Board of Directors, which favours very open debate that respects the contribution of each individual Director and tends to converge towards decisions featuring an ample consensus.
- The decisional process within the context of the Board was fed by information flows that were considered by all the interested parties to be speedy and effective and were the subjects of punctual Minutes.
- The structure of the Board of Directors and the number of its meetings were considered to be adequate. Regarding the committees' set up within the Board of Directors itself, there emerge a very broad agreement regarding their role, the effectiveness of their activities and the appropriateness and adequacy of their relative memberships. Specifically, it is confirmed that the activities of the Board of Directors are carried out in conformity with the recommendations contained in the Code.

Specifically, the Directors have expressed their appreciation for the work encounters that have taken place with the top management of the company, which were aimed at gaining in depth knowledge of the different business sectors within which the group operates. The Directors, having valued as positive the activities undertaken, suggested, to carry out the programme for 2011 regarding the new technologies of business and the recent acquisitions in relation to the enlargement of the competitive scenarios. The Chairman and the Executive Directors accepted this proposal favourably.

4.4 DELEGATED BODIES

The Chairman

Traditionally, the Chairman is nominated by the Shareholders' Meeting. The Shareholders' Meeting of 22nd April 2009 confirmed Fedele Confalonieri as Chairman of the company.

The Board of Directors, in the meeting of 23rd April 2009, confirmed that the Chairman had all the powers of ordinary and extraordinary administration of the company, within the maximum value limit of 13,000,000.00 Euros for each individual operation, but with the exception of those operations that fall, exclusively, within the competencies of the Board of Directors and the Executive Committee. Pursuant to the Articles of Incorporation, the Chairman has the legal representation of the company.

The Board members are obliged to know the tasks and the responsibilities that are inherent to the office they hold. The Chairman shall take care to ensure that the Board is constantly updated on the main legislative and regulatory changes that affect the company also with the cooperation and support of the Director of Company Affairs and the Secretary of the Board of Directors.

The Chairman coordinates the activities of the Board of Directors and manages the Board Meeting. It is up to the Chairman, or to the person who acts in his place, to call and convene the Board Meetings.

The Vice Chairman

The Board of Directors, in the meeting of 23rd April 2009, confirmed Pier Silvio Berlusconi as Vice Chairman, conferring upon him all the powers of ordinary and extraordinary administration of the company, within the maximum value limit of 10,000,000.00 Euros for each individual operation, but with the exception of those operations that fall, exclusively, within the competencies of the Board of Directors and the Executive Committee. Pursuant to the Articles of Incorporation, the Vice Chairman has the legal representation of the company. The Vice Chairman replaces the Chairman, with legal representation of the company, in the case of his absence or impediment. The actual exercising of the power of legal representation of the company by the Vice Chairman attests, of itself, to the absence or impediment of the Chairman and it exonerates all third parties from the necessity of any ascertainment or responsibility regarding this fact. The Managing Director

The Board of Directors, in the meeting of 23rd April 2009, Giuliano Adreani as Managing Director, conferring upon him all the powers of ordinary administration of the company within the maximum value limit of 5,000,000.00 Euros for each individual operation, but with the exception of those operations that fall, exclusively, within the competencies of the Board of Directors and the Executive Committee. Pursuant to the Articles of Incorporation, the Managing Director has the legal representation of the company.

The Board of Directors believes that giving the above mandates to the Chairman, the Vice Chairman and the Managing Director is the best response to the needs for organisational efficiency.

Executive Committee

The Board of Directors, in the meeting of 23rd April 2009, nominated the Executive Committee, consisting of four members who will remain in office for the same time period as that of the mandate of the Board of Directors and calling to take part in it the Chairman Fedele Confalonieri, the Vice Chairman Pier Silvio Berlusconi and the Managing Director Giuliano Adreani, as members by right pursuant to the Articles of Incorporation, as well as the Director Gina Nieri.

The Board of Directors has given the Executive Committee all the powers of ordinary and extraordinary administration of the company, within the maximum value limit of 130,000,000.00

Euros for each individual operation, but with the exception of those operations that fall, exclusively, within the competencies of the Board of Directors.

During 2010 the Executive Committee met nine times. The average duration of the meetings of the Executive Committee is about 1 hour. The percentage participation of each individual Director at the meetings of the Committee is shown in the Attachment C to this Report. Eight meetings were planned for the year 2011 of which two have taken place up till now

Informational documents to the Board

There are assured, during the Board Meetings, the presence of ample in depth explanations and an exhaustive treatment of all the relative items, in order to enable the Directors to make a knowledgeable decision regarding the matters discussed.

Delegated activities are the constant subject of informational documents supplied to the Board of Directors and the Board of Statutory Auditors by the delegated bodies at the time of the Board Meetings, following the methodologies laid down by the Mediaset Code, by the Articles of Incorporation and by the relative legislative and regulatory measures currently in force

At the time of the first useful Board Meeting the Chairman, the Vice Chairman, the Managing Director, the Executive Committee, the Directors with special assignments and, more in general, delegated bodies report to the Board of Directors and to the Board of Statutory Auditors on the progress status of the projects that have been entrusted to them and of the activities carried out while exercising the mandates that were given to them, as laid down in the Articles of Incorporation.

4.5. OTHER EXECUTIVE DIRECTORS

As well as the Chairman, the Vice Chairman and the Managing Director, there are another four Executive Directors, who are listed below, who are members of the Board:

- *Mauro Crippa* - Director General of Information of Mediaset S.p.A.
- *Marco Giordani* - Chief Financial Officer of Mediaset S.p.A.
- Managing Director of R.T.I. S.p.A.
- *Gina Nieri* - Director of the Institutional, Legal and Strategic Analyses Affairs of Mediaset S.p.A.
- Vice Chairman of R.T.I. S.p.A.
- *Niccolò Querci* - Central Personnel and Organisation Director of Mediaset S.p.A.,
- Vice Chairman and Managing Director for Human Resources of R.T.I. S.p.A.
- Vice Chairman Publitalia 80 S.p.A.

4.6. INDEPENDENT DIRECTORS

The Directors Paolo Andrea Colombo, Carlo Secchi and Attilio Ventura, as well as was the Director Luigi Fausti for his whole period in office, are in possession of the requisites of independence as specified by law, article 148 of the CFA and by the Mediaset Code as is shown in the Attachment C to this Report.

Each Independent Director has taken the commitment to speedily communicate to the Board of Directors any situations that arise and make the requisites in question disappear.

The Board of Directors evaluates the independence of its non-executive members, looking more at the substance involved than the mere form and bearing in mind that a Director does not normally appear to be independent, in the hypotheses laid down in article 3) of the Mediaset Code.

As far as the relative skills are concerned, it is highlighted that the Board has believed it opportune to add some further criteria laying down that the Independent Directors are required to have an adequate knowledge of the economic environment and of the business of the company and that, preferably, they should have skills within environments and/or sectors that are the same or similar to those in which the company carries out its business activities such as, for example, the following:

- Within the television area, either public and/or private, or in that of cinema.
- Within the Media and telecommunications sector.
- Within the field of advertising and marketing.
- Within that of University lecturing in Italian and/or foreign Universities, in subjects that are pertinent to the Group's core business or in economics, finance, law/accounting and in the science and techniques of communications.
- Within the financial sector.

The Board of Directors evaluates the independence of the Directors periodically, also with the support of the Corporate Governance Committee.

The Corporate Governance Committee has supported the Board of Directors in evaluating the permanency of the independency requisites of the Independent Directors, which evaluation was attested to in the Board of Directors Meeting of 22nd June 2010.

The Board of Statutory Auditors, in the meeting of 3rd December 2010, checked on the correct application of the criteria and the ascertainment procedures used by the Board of Directors in order to evaluate the independence of the Directors in question.

The number and the skills of the Independent Directors are suitable and appropriate for both the dimensions of the Board and the activities carried out by Mediaset and they are such as to enable the setting up of the Committees within the Board of Directors and regarding which there will be given ample explanations in the remaining part of this report.

For the purpose of enabling the Independent Directors to effectively play their role, as well as the Chairman who operates so that the Board, on a total basis, is constantly updated regarding all the main legislative and regulatory changes that appertain to the company, there are periodically organised specific meetings of the Independent Directors with the Chief Financial Officer and the management of Mediaset and its subsidiary companies so that they may have a vision of the structure of the whole Group, a knowledge of its business and be able to go into depth on specific economic/financial matters. The members of the also Board of Statutory Auditors also habitually take part in these encounters.

The Independent Directors, together with the Board of Statutory Auditors, assisted by the Secretary of the Board, have taken part in a number of initiatives aimed at making them highly knowledgeable regarding the main aspects of the company's total situation and to increase their knowledge of the company's dynamics such as business, organisation, technology and the market.

Specifically, it is highlighted that during 2010, the Independent Directors have gone into depth with the Management of the advertising concessionaire company Publitalia '80 and its subsidiary companies Digitalia '80 and Publieurope regarding the company missions, the characteristics of the pertinent business areas and the main characteristics of the advertising market.

The Independent Directors met among themselves, without any of the other Directors, once during the year, on 19th may 2010. At that meeting the Independent Directors dealt with themes regarding corporate governance and, specifically, as usual, they went into depth regarding the fundamental aspects of the economics of the Group, they followed the process of Self-assessment of the Board of Directors, they looked at the evolution of the legislative aspects and the legal and regulatory frame of reference and they went into depth regarding strategic aspects and critical matters and subjects.

The presence of the majority of the Independent Directors, inside of the Committees set up within the Board of Directors, enhances the constant ongoing exchange of opinions and information that takes place between them.

4.7 LEAD INDEPENDENT DIRECTOR

The Board of Directors has decided not to follow the recommendation of Borsa Italiana to create the position of a "Lead Independent Director", because there do not exist the prerequisites for the nomination of one.

It is highlighted that the current structure of corporate governance fully guarantees, as of now, not only constant flows of information to all of the Directors, both executive and non-executive, as well as independent and non independent, but also a very wide ranging proactive and prepositional involvement in the overall management and operations of the company.

5. TREATMENT OF COMPANY INFORMATION

Privileged information

In 2006 the Board of Directors approved the updated version of the organisational guideline of the Mediaset Group called "Management and communication of privileged information", which regulates the internal management and the communication to the public of privileged information, as well as putting in place and continuous updating of the "Register of the persons who have access to privileged information", i.e. the Insider Register, which is referred to in article 115, part two, of the CFA. For privileged information there is meant every piece of information not in the public domain and of a precise nature, which, if it is rendered public, could significantly impact the prices of the financial instruments.

The aforesaid guideline is applicable to the members of the company bodies and the employees of Mediaset S.p.A. and its subsidiary companies that have access to relevant and/or privileged information, with the exception of the quoted company Gestelevision Telecinco S.A. and its subsidiary companies in consideration of the fact that Gestelevision Telecinco is obliged by law to keep its own specific Insider Register, to fulfil the connected obligations and to communicate the privileged information to the Spanish market, pursuant to all the relative legislation, rules and regulations that are currently in force in that country.

Pursuant to the Mediaset Code the Chairman, the Vice Chairman and the Managing Director, in coordination between themselves, take care to ensure that all the company information is correctly managed.

The Directors and the Statutory Auditors of Mediaset and, in general, all the other addressees of the aforesaid guideline are bound to keep strictly confidential all the documents and the information that they acquire while carrying out their assigned tasks, with particular reference to privileged information.

The communications to the relative authorities and to the public are carried out within the timeframes and with the methodologies that are contained in the relative legislation, rules and regulations that are currently in force, observing proper informational parity and what is laid down by the guideline.

The company has distributed the procedure to its own personnel and to that of its subsidiary companies.

The Chief Financial Officer of Mediaset S.p.A., assigned to do so by the Board of Directors, constantly monitors the application of the procedure and its update status, also in the light of the relative current best practices regarding this matter, for the purpose of ascertaining its effectiveness.

The Insider Register consists of those persons who, because of their working or professional activities, or because of the functions they carry out or the offices they hold, have access to important and/or privileged information of the company and of its subsidiary companies.

The setting up, managing and keeping of the Insider Register is regulated by the organisational guideline called "Management and communication of privileged information".

The company has also identified the Assignee for the keeping and managing of the Insider Register as being the Company Affairs Directorate of Mediaset S.p.A..

Internal dealing

Following the acceptance and application in Italy of the EU Directive "Market Abuse", with the law number 62/2005 and the adoption by Consob (Italian SEC), with its resolution number 15232 of 29 November 2005, of the new Issuers' Regulations, there was introduced, at legislative level, the obligation to communicate to the public and to Consob those operations, which are carried out by relevant persons and by persons strictly linked to them, regarding the financial instruments of the company. The new measures came into force on 1st April 2006. Therefore, starting from that date, the regulating of internal dealing dealt with by Mediaset S.p.A. with its own Code of Behaviour ceased.

The Board of Directors has actuated the relative legal obligations and done the following:

- Identified the Assignee for the receipt, managing and diffusion of the communications to the market. For the Mediaset Group this party has been identified as the Company Affairs Directorate of Mediaset S.p.A..
 - Identified those relevant subsidiary companies the accounting book value of the holding in which represents more than 50% of the Balance Sheet assets of Mediaset S.p.A. as this results from the last approved set of Financial Statements.
 - Put in place a procedure aimed at monitoring the condition of relevancy of its own subsidiary companies and identified, among its own company executives, the persons obliged to issue the relative communications.
 - Given the necessary information to the identified persons that their identification has taken place and regarding the connected obligations.
-

In conformity with what has been recommended by Consob (Italian SEC) the company has created, within its own website, a specific section called "Market Abuse".

6. COMMITTEES WITHIN THE BOARD

Pursuant to the Articles of Incorporation, the Board of Directors can set up Committees, also consisting of persons who are not members of the Board, setting their tasks, powers, compensation and establishing their membership. The Committees, if they are also composed of persons who are not members of the Board, only have consultation powers

Following the renewal of the Board of Directors, which took place with the Shareholders' Meeting of 22nd April 2009, the Board, on 23 April 2009, set up, within itself, a Corporate Governance Committee, an Internal Controls Committee and a Compensation Committee, with proposal and consultative functions.

The Committees, who report punctually at Board Meetings regarding their activities, have their own sets of functioning regulations and meetings calendars laid down for the current financial year.

The setting up and function of the Committees within the Board of Directors responds to the criteria laid down by the Mediaset Code, i.e. membership, Minutes of the meetings, company information flows, the possibility of availing themselves of the services of external consultants and the participation at the meetings of persons who are not members, at the invitation of the Committee, with reference to specific Agenda items.

6- PART TWO, CORPORATE GOVERNANCE COMMITTEE

The Board of Directors Meeting of 23rd April 2009 nominated the Corporate Governance Committee, constituted in 2006, consisting of three Non-executive and Independent Directors, who shall remain in office until the mandate of the whole Board of Directors expires, calling upon the following persons to be its members:

Attilio Ventura	Chairman – Independent Director
Paolo Andrea Colombo	Independent Director
Carlo Secchi	Independent Director

During 2010 the Corporate Governance Committee met seven times. The average duration of each meeting was about an hour. The percentage participation of each individual Director at the Committee meetings is given in the Attachment C to this Report. For the year 2011 five meetings were planned, of which two have been held.

There have usually participated at the Committee meetings the Chairman of the Board of Statutory Auditors, or another member of the Board of Statutory Auditors and there were invited to take part, through the Secretary of the Committee, the managers of specific company functions and external consultants in order to illustrate some particular themes.

The functions of the Corporate Governance Committee

The Board of Directors has given the Corporate Governance Committee the competencies laid down by the Mediaset Code and, specifically, it carries out the following tasks:

- It evaluates the Self Regulating Code of the company, containing the standards of corporate governance, which the Board of Directors follows in the fulfilment of its own competencies, and it formulates any eventual proposals regarding these matters.

- It sets in motion the requests and the tasks issued by the Board of Directors, particularly relative to the updating of the Self Regulating Code put in place by the company.
- It assists and supports the Board in evaluating the permanency of the independence requisites of the Independent Directors.

During 2010 the Committee has carried out the activities that fall within its competencies and this has continued in 2011. Specifically, it has done the following:

- Examined the “Annual Report of the Board of Directors on Corporate Governance relative to the financial year 2009”.
- Constantly monitored the application status of the Self Regulating Code of the company, put in place in March 2008. Specifically, it examined and carried out the first considerations regarding the new article 7 of the SEC Code regarding the compensation of the Directors and of the company executives with strategic responsibilities.
- Supported the Board in the yearly evaluation of the independence of its own Directors.
- Elaborated the themes and the methodologies of the Self-assessment of the Board of Directors.
- Examined, assigned by the Board of Directors, the “Procedure for transactions with related parties”, which was drawn up pursuant to the Consob related parties Regulations and it issued its own professional opinion, pursuant to the Regulations referred to.
- Examined the “Annual Report of the Board of Directors on Corporate Governance relative to the financial year 2009”.

The Committee has put in place its own set of functioning regulations and for all the meetings referred to above regular Minutes have been produced. There is present at these meeting the Manager of the Company Affairs Directorate who has been confirmed as the Secretary of the Committee. The Secretary, in agreement with the Chairman of the Committee, in the days before the meetings sends the members of the Corporate Governance Committee all the documentation available, at that time, as support for dealing with the relative Agenda items.

The Corporate Governance Committee has a financing availability of 100 thousand Euros per annum for the expenses linked to fulfilling its tasks.

The members of the Committee receive a presence fee, for participating in each meeting, for the amount that was fixed by the Shareholders' Meeting of 22nd April 2009.

7. NOMINATIONS COMMITTEE

The Board of Directors has considered that it was not necessary to set up a Nominations Committee within itself because of the fact that there is already laid down by the Articles of Incorporation of the company the lists vote for the nominations to the Board of Directors and the Board of Statutory Auditors.

8. COMPENSATION COMMITTEE

The Board of Directors Meeting of 23rd April 2009 nominated the Compensation Committee, constituted in 2006, consisting of three Non-executive Directors, the majority of whom are independent, who shall remain in office until the mandate of the whole Board of Directors expires, calling upon the following persons to be its members:

Bruno Ermolli	Chairman – Non executive Director
Paolo Andrea Colombo	Independent Director
Attilio Ventura	Independent Director

No interested Director has taken part in the meetings of the Compensation Committee, during

which there were formulated the proposals to be made to the Board of Directors regarding his own compensation.

During 2010 the Compensation Committee met five times. The average duration of each meeting is more than one hour. The percentage participation of each individual Director at the Committee meetings is shown in the Attachment C to this Report. For the financial year 2011 six meetings have been planned and one of them has already taken place.

The Chairman of the Board of Statutory Auditors, or his designated replacement, has participated in the Committee meetings and there has been present a Secretary chosen, from time to time, by the Chairman.

Functions of the Compensation Committee

The Board of Directors has given the Compensation Committee the competencies laid down by the Self Regulating Code of the company. Specifically, the Committee formulates proposals it presents to the Board of Directors and it expresses its periodic evaluations regarding the following:

- The compensation of the Directors who hold particular offices within Mediaset S.p.A., also laying down that a part of it be linked to the financial results achieved by the company and/or the achievement of other specific objectives.
- The general criteria regarding the compensation of the executives of the Mediaset Group, i.e. fixed/variable split, the reference parameters for MbO (Management by Objectives) and the valuation and regulating criteria for the emoluments/compensation relative to offices held within the companies of the Group.
- The criteria, the beneficiary categories, the quantities, terms, conditions and methodologies involved in the stock option plans.

During 2010 the Committee has carried out the activities that fall within its competencies and this has continued in 2011. Specifically, it has done the following:

- Carried out in depth investigations into the whole system of incentives and gaining the loyalty of the Executive Directors and company executives.
- Prepared the proposal for the assignment of the option rights for the financial year 2010, relative to the 2009-2011 plan, indicating the categories of the beneficiaries, the respective areas that they belong to and the quantities of options attributable divided by ranges.
- In the light of the new legislation and regulations regarding compensation (Article 7 Stock Exchange Code, Consob Regulation number 17221 of 12th March 2010, European Community Law 20096) it carried out further in depth investigations regarding incentives and gaining loyalty for the financial year 2011. Regarding this it examined the domestic and European compensation benchmarks regarding the Executive Directors. It gave the assignment to the Hay Group to carry out benchmarking activities regarding the Directors compensation.
- It carried out an exchange of information with the Compensation Committee of the subsidiary company Gestelevision Telecinco, specifically focused on the general criteria of the Group's compensation policy.

The Committee has put in place its own set of functioning Regulations and for all the aforesaid meetings regular Minutes have been produced.

The Compensation Committee has financing availability of 200 thousand Euros per annum for the expenses linked to the fulfilling of its tasks.

The members of the Committee receive a presence fee, for participating in each meeting, for the amount that was fixed by the Shareholders' Meeting of 22nd April 2009.

9. COMPENSATION OF THE DIRECTORS

The compensation of the Directors is set at a level that is sufficient to attract, retain and motivate Directors who have all the professional skills and qualities that are required in order to successfully manage the company.

The compensation of the Executive Directors is articulated in such a way as to align their own interests with the pursuit of the priority objective of the creation of value for the shareholders within a medium/long-term timeframe.

The compensation of the Non-executive Directors is in line with the commitment that is asked for from each individual one of them, also taking into account whether they participate in one, or more, Committees. The Shareholders' Meeting of 22nd April 2009 passed a resolution fixing the overall total gross yearly emoluments due to the Board of Directors at the amount of 248,000.00 Euros to be split in the following manner:

- To the Chairman 24,000.00 Euros.
- To each one of the other Directors 16,000.00.

They have the faculty of being able to draw upon it, during the year, in a number of instalments.

The same Shareholders' Meeting passed a resolution to pay the Directors a presence fee of 1,000.00 Euros gross, increased by 50% for the Chairman, for taking part in each individual meeting of both the Board of Directors and of the Committees nominated by the Board.

Further information regarding the compensation of the Directors is given in the Explanatory Notes to the Financial Statements of the company.

Stock Option Plan 2009/2011 (Shareholders' Meeting of 22nd April 2009)

The Shareholders' Meeting of 22nd April 2009, also taking into account the experience gained with previous Plans, decided it opportune to promote the creation of a Stock Option Plan, for the purpose of gaining and maintaining fidelity and making the participants in the plan also participants in the added value of the company.

The aforesaid Shareholders' Meeting approved the setting up of Stock Option Plan based on the company's own shares, with a duration of three years, starting from 2009, allocated to the Directors, to the employees, i.e. executives, journalists, managers of organisational units and similar persons, and to the collaborators of the company and of its subsidiaries, who are identified under the care of the Board of Directors from among those key people, who carry out functions relevant for the achievement of the strategic results of the Group.

Therefore, the Shareholders' Meeting has entrusted to the Board of Directors the management of the Stock Option Plan 2009/2011 with the most wide ranging powers for the identification of the participants, for fixing the performance objectives, for the assignment of option rights and for the realisation of the Plan in absolutely all of its aspects. Specifically, the Board of Directors, regarding the financial year 2010, has done the following:

- Identified the number of assignees as 49 employees, between executives and journalists.

- Assigned the total overall number of 3,420,000 option rights, which are personal and not transferable, amounting to 0.29% of the Share Capital of the company.
- Defined, as the criterion for setting the exercising price of the options, the value of the ordinary shares of Mediaset coming from the arithmetical average of the reference prices recorded by Borsa Italiana S.p.A., within the period between the date of assignment and the same day of the preceding calendar month, in conformity with the relative fiscal legislation that is currently in force. Therefore, the exercising unit price equals 4.92 Euros.
- Identified, as conditions for being able to exercise the options, the achievement of the company performance parameters of an economic/financial nature and on a yearly basis of “ROE” (Return On Equity) and “Free Cash Flow”. The two performance goals were given a weight of 50% each so that if only one of the goals is achieved the options will be assigned according to a quantitative scale that is commensurate with the level achieved regarding each individual goal. That these exercising conditions have, in fact, taken place will be checked by the Board, within the first half-year of the following financial year from that of the assignment of the Options, which means within the first half-year of 2010.
- Established that the options assigned for the year 2010 can only be exercised after the period of 36 months from the date of their assignment, subject to the fact that there actually do exist the aforesaid conditions for being able to exercise. Therefore, the exercising period will start from 23rd June 2013 and it will end on 22nd June 2016.

Further information regarding all the Stock Option Plans is given in the Explanatory Notes to the Financial Statements of the company.

In the case of the dissolution of an employment relationship, whether employee or not, for voluntary resignation, or termination for just cause, or for any subjectively justified reason the plan assignees lose all their relative rights. In the case of the dissolution of an employment relationship, whether employee or not, for different reasons that those referred to above the Board of Directors shall, from time to time, decide upon what system is applicable to the options that are exercisable at that date.

10. INTERNAL CONTROLS COMMITTEE

The Board of Directors Meeting of 23rd April 2009 nominated the Internal Controls Committee, constituted in 2006, consisting of three Non-executive Directors, who are experts in accounting and financial matters and the majority of whom are independent, who will remain in office until the mandate of the whole Board of Directors expires and calling upon the following persons to form part of it:

Carlo Secchi	Chairman – Independent Director
Alfredo Messina	Non executive Director
Attilio Ventura	Independent Director

During 2010 nine meetings of the Internal Controls Committee were held in which, at the invitation of the Committee itself and regarding individual items contained in the Agenda, there participated and presented reports persons who are not members of it and, specifically, according to their respective competencies, the Internal Controls Manager, the Surveillance and Control Body, the Assigned Executive, persons from the External Auditing Company, the managers of specific company functions of the company and/or of the Group, as well as, where this was considered to be opportune, outside consultants. The average duration of each meeting was about two hours. Eight meetings have been planned for the financial year 2011.

Usually the whole Board of Statutory Auditors participates in the Committee Meetings.

The percentage participation of each individual Director at the Committee Meetings is shown in the Attachment C to this Report.

Functions of the Internal Controls Committee

The Internal Controls Committee, as well as assisting the Board of Directors in carrying out the tasks that have been entrusted to this latter regarding internal controls matters, which are referred to in article 10.5 of the Self Regulating Code of the company, exercises the functions that are listed in the SEC Code.

During the financial year 2010 the Committee held a total of nine meetings during which it did the following:

- It took into account the informational document relative the “Mediatrade” criminal law proceedings.
- It took into account the “Work Plan for the year 2010” prepared by the Internal Controls Manager and the relative Periodic Reports regarding the “Internal Controls System of the Mediaset Group”.
- It examined and judged positive the “Work Plan 2009/2010” and the “Audit Plan 2010” of the Auditing Company Reconta Ernst & Young S.p.A.
- It examined the “Letter of Suggestions” prepared and presented by the Auditing Company Reconta Ernst & Young S.p.A. and judged positive the findings that were made and the relative suggestions, as well as the actions that were finalised and/or have been undertaken by the company in order to actuate them.
- It took into account the “Audit Plan 2010” of the Spanish subsidiary company Gestevisión Telecinco S.A. and the updates on the audit activities that were carried out during 2010. Specifically, the company, during the financial year has carried out the activities pursuant to the Law 262/05 and the “Telecinco – Cuatro” due diligence that was foreseen in the context of the agreement between the company itself and Promotora De Informaciones S.A. (Prisa).
- It evaluated, together with the Company Executive responsible for the drafting of the company’s accounting documents, with the Auditing Company Reconta Ernst & Young S.p.A. and with the Board of Statutory Auditors, the accounting standards applied in the Mediaset Group and their homogeneousness for the purposes of the drafting of the Consolidated Financial Statements, believing them to be properly and correctly applied.
- It took into account the updates of the activities carried out by the Company Executive responsible for the drafting of the company’s accounting documents for the purpose of issuing the attestation relative to the Company Financial Statements and the Consolidated Financial Statements at 31st December 2006 that is asked for by article 154, part two, paragraph 5 of the CFA.
- It took into account the new legislation introduced with the Legislative Decree 36/2010 regarding the legal auditing of accounts. Regarding this matter the Committee stated that the current functioning of the Committee itself that foresees the participation at its meetings of the Board of Statutory Auditors was well set up. This participation actually

takes place at each and every meeting, thus highly favouring coordination regarding all matters of common interest.

- It took into account the issue of the Regulations regarding transactions with related parties by Consob (Italian SEC) and the relative and constant updates supplied by the company regarding the preparation and adoption of the “Procedure for transactions with related parties”.
- It took into account the periodic updates of the “Rights Suppliers List”, which is prepared and presented by the Rights Management Department of RTI S.p.A., for the purposes of the completion of the company procedure for the planning, the acquisition and the managing of the rights, judging them to be positive.
- It took into account the periodic Reports prepared and presented by the Internal Audit Department.
- It took into account the update on the progress status of the project called Quality Assurance Review (QAR) contained in the Internal Auditing Department’s activities. The project is forecasted to be finalised within the financial year 2011.
- It took into account the periodic Reports prepared and presented by the Surveillance and Controls Body of Mediaset regarding the outcome of the checks that were carried out and the initiatives that were undertaken, pursuant to the Legislative Decree 231/01.
- It took into account the annual update by the Risk Officer regarding the evaluation and the methodologies of managing the main company, strategic and process risks of the Mediaset Group according to the “Enterprise Risk Management” methodology.

Lastly, the Board of Directors asked for the support of the Internal Controls Committee in the examination of some transactions with related parties for the purpose of being able to formulate an opinion regarding the financial conditions, and/or the executive methodologies, and/or any of the technical aspects, and/or regarding the legitimacy of the transactions themselves. Regarding this the Committee, after having carried out all the necessary, and/or opportune in depth investigations formulated and then expressed to the Committee its favourable opinion regarding the finalising of the aforesaid transactions. The examination was carried out in order to observe the contents of “The Guidelines regarding significant operations and transactions with related parties” of the Mediaset Group, approved on 185th December 2007, which is still in force in 2010.

During the opening months of 2011 its activities continued and, specifically, there were held two meetings during which the Internal Controls Committee did the following:

- It took into account the “Audit Plan 2010” of the of the Spanish subsidiary company Gestevisión Telecinco S.A.
- It examined and judged positive the “Work Plan 2010/2011” of the Auditing Company Reconta Ernst & Young S.p.A.
- It examined the request for the addition to the fees for the accounting audit of Mediaset S.p.A. for the period from 2010 to 2016 asked for by Reconta Ernst & Young S.p.A. and judged them to be acceptable.
- It expressed its favourable opinion regarding the changes made to the “Policy for managing the financial risk” of the Mediaset Group.

- It took into account the “Work Plan for the year 2011” prepared by the Internal Controls Manager.
- It took into account the “Actual Results of the Audit Plan 2010” prepared and presented by the Internal Audit Department.
- It took into account the update of the activities carried out by the Assigned Executive for the drafting of the company’s accounting documents as per Law 262/2005 regarding the safeguarding of Savings, for the purpose of issuing the Attestation regarding the Yearly Financial Statements and the Consolidated Financial Statements at 31st December 2010 laid down by article 154, second part, paragraph 5, of the Consolidated Finance Act.
- It evaluated, together with the Assigned Executive for the drafting of the company’s accounting documents, with the auditing company Reconta Ernst & Young S.p.A. and with the Board of Statutory Auditors, the accounting standards applied within the Mediaset Group and their homogeneousness for the purpose of drafting the Consolidated Financial Statements, judging them to have been correctly applied.
- It took into account the Report prepared by the Internal Controls Manager regarding the Internal Controls System of the Mediaset Group relative to the financial year 2010.

During the activities described above and based on the reports it received from the Internal Controls Manager the Committee has judged the internal controls system to be suitable and appropriate.

Furthermore, the Committee, in the light of the checks that were carried out by the same Internal Controls Manager, on the ‘Policy for the management of the internal controls system’ adopted by the Executive Director based on the guidelines issued by the Board of Directors in the meeting of 28th June 2007, proposed to the Board of Directors that it should evaluate, pursuant to the Self Regulating Code, the internal controls system as being both operational and effective.

The Committee, as has already been said, has put in place its own set of functioning regulations and all the aforesaid meetings have been the subjects of regular Minutes. At the meetings there is present the manager of the Company Affairs Directorate who holds the office of Secretary of the Committee. The Secretary, in agreement with the Chairman of the Committee, in the days preceding the meetings, sees to it that there is sent to the members of the Internal Controls Committee all the documentation available at that time as support for dealing with the items contained in the Agenda.

In carrying out its functions the Internal Controls Committee has had complete access to all the information and functions of the company and/or of the Group that were necessary for its purposes and/or it has availed itself of the services of outside consultants.

The Internal Controls Committee has been given the financing availability of 350 thousand Euros per annum for the expenses for fulfilling its tasks.

The members of the Committee receive a presence fee, for participating in each meeting, for the amount that was fixed by the Shareholders’ Meeting of 22nd April 2009.

II. INTERNAL CONTROLS SYSTEM

The internal controls system is made up of an ensemble of rules, procedures and organisational structures aimed at enabling, through using a suitable and appropriate process of identification,

measurement, management and monitoring of the main risks, the healthy and correct running of the enterprise that is also coherent with its forecasted objectives.

According to what is laid down by the Mediaset Code, the Board of Directors, with the assistance of the Internal Controls Committee does the following:

- a) Defines the guidelines of the internal controls system, in such a way that the main risks that could impact the company and its subsidiaries are correctly identified, as well as being properly measured, managed and monitored, while also calculating the criteria of compatibility of these risks with a healthy, proper and correct management of the enterprise.
- b) Identifies an Executive Director assigned to oversee the functionality of the internal controls system.
- c) Evaluates, at least yearly, the adequacy, effectiveness and the actual functioning of the internal controls system.
- d) Describes, relative to corporate governance, the essential elements of the internal controls system, expressing its own evaluation regarding its overall adequacy.

Furthermore, the Board of Directors exercises its own functions relative to the internal controls system taking into proper consideration the reference models and the best practices that exist in both a domestic and international context. Specific attention has been focused on the organisational and managerial models that have been put in place pursuant to the Legislative Decree 231/2001.

As laid down by article 10.5 a) of the Mediaset Code, the Board of Directors, with the favourable opinion of the Internal Controls Committee, define during the meeting of 28th June 2007 the guidelines of the internal controls system in such a way that the main risks that could impact the company and its subsidiaries are correctly identified, as well as being properly measured, managed and monitored, while also calculating the criteria of compatibility of these risks with a healthy, proper and correct management of the enterprise.

These Guidelines, that identify the Enterprise Risk Management Framework as the reference model for presiding over the internal controls system, have been actuated, by the Executive Director, in the "Policy for the management of the internal controls system", which defines the main methodological aspects linked to the management of risks, as well as the roles, responsibilities and main activities linked to risk management.

According to the Enterprise Risk Management methodology, the internal controls system is traced down starting from the definition of the company's strategy. The company's objectives are taken into consideration by the methodology according to the following categories:

- Strategic objectives: high-level objectives that are aligned with and support the company's mission.
- Operational objectives: objectives that are linked to the efficient and effect use of resources.
- Reporting objectives: objectives that are linked to the trustworthiness of the company's internal and external reporting.
- Compliance objectives: objectives that are linked to conformity with the applicable laws and regulations.

The internal controls system of the Mediaset Group is able to identify and measure the main company risks that could undermine the achievement of the objectives that have been defined

above, taking into account the specific characteristics of the business activities that are carried out by Mediaset S.p.A. and by its subsidiary companies, based on the following criteria:

- The nature of the risk, with reference to the risks of a strategic, operational, reporting and compliance nature.
- The possibility of the risk to prejudice the ability to achieve the company's objectives.
- The organisation's ability to properly manage the identified risk.

The correct and proper monitoring of the company's risks is carried out through checking on the suitability of the internal controls system to deliver an acceptable overall risk profile. Specifically, the internal controls system of the Mediaset Group foresees the following:

- The systematic monitoring by management of the main company risks, which is aimed at the identification and implementation of eventual corrections to be made to the existing controls processes and procedures.
- Doing periodic independent checks on the adequacy and effectiveness of the internal controls system, as well as the speedy activating of specific corrective interventions in those cases where weaknesses in it are flagged.
- Rules for reporting on the adequacy and effectiveness of the internal controls system.
- For this purpose, the Executive Director takes care of the managing of the internal controls system of the Mediaset Group in order that it is suitable to do the following:
 - To speedily react to significant risk situations, foreseeing that adequate control overviews are in place.
 - To ensure, within the context of company processes and procedures, a suitable level of separation between the operational and control functions, thus avoiding that conflicts of interest arise regarding the assigned competencies.
 - To ensure, within the context of the operational and administrative/accounting activities, the use of systems and procedures that guarantee the accurate recording of company phenomena and of the operational facts, as well as the putting in place of trustworthy, dependable and timely informational flows both inside and outside of the Group;
 - To put in place methodologies for the speedy communication of the significant risks and of the control anomalies that emerge to appropriate levels within the Group, thus enable the identification and the speedy carrying out of the necessary corrective actions.

With particular reference to the financial information systems, **below there is given the description of the risks management system and the internal controls inherent to it pursuant to article 123, part two, paragraph 2, letter b) of the CFA.**

Main characteristics of the existing risks management and internal controls systems in relation to the financial informational system

The System of risk management and internal controls relative to the financial informational process ⁽²⁾, developed within the Mediaset Group, is aimed at guaranteeing the dependability, accuracy, trustworthiness and speediness of the supply of financial information.

² For financial informational process, as examples, reference should be made to: periodic accounting information, yearly and half-yearly financial report, interim operational statement, also consolidated, continuous informational disclosures and press releases.

Mediaset, in defining its own system has aligned itself with the existing indications given in the reference legislation and regulations in force.

Because the reference legislation and regulations do not explicitly establish specific criteria for the design, planning, implementation, evaluation and monitoring of the Risks Management and Internal Controls System relative to the process of financial informational documentation, Mediaset applies a model that is universally recognised as being among the most highly regarded ones, the CoSO (Committee of Sponsoring Organizations) Framework.

Furthermore, the implementation of the System has taken into account the guidelines supplied by some category bodies regarding the activities of the Assigned Executive such as the Italian Confederation of Industry and the National Association of Finance and Administration Managers (Confindustria and Andaf).

Article 154, part two, of the CFA laid down that that there be introduced, within the company organisation of companies that issue shares on regulated markets, the position of the Assigned Executive, to whom there are given specific responsibilities regarding the company's informational documentation. The Assigned Executive, among his other activities is responsible, in cooperation with the functions involved, for the putting in place adequate administration and accounting procedures for the preparation of the Yearly Financial Statements, of the Consolidated Financial Statements and of the Half-Yearly Financial Statements, as well as any other information supplied to the market and relative to accounting informational documentation, and for the issuing of the specific attestations.

The Assigned Executive, in order to fulfil the requirements laid down by the legislation and regulations, avails himself of a company structure that has been specifically set up. This structure's role is to support the Assigned Executive in designing, implementing and maintaining adequate administrative and accounting procedures aimed at the drafting of the Yearly Financial Statements and of the Consolidated Financial Statements and supplying the Assigned Executive with the elements in order to be able to evaluate their adequacy and effective functioning.

The Assigned Executive's support structure, in its turn, cooperates with the process owners for the speedy identification of any events that can impact or change the frame of reference, for the updating of the administrative and accounting procedures, for the implementation of new controls and the carrying out of any improvement plans within their own processes.

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The Internal Auditing Department periodically carries out independent checks on the adequacy and effective functioning of the controls model used by the company in order to properly observe the requisites identified by the Law for Safeguarding Savings relative to the fulfilment of obligations related to the position of Assigned Executive.

The Risks Management and Internal Controls System relative to the financial informational documentation process is basically an ensemble of administrative and accounting procedures and of evaluation tools regarding their adequacy and effective functioning, that contribute to form an internal controls model that is maintained, updated over time and, where there are identified concrete opportunities for rationalisation and optimisation, developed further.

The model contains three analyses points:

- a) The definition of the analysis context with the identification and evaluation of the risks.
- b) The findings and documentation of the controls.
- c) The evaluation of the adequacy and the effective application of the administrative and accounting procedures and the relative controls.

a) The definition of the analysis context with the identification and evaluation of the risks

For the purpose of determining and planning the activities of checking on the adequacy and the effective application of the administrative and accounting procedures of the Group, the definition of the analysis context describes the path that must be followed in determining the level of complexity, for the identification and evaluation of the risks and for evaluating the materiality of the various areas of the Financial Statements. This path is aimed at evaluating the controls on the transactions generated by those company processes that feed the accounting data and their transposition into the financial reporting.

The identification of significant processes that are representative of the business takes place through a quantitative analysis of the items in the Financial Statements, applying the concept of materiality on the aggregated items contained in the Consolidated Financial Statements of the Mediaset Group and a qualitative analysis of the process based on their level of complexity.

For each process that has been identified as relevant there are then defined the “generic ” risks of untrustworthiness of the inherent in the process itself, making reference to the, so-called, Financial Statements assertions, i.e. existence and occurrence, completeness, rights and obligations valuation and recording, presentation and informational documentation, which constitute the controls objectives.

The Assigned Executive reviews the definition of the reference context at least yearly and whenever there show themselves any elements that can change the analysis that has been carried out in a relevant manner.

b) The findings and documentation of the controls

The identification of the controls takes place through the process of putting in place the administrative and accounting procedures and these answer different control assertions ⁽³⁾

The controls that have been identified are formalised within a specific matrix called the “Risks and Controls Matrix” in the area of the administrative and accounting procedures. This matrix is the detailed document within which there are identified the “generic” risks of untrustworthiness relative to the Financial Reporting and the “specific” controls that have been identified and applied when carrying out the activities.

The administrative and accounting procedures and the relative controls are periodically monitored and updated through a process that involves the Assigned Executive, his support structure and the process owners. Specifically, the process owners communicate, on a regular basis, to the Assigned Executive's support structure the events that can impact and change the frame of reference of the relevant processes and, each year, the Assigned Executive's support structure go through and

³ The reference control assertions are:

accuracy: the control ensures that all the details of the individual transaction have been properly processed

completeness: the control ensures that all the transactions are processed and that they are only processed once.

validity: the control ensures that the processed transaction is subject to appropriate and proper authorisation levels and that it is actually pertinent to the reality of the company.

restricted access: the control ensures that all access to information and transactions is properly configured in function of the roles and responsibilities that are recognised by the company.

validate the whole controls model, involving all the process owners in the revisiting of the process that fall within their competencies.

c) The evaluation of the adequacy and of the effective application of the administrative and accounting procedures and of the relative controls

The evaluation of the adequacy and the effective application of the administrative and accounting procedures, carried out through specific testing activities is aimed at ensuring that both the design and the operational ability of the identified controls are valid.

The Mediaset Group has put in place a testing strategy, which is basically the definition of the approach and the criteria used for carrying out these tests and consist of the periodicity of the analyses, the sizing of the sample, the types of tests to carry out, the formalising of the tests that have been carried out and the information flows for communicating the outcomes of the tests that were made.

Test activities are carried out for the purpose of guaranteeing the effective application of the controls put in place in observance of the defined testing strategy. Each test, with its relative outcome, is documented through formalising of a test sheet and the filing of the documentary evidence gathered.

On a six-monthly basis the Assigned Executive's support structure prepares a report in which there are explained the activities carried out and the outcomes of the tests made.

Based on the result of the testing the Assigned Executive, with the cooperation of his support structure, defines a remedial plan for the purpose of rectifying any deficiencies that can have a negative impact on the effectiveness on the Risks Management and Internal Controls System relative to the financial informational documentation.

The Assigned Executive's support structure, in cooperation with the process owners for their respective competency areas, has the task of coordinating the carrying out of any improvement plans and ensuring that they are correctly implemented.

At least yearly, the Assigned Executive reports to the Internal Controls Committee, to Board of Statutory Auditors and reports to the Internal Controls Manager and to the company's Surveillance Bodies of the Mediaset Group, with reference to the methodologies with which there has been conducted the evaluation of the adequacy and the effective application of the controls and the administrative/accounting procedures, as well as on the observance of the defined remedial plans and he expresses his valuation regarding the adequacy of the accounting and administrative controls systems.

11.1. THE EXECUTIVE DIRECTOR ENTRUSTED TO OVERSEE THE FUNCTIONALITY OF THE INTERNAL CONTROLS SYSTEM

The Board of Directors, following its renewal, in its meeting of 23rd April 2009, with the favourable opinion of the Internal Controls Committee, confirmed the Chairman, already nominated in 2007, as the Executive Director assigned to supervising the function of the internal controls system.

The Executive Director has done the following during 2010:

- Set in motion the guidelines issued by the Board of Directors.
- Overseen the adapting of this system to the dynamics of the operational conditions and to the relative legislative and regulatory situations.

- Taken care of the identification of the main company risks, i.e. strategic, operational, financial and of compliance, taking into account the characteristics of the company's and its subsidiaries' business activities, following the definition by the Board of Directors of the guidelines of the internal controls system.

The analyses and evaluation of the main business processes and those of business support, with the involvement of the management of the Group, of the Internal Auditing Department and the Risk Officer has enabled, the ability to express an overall evaluation regarding the state of the internal controls system and was finalised with the presentation at the Board of Directors Meeting of 21st December 2010 of the specific Report by the Executive Director.

11.2. INTERNAL CONTROLS MANAGER

The Board of Directors in the meeting of 23rd April 2009, confirmed, as Internal Controls Manager, Mr. Aldo Tani, Manager of the Internal Auditing Department of the Mediaset Group, based on the proposal of the Executive Director and with the favourable opinion of the Internal Controls Committee, following what is laid down by the Mediaset Code. Mr. Aldo Tani, Manager of the Internal Auditing Department of the Mediaset Group until July 2010 has kept the position of Internal Controls Manager.

Pursuant to article 13 of the Mediaset Code, the Internal Controls Manager:

- a) Is entrusted with checking that the internal controls system is always adequate, fully operational and functioning.
- b) Is not responsible for any operational area, whatsoever, and does not hierarchically depend on any manager of operational areas, whomsoever.
- c) Has direct access to all the information that is useful for carrying out his assignment.
- d) Has available all the adequate means in order to be able to carry out the function assigned to him.
- e) Reports, regarding his work, to the Internal Controls Committee, to the Board of Statutory Auditors and to Executive Director. Specifically, he reports regarding the methodologies with which the management of the risks is conducted, as well as on the observance of the plans defined for limiting them and expresses his evaluation on the suitability of the internal controls system to achieve an acceptable overall total risk profile.

There have not been specifically quantified the financial resources to be made available to the Internal Controls Manager for carrying out the tasks related to his position, because he avails himself of the resources of the Internal Auditing Department for carrying out the relative activities.

In support of his technical opinion expressed regarding the adequacy of the internal controls system, the Internal Controls Manager shares and agrees the following in advance:

- The findings from the Audit Plan with the Internal Auditing Department.
- The results of the evaluation and management of the risks with the Risk Officer and the Assigned Executive, for the purpose of identifying the main company risk areas.

The Internal Controls Manager also maintains periodic information flows with the company personnel, bodies and structures that have the function of surveillance or monitoring of the internal controls system such as, for example, the Assigned Executive, the external auditing

company, the Board of Statutory Auditors and the Surveillance and Control Bodies as per the Legislative Decree 231 /01, regarding the individual responsibilities of each one of them.

The Internal Controls Manager, Internal Auditing and the External Auditing Company have completely free access to the data, documentation and information that is necessary and useful for carrying out their activities.

11.3. THE ORGANISATIONAL MODEL as per the Legislative Decree 231 /2001

The system of the Organisation, Management and Control Model, pursuant to the Legislative Decree 231/2001, approved by the Board of Directors of Mediaset S.p.A. on 29th July 2003 and afterwards added to following the evolution of the relative legislation and regulations, the last addition being made with the resolution passed by the Board of Directors Meeting of 21st December 2010.

With the putting in place of its own Organisational Model, understood as being an ensemble of rules of a general and operational nature, Mediaset S.p.A. set itself the goal of furnishing itself with an overall complex of behavioural principles, as well as of procedures, which responds to the purposes and prescriptions of the Legislative Decree 231/01, both in terms of the prevention of offences and illegal administrative acts as well as in terms of the control of the its actuation and the eventual issuing of sanctions.

The Organisational Model, in fact, is made up of an organic ensemble of principles, standards, rules, measures and organisational frameworks relative to the management and control of the company's activities and consists, among other things, of an illustrative summary document, containing all the general rules and regulations suitable for preventing the committing of the illegal actions that are referred to by the Legislative Decree 231/01.

The updates of the Organisational Model have mainly taken into account the legislative innovations that occur from time to time, as well as the progressive juridical interventions regarding the organisational, management and controls models.

Surveillance and Controls Body

The Surveillance and Controls Body nominated by the Board of Directors Meeting of 23rd April 2009, subject to the prior ascertainment of the existence of the prerequisites of honourableness, the same as those that are asked for from the Directors of the company, and of the professionalism that is suitable and appropriate for the role to be played and the exemption for reasons of incompatibility and due to conflicts of interest with other company functions and/or assignments that are such as to undermine the freedom of action and judgement, its mandate will expire at the approval of the Financial Statements at 31 December 2011. It consists of three members who are the following persons:

Sergio Beretta	Chairman – External consultant
Aldo Tani	Person in charge for internal control
Michele Pirootta	External consultant

In carrying out its activities the Surveillance and Controls Body under its direct surveillance and responsibility is mainly supported by the Internal Auditing Department and it can avail itself, where necessary, of the support of other company functions or of that of external consultants.

The Surveillance and Controls Body carries out the tasks and exercises the powers laid down in the Model.

For the purpose of fulfilling its own responsibilities the Surveillance and Controls Body can, at any time whatsoever, within the context of its own independence and discretionary faculties, go ahead with checks regarding the application of the Model and of the procedures that are linked to it and these checks can be carried out singly by each individual one of its members.

Based on the checks carried out the Surveillance and Controls Body also has the task of highlighting to the company whether it is opportune to go ahead with the relative adjustments and updates of the Organisational Model and/or of the relative procedures as a consequence of legislative and regulatory and/or organisational changes that have taken place, where there have been significant violations of the prescriptions laid down by the Organisational Model and/or of the company procedures that are linked to it, or when there has been ascertained the existence of new areas of activity that are at risk. By means of successive follow-up activities, the Surveillance and Controls Body then satisfies itself that any recommended corrective actions have actually been carried out by the competent functions of the company.

During 2010 the Surveillance and Controls Body met 8 times has reported, half-yearly, to the Board of Directors, the Internal Controls Committee and the Board of Statutory Auditors of the company.

Similar initiatives of updating and implementing their own Organisational Models have been put in place by the subsidiary companies.

11.4. THE EXTERNAL AUDITING COMPANY

The Shareholders' Meeting of 16th April 2008 entrusted the auditing company Reconta Ernst & Young S.p.A. with the audit of the Yearly and Consolidated Financial Statements, as well as the limited accounting review of the Half-Yearly Financial Statements for the financial years 2008/2016, pursuant to the combination of measures laid down by articles 156 to 159 of the CFA. The Financial Statements of the subsidiary companies are subject to accounting audits which have been entrusted to Reconta Ernst & Young S.p.A.

11.5. THE ASSIGNED EXECUTIVE FOR THE DRAFTING OF THE COMPANY'S ACCOUNTING DOCUMENTS

Pursuant to article 28 of the Articles of Incorporation and article 154, part two, of the CFA, the Board of Directors Meeting of 23rd April 2009 has confirmed, subject to the prior ascertainment of the requisites laid down by the Articles of Incorporation and by Law, Mr. Andrea Goretti, previously nominated in 2007, who is the Manager of the Foreign Holdings Administration and Controls Department of the company, as the Assigned Executive who shall hold the position until the Shareholders' Meeting that approves the Financial Statements for the year ended at 31 December 2011.

The Assigned Executive has been given all the powers and the responsibilities for carrying out the assignment and the relative tasks established by article 154, part two, of the CFA.

For the financial year 2010 the Assigned Executive, availing himself of the services of the Risk Office function, which was assisted by outside consultants, actuated, relative to the main processes within the operating companies of the Group, the activities laid down for the evaluation, updating and documentation of the internal controls system for the purposes of the Law 262/05.

Specifically, the following were carried out:

- The identification and evaluation of the company processes and of the relative risks.

- The updating, where necessary following the evolution of the operational methodologies of the Group, of the processes and of the controls found during prior years.
- The analysis of the adequacy of controls that have been put in place relative to the administrative/accounting and financial aspects of the company.
- The carrying out of the tests and the relative documentation of the controls for checking on the administrative/accounting procedures.
- The formalising of the remediation plan aimed at removing any deficiencies in the controls.
- The monitoring of the state of the defined remediation activities and the definite and testing of the relative controls activities that have been implemented.

To the Yearly Financial Statements 2010 and the Consolidated Financial Statements 2010 of the company there were attached the attestations, stated according to the model that is laid down by the Consob (Italian SEC) regulations, regarding the adequacy and the effective application of the procedures, as well as the fact that they truly reflect the contents of the accounting books and postings and their suitability and to provide a true and fair view of the Balance Sheet, Income Statement and Financial situations of the company and of the whole group of the enterprises that are included in the consolidation, signed by the Assigned Executive and by the Chairman of the company.

It is to be remembered that, pursuant to the Mediaset Code, the Assigned Executive evaluates, together with the Internal Controls Committee and with the auditors, the correct usage of the accounting standards and, in the case of the group, their homogeneity for the purpose of drawing up the Consolidated Financial Statements, an activity that is physically carried out during the first few opening months of each financial year.

The Board of Directors, in the meeting of 22nd June 2010, within the limits of the budget approved by the Board itself, gave the Assigned Executive available financing of the amount of 400,000 Euros for the expenses for fulfilling his tasks.

12. INTERESTS OF THE DIRECTORS AND TRANSACTIONS WITH CORRELATED PARTIES

Procedure for the transactions with related parties

The Board of Directors Meeting of 9th November 2010 approved the “Procedure for the transactions with related parties” in actuation of what is laid down in the “Regulations containing measures for transactions with related parties” adopted by Consob (Italian SEC) with its resolution number 17221 of 12th March 2010, as afterwards modified with its resolution number 17389 of 23rd June 2010.

The Procedure was submitted for the prior examination of the of the Governance Committee that gave its unanimous favourable opinion on it on 4th November 2010. The Board of Directors Meeting of 29th July 2010 had already conferred upon that Committee the mandate to express its prior opinion at the time of the adoption of the procedure. The Board of Directors Meeting of 9th November 2010 created the Committee of Independents, consisting only of Independent Directors.

The Procedure, applicable from 1st January 2011 and viewable on the website, sets the rules for the identification, approval, execution and publishing of the transactions with related parties carried out by Mediaset S.p.A., either directly or through subsidiary companies, for the purpose of

ensuring both the substantial and procedural transparency and correctness of the transactions themselves, as well as the cases of exclusion from the application of these rules.

The Procedure identified the following categories of transactions of major and minor relevance establishing the rules for carrying them out and identifying the transactions to which the foregoing rules are not applied. Among the operations excluded there are, specifically, the minimal transactions those with a total value of less than 500,000.00 Euros. The transactions with, or between subsidiary and affiliated companies and the normal transactions.

The Procedure adopted has replaced, with effect from the date of its entry into force, the “Guidelines relative to significantly big transactions and those with related parties”, which was adopted by the Board of Directors on 18th December 2007.

Committee of Independents

The Committee of Independents consists of three non-executive and independent Directors, who remain in office until the mandate of the whole Board of Directors expires:

Attilio Ventura	Chairman – Independent Director
Paolo Andrea Colombo	Independent Director
Carlo Secchi	Independent Director

The Committee of Independents carries out the tasks laid down by the Related Parties Regulations and by the procedure. Specifically, with regards to the transactions of minor relevance it expresses non-binding opinions while for those of major relevance it expresses binding opinions.

During 2010, the Committee of Independents met once in order to approve its own functional regulations. The percentage participation of each individual Director at the Committee meetings is given in Attachment C to this Report. In 2011 one meeting was held during which the Committee examined and gave its favourable opinion on the changes to the Articles of Incorporation, consequent to the introduction of the Procedure.

The Board of Directors, in its meeting of 9th November 2010, within the limits of the budget approved by the Board itself, gave the Committee of Independents financial availability of 100 thousand Euros per annum for the expenses linked to the fulfilment of its tasks and duties.

The members of the Committee receive a presence fee for their attendance at each individual meeting for the amount that was approved by the Shareholders' Meeting of 22nd April 2009.

Directors having interests

Before dealing with the subject, the Director must give exhaustive information, to the other Directors and to the Board of Statutory Auditors of any interest, even a potential one, which, on his own behalf or that of third parties, independently of any situation of conflict regarding it, that he has in a specific transaction of the company detailing its nature, terms, origin and dimensions. If the Director involved is a Managing Director, he must also abstain from carrying out the transaction.

13. NOMINATION OF THE STATUTORY AUDITORS

The nomination of the statutory Auditors is governed by article 27 of the Articles of Incorporation given in Attachment D to this Report.

The Shareholders' Meeting elects the Board of Statutory Auditors, consisting of three Active Statutory Auditors and two Substitute Statutory Auditors, who remain in office for three financial

years, and whose mandates expire with the Shareholders' Meeting called to approve the Financial Statements relative to the third financial year of their period of office and they can be re-elected.

All the Statutory Auditors must be inscribed in the Register of Accounting Auditors set up within the Ministry of Justice and must have carried out the legal auditing of accounts for a period of not less than three years.

Furthermore, the Statutory Auditors must possess the necessary requisites laid down by the relative legislation and regulations that are currently in force and the Board of Directors must ascertain that these actually exist.

It is underlined that, based on the contents of the Articles of Incorporation that are currently in force, there have the right to present the lists of candidates those shareholders who have voting rights and who, either on their own or together, are totally the owners of the shareholding asked for by the Articles of Incorporation for the presentation of the lists regarding the nomination of the members of the Board of Directors. Regarding this it is highlighted that, pursuant to the Consob (Italian SEC) Resolution, n° 16319/2008, the percentage shareholding required for the presentation of lists of candidates for membership of the Board of Statutory Auditors at the Shareholders' Meeting of 16th April 2008 was 1%. Article 144, part six, of the Issuers Regulations, lays down that whenever, 25 days before the one fixed for the Shareholders' Meeting, only one list is presented, other lists can be presented until the third day after that date. In this case the thresholds are reduced to half.

14. STATUTORY AUDITORS

The Board of Statutory Auditors, pursuant to article 149 of the CFA watches over the observance of the relative legislation and the contents of the Articles of Incorporation, over the observance of the principles of a correct and proper administration, over the appropriateness of the organisational structure of the company for all the aspects that fall within its own competencies, over the internal controls system and the administrative/accounting system, as well as regarding the dependability and trustworthiness of this latter in correctly recording and present operations. It watches over the methodologies of the practical actuation of the rules of corporate governance laid down by the behavioural codes drawn up by companies that manage regulated markets, or issued by category associations, regarding which the company, through its public disclosures, declares its observance and also regarding the appropriateness and adequacy of the measures imparted by the company to its subsidiary companies. Furthermore, the Legislative Decree of 27th January 2010 number 39 assigned the Board of Statutory Auditors specific tasks of surveillance regarding the following matters:

- a) The financial informational process.
- b) The effectiveness of the systems of internal controls, of internal auditing, if applicable, and that of risk management. The legal audit of the annual accounts and the consolidated accounts.
- c) The independence of the legal auditor or of the company that carries out the legal audit.

The Board of Statutory Auditors was nominated by the Shareholders' Meeting of 16th April 2008 and its mandate will expire with the Shareholders' Meeting called to approve the Financial Statements for the year closed at 31 December 2010 and it consists of the following persons: Alberto Giussani, Silvio Bianchi Martini, Francesco Vittadini, Antonio Marchesi and Mario d'Onofrio. Attachment E to this Report gives the membership of the Board of Statutory Auditors.

The Chairman of the Board of Statutory Auditors is Alberto Giussani, listed at first place in the minority list.

The nomination takes place through the mechanism of list voting. At the Shareholders' Meeting of 16th April two lists were presented. The first by the shareholder Fininvest S.p.A. with a holding amounting to 37.04% of the Share Capital, consisting of the candidates Francesco Vittadini, Silvio Bianchi Martini and Ezio Maria Simonelli to the office of Active Statutory Auditors and Antonio Marchesi and Giancarlo Povoleri to the office of Substitute Statutory Auditor. According to article 144, part six, of the Issuers Regulations, a second list was deposited by the shareholders ⁽⁴⁾ who owned, on a total basis 0.56 % of the Share Capital. The list consisted of the candidates Alberto Giussani to the office of Active Statutory Auditor and Mario d'Onofrio to the office of Substitute Statutory Auditor.

Together with the lists there was deposited, for each individual candidate, all the documentation laid down by the relative legislation and regulations and by the Articles of Incorporation for the of the Board of Statutory Auditors. For the list presented by the minority shareholders there was also deposited the declaration attesting the absence of any linking relationships with the relative majority shareholder Fininvest S.p.A.

The curricula vitae of the Board of Statutory Auditors can be consulted on the company's website and are given in Attachment F to this.

No change in the current membership of the Board of Statutory Auditors has taken place since the closing date of the financial year.

During 2010 fifteen meetings of the Board of Statutory Auditors were held. The average duration of each meeting was about 1 hour. For the year 2011 about 14 meetings were planned and, as of today, 2 have been held.

On 3rd December 2010 the Board of Statutory Auditors, in observance of the Mediaset Code, aimed at ensuring that the Statutory Auditors had the necessary independence requisites, among other things, also evaluated the continuance of the requisites of independence of its members and it checked on the correct application of the criteria and the ascertainment procedures used by the Board to evaluate the independence of the Directors.

Before the Board Meetings the Statutory Auditors are supplied with the documentation regarding the matters to be evaluated and resolved upon.

It also watched over the independence of the external auditing company, checking both the observance of the relative legislative measures and the nature and entity of the different services supplied to Mediaset and its subsidiary companies by the same external auditing company and by the entities belonging to retail. Regarding this the Board of Statutory Auditors had no findings that required to be highlighted.

The Statutory Auditor who, on his own behalf or on that of third parties, has an interest in a specific transaction of the company must speedily and exhaustively inform the other Statutory

⁴ Arca S.G.R. S.p.A. (Rubrica Fondo Azioni Italia -Rubrica Fondo Arca Bb), UBI Pramerica S.G.R. S.p.A. (Ubi Pramerica Azioni Italia -Capitalgest Italia), Monte Paschi Asset Management S.G.R. S.p.A. (Ducato Geo Italia), Eurizon Investimenti S.G.R. S.p.A. (Nextra Azioni Italia), Pioneer Investment Management S.G.R. S.p.A. (Pioneer Azionario Crescita), Pioneer Asset Management S.A. (Pioneer Asset Management SA), Eurizon Capital S.G.R. S.p.A. (Eurizon Capital Sgr Sanpaolo Azioni Italia -Eurizon Capital Sgr Sanpaolo Italian Equity Risk -Eurizon Capital Sgr Sanpaolo Opportunità Italia -Eurizon Capital Sgr Sanpaolo Euro Eurizon Capital Sgr Sanpaolo Soluzione 3 -Eurizon Capital Sgr Sanpaolo Soluzione 4 -Eurizon Capital Sgr Sanpaolo Soluzione 5 -Eurizon Capital Sgr Sanpaolo Soluzione 6 -Eurizon Capital Sgr Sanpaolo Soluzione 7), Eurizon Capital S.A. (Eurizon Easy Fund Equity Italy -Eurizon Easy Fund Equity Euro -Eurizon Easy Fund Equity Europe -Eurizon Easy Fund Equity Media), Fideuram Gestions S.A. (Fonditalia Global -Fonditalia Euro T.M.T. -Fideuram Fund Europe Listed Consumer Discretionary Equity) and Interfund Sicav (Interfund Equity Europe Interfund Equity Europe Consumer Discretionary)

Auditors the Chairman of the Board of Directors regarding the nature, terms, origin and dimensions of his interest.

Regarding the necessary requisites of the members of the Board of Statutory Auditors, it is highlighted that the current Board of Statutory Auditors possesses all the necessary legal requisites.

The Board of Statutory Auditors, in carrying out its own activities, also worked in coordination with the Internal Audit Function and it also coordinated with the Internal Controls Committee, taking part in the Committee's meetings.

15. RELATIONS WITH THE SHAREHOLDERS

On the company's website there can be found both the information of an economic/financial nature such as Financial Statements, Half-Yearly and Quarterly Reports, presentations to the financial community and the trend of the Stock Exchange transactions involving the financial instruments issued by the company and the data and documents that are of interest to all the shareholders such as press releases, the membership of the Bodies and Committees of the company, the Articles of Incorporation of the company, the Regulations of the Shareholders' Meetings and the Minutes of the Shareholders' Meetings, as well as documents and information regarding corporate governance and the organisational model, pursuant to the Legislative Decree N° 231/2001.

For the purpose of putting in place a continuous ongoing relationship with the shareholders based on the understanding of their reciprocal roles, the Board of Directors of Mediaset has identified, in the person of the Chief Financial Officer of the Group, Marco Giordani, who reports directly to the Chairman of the company, the Manager entrusted with managing the relations with the shareholders.

For this purpose the Chief Financial Officer avails himself of the services of the following two functions that report directly to him:

- The Company Affairs Directorate, which presides over the relationships with the Retail Investors and the Institutional Entities like Consob (Italian SEC) and Borsa Italiana (the company that runs the Italian Stock Exchange).
- The Investor Relations Directorate, which presides over the relationships with the Financial Community, i.e. Financial Analysts, Institutional Investors and Rating Companies.

Within the month of January there will be supplied to the market and published on the company's website the financial calendar with the detail of the main financial events.

The addresses and telephone numbers of the Company Affairs Directorate and the Investor Relations Directorate can be found on the website of the company.

The Board of Directors, pursuant to what is laid down by the Self Regulating Code of the company evaluated, during the meeting of 21st December 2010, that the company structures entrusted with these functions are adequate for carrying out these tasks that ensure effective and continuous relations with the Financial Community and with the competent Authorities involved.

16. SHAREHOLDERS' MEETINGS

The Shareholders' Meeting is the time of the institutional encounter between the management of the company and its Shareholders.

In calling, convening, planning and managing the Shareholders' Meetings particular attention is given to favouring the participation by the Shareholders, as well as ensuring the maximum quality level of the information provided to them on those occasions, while the observing the limitations and the methodologies of broadcasting inherent to the price sensitive information.

The Shareholders' Meeting, when regularly constituted, represents all of the shareholders and its resolutions, passed in conformity with the law, are binding on all of them, even if absent or dissenting. The Ordinary and Extraordinary Shareholders' Meetings, meet in the cases and in the ways laid down by law, within the registered office of the company or elsewhere, as long as the place is in Italy. As laid down by article 9 of the Articles of Incorporation the Shareholders' Meeting must be called by means of a notice that is published according to the legal timeframes and containing the date, the time and the place of the gathering, the details to be dealt with, as well as any other information that is required by the relative legislation that is currently in force. The notice calling the meeting must be published, within the legal timeframes, on the company's Internet site and with the other methodologies required by the relative legislation that is currently in force. The company makes available to the public the documentation relative to the matters contained in the Agenda by depositing it at the company's registered office, sending it to Borsa Italiana by means of NIS (Network Information Service) and publishing it on its website.

The Board of Directors promotes initiatives aimed at favouring the biggest participation possible of the shareholders at the Shareholders' Meetings and to facilitate their exercising of their rights and in order to reduce the limitations and the fulfilment of obligations that make it difficult or burdensome to take part in Shareholders' Meetings and exercising the right to vote that is regulated by article 11 of the Articles of Incorporation. Each shareholder who has the right to take part in the Shareholders' Meeting can have themselves represented at it, by means of a written proxy, pursuant to law. Normally all of the Directors of the company are present at the Shareholders' Meetings. The Shareholders' Meetings are also an occasion for communicating information regarding the company to the shareholders, while observing the rules governing privileged information.

The Shareholders' Meeting is presided over by the Chairman of the Board of Directors and, in his absence, by the Vice Chairman.

The Shareholders' Meeting has all the powers laid down by law regarding it. Pursuant to the Articles of Incorporation the giving to the administration body of the company the competencies and pass resolutions on matters, such as resolutions regarding mergers and split-offs in those cases laid down by the articles 2505, 2505, part two, and 2506, part three, of the Italian Civil Code, the opening or closing of secondary sites, indicating who among the Directors have the legal representation of the company, the reduction of the Share Capital in the case of the withdrawal of a shareholder and the updating of the Articles of Incorporation for legislative and regulatory measures, which belong by law to the Extraordinary Shareholders' Meeting, does not lessen the competency of the Shareholders' Meeting, which maintains the power to pass resolutions regarding such matters. Regarding the constitution and resolutions of the Shareholders' Meetings, both Ordinary and Extraordinary, at the first and the successive calls, the relative legal measures are applied.

The Ordinary Shareholders' Meeting of 9th April 2001 put in place the "Shareholders' Meeting Regulations", available on the company's website, which regulates the proceedings of the Ordinary and Extraordinary Shareholders' Meetings of the company.

17. CHANGES SINCE THE CLOSING DATE OF THE FINANCIAL YEAR

Since the closing date of the financial there have been no changes in the corporate governance structure of the company, except for the resignation, for health reasons, of the Independent Director Luigi Fausti on 1st March 2011.

The Board of Directors Meeting of 22nd March 2011, nominated by cooption, pursuant to article 2386 of the Italian Civil Code and the Articles of Incorporation, to replace Dr. Luigi Fausti, Dr. Michele Perini as a non-executive Independent Director and who shall remain in office until the next Shareholders' Meeting.

ATTACHMENT A

Article 17 of the Articles of Incorporation of the company

1. The company is administered by a Board of Directors, consisting of from five to Directors, and they can be re-elected.
2. The Shareholders' Meeting, before going ahead with their nomination, fixes the number of members of the Board and their duration in office, while observing the time limits that are laid down by law.
3. The Board of Directors is nominated by the Shareholders' Meeting based on lists, within which there cannot be more than twenty one candidates, each one of them numbered progressively.

Each candidate can only present himself or herself in a single list, under pain of not being eligible for election.

Each shareholder cannot present, or take part in presenting, or vote for more than one list even through an intermediary person or a trust company. The shareholders belonging to the same group, for which there is meant the parent company, the subsidiary companies and the companies subject to joint control, and the shareholders that take part in a voting pact pursuant to article 122 of the Legislative Decree N° 58/1998, which has as its subject the shares of the company, cannot present, or take part in presenting, or vote for more than one list even through an intermediary person or a trust company.

There can only present the lists those shareholders who have the right to vote and who, on their own, or together with other shareholders, represent at least 2.5% (two point five percent) of the Share Capital made up of shares that have the right to vote in the Ordinary Shareholders' Meeting or the different percentage laid down by the relative legal measures that are currently in force and that will be communicated, from time to time, in the notice of call of the Shareholders' Meeting to be convened for the nomination of the Board of Directors. The ownership of the minimum amount of the equity investment, which is referred to in the previous paragraph, required for the presentation of the lists is calculated by taking into account the shares that are registered in the name of the shareholder at the date when the lists are deposited at the company. The certification that proves the ownership of the said shareholding can also be presented after the depositing, as long as this is within the timeframes laid down for the publication of the lists by the company.

For the purpose of deciding upon the Directors to be elected, there will not be taken into account those lists that have not had a percentage of votes equal to at least half of the one asked for by the Articles of Incorporation or by the relative legal measures that are currently in force for the presentation of the lists themselves.

Each list must include at least two candidates who possess the requisites of independency laid down by the relative legal measures that are currently in force, indicating them separately.

The lists, together with the professional curricula of the candidates, containing exhaustive information regarding the personal and professional characteristics of the candidates themselves and the attestation the suitability to be able to qualify themselves as independent pursuant to the relative legal measures currently in force and signed by the shareholders that have presented them must be deposited at the company's registered office, within the twenty-fifth day before the one

fixed for the Shareholders' Meeting and made available to the public according to the relative legal measures that are currently in force.

At the time of the presentation of the list, there must be deposited the information relative to the identities of the shareholders who have presented the list, giving the total percentage shareholding owned by all of them. The shareholders different from those that hold, also jointly, a controlling or relative majority shareholding must also present a declaration attesting to the absence of any linking relationships, foreseen by legal measures, with these latter. Within the same timeframe there must be deposited the declarations with which the individual candidates accept their candidature and declare, under their own responsibility, that there do not exist any reasons for inability to be elected or of incompatibility laid down by law, that there do exist any requisites that may be prescribed by the relative legislation or regulations for the members of the Board of Directors. Together with each list, within the timeframes given above, there must also be deposited the further information asked for by the relative legal measures currently in force, which will be indicated in the notice of call.

The lists presented without the observance of the measures described above are understood as being not presented and they will not be put to a vote.

4. At the end of the voting, the votes obtained by the lists are divided by whole numbers progressive from one to the number of the Directors to be elected.

The quotients obtained in this way are attributed to the candidates of each list following the order foreseen by it.

Then the quotients attributed to the candidates of the various lists are arranged in a single decreasing ranking. There result as being elected, until there is arrived at the total number of Directors fixed by the Shareholders' Meeting, those who have obtained the highest quotients, while there remains in force the fact that there must be nominated as a Director, in any case, the candidate listed at the first place in the second list that has obtained the highest number of votes and that is not linked, in any way, with the shareholders who have presented or voted for the list that was first for number of votes. Therefore, whenever the aforesaid candidate has not obtained the quotient that is necessary to be elected, there shall not be elected the candidate who, in the first list, has obtained the lowest quotient and the Board will be completed with the nomination of the candidate listed at first place in the second list that has obtained the highest number of votes.

5. Whenever, after having followed the procedure referred to in paragraph 4 above, there has not been nominated the number of Directors, who possess the requisites of independence, prescribed by the relative legal measures currently in force, the following procedure will be followed.

Whenever the Board consists of seven or less members there shall be nominated as an Independent Director, replacing the non-independent candidate who, in the first list, obtained the lowest quotient, or the second last one if the last one was replaced by the minority Director pursuant to the preceding paragraph 4, the first independent candidate not elected who is listed afterwards in the same list. When the Board consists of more than seven members and, after having followed the procedure referred to in paragraph 4 above, only one Independent Director has been nominated, a second Independent Director will be nominated, replacing the non-independent candidate who, in the first list, obtained the lowest quotient, or the second last one if the last one was replaced by the minority Director pursuant to the preceding paragraph 4, the first independent candidate not elected who is listed afterwards in the same list.

When the Board consists of more than seven members and, after having followed the procedure referred to in paragraph 4 above, no Independent Director has been nominated, there will be nominated as Independent Directors (i) replacing the candidate who, in the first list, obtained the lowest quotient, or the second last one if the last one was replaced by the minority Director pursuant to the preceding paragraph 4, the first independent candidate not elected who is listed afterwards in the same list and (ii) replacing the non-independent candidate elected with the lowest quotient in the second list that has had the highest number of votes, the first independent candidate not elected who is listed afterwards in the same list. Whenever all the Directors are drawn from a single list also the second Independent Director will be drawn from that list following the aforesaid criteria.

6. The candidate listed at first place in the list that has obtained the highest number of votes shall be elected to the office of Chairman of the Board of Directors.

7. In the case where it is necessary to complete the full Board of Directors and a number of candidates have obtained the same quotient, there shall be considered elected the candidate of the list that not yet elected any Director or that has elected the lowest number of Directors.

In the case where none of these lists has elected a Director or all of them have elected the same number of Directors, in the context of these lists there shall be elected the candidate of the list that has obtained the highest number of votes.

In the case of a tied vote between lists and always with quotient parity, new voting by the Shareholders' Meeting will take place, observing the relative legal measures currently in force, and there will be elected the candidate who obtains the simple majority of the votes.

8. Whenever only one list is presented, the Shareholders' Meeting votes on it and if it obtains the relative majority, there shall be elected as Directors the candidates listed in progressive numerical order, until the number of members fixed by the Shareholders' Meeting is reached, while there remains the fact that there must be elected a number of Independent Directors that is at least equal to the one laid down by the relative legal measures currently in force. The candidate in first place on the list shall be elected Chairman of the Board of Directors.

9. The list voting procedure is only applied in the case of the renewal of the whole Board of Directors.

10. Where there are no lists and also in the case where the list voting mechanism produces a number of elected candidates lower than the number of Board members fixed by the Shareholders' Meeting, the Board of Directors is by the Shareholders' Meeting with the relative legal majorities in such a way as to ensure, in any case, the presence of the necessary number of Directors in possession of the independence requisites laid down by the relative legal measures currently in force.

In the case of the leaving of their office for any reason, whatsoever, of one or more Directors, those remaining in office shall replace them by the process of co-opting, ensuring, in any case, the presence of the necessary number of Directors in possession of the independence requisites laid down by the relative legal measures currently in force.

11. The election of Directors, nominated pursuant to article 2386 of the Italian Civil Code, is carried out by the Shareholders' Meeting with the relative legal majorities. The mandates of the Directors nominated in this way expire together with the mandates of those in office at the time of their nomination.

ATTACHMENT B**Personal and professional characteristics of the Directors**

FEDELE CONFALONIERI - Born in Milan on 6th August 1937. Graduated with a Law Degree from the State University of Milan. He is a member of the Directive Board and the Junta of Confindustria (Italian Confederation of Industry) and of Assolombarda (Lombardy Trade Association) and in the context of the Radio Televisions Federation he is the Chairman of the National Televisions Association. He is a member of the Directive Junta of Assonime, the Italian Joint Stock Companies Association. He is a Director of the daily newspaper "Il Giornale". He is also Vice Chairman of the Board of Directors of Gestelevision Telecinco S.A.

PIER SILVIO BERLUSCONI - Born in Milan on 28th April 1969. He began his professional experience in '92 in the marketing area Publitalia, passing afterwards to the television network Italia 1. In November 1996 he became the manager for the coordination of the contents and programmes area of the Mediaset networks. In 1999 he was nominated Vice Director General Contents R.T.I. From April 2000 he has been Vice Chairman of the Mediaset Group, as well as the Chairman and Managing Director of R.T.I. He is also a member of the Boards of Directors of the following companies: Fininvest S.p.A., Gestelevision Telecinco S.A., Medusa Film S.p.A., Arnoldo Mondadori Editore S.p.A. and Publitalia '80 S.p.A..

GIULIANO ADREANI - Born in Rome on 27th August 1942. He is Managing Director of Mediaset S.p.A., Chairman and Managing Director of Publitalia 80 S.p.A., Chairman of Digitalia 08 S.r.l., a Director of R.T.I. S.p.A., of Gestelevision Telecinco S.A., of Medusa Film S.p.A., of Auditel S.r.l. and a Director of Publiespana. In 2003 he was nominated a Knight of Labour by the President of the Italian Republic. In February of 2009 there was conferred upon him a Honoris Causa Degree in Communications Sciences by the University Suor Orsola Benincasa of Naples. Before the Mediaset Group, which he entered in 1994, from 1962 he was in Sipra, the Advertising Concessionaire of R.A.I. (Italian State Radio and Television), where he guided all the commercial and creative sectors of Communications, both of dailies and periodicals and of radio and television until his nomination, in 1991, as Director General. In 2010 he was in first place among the Italians and fifth among the Europeans in the classification of the CEO of the best media groups drawn up by Thomson Reuters, the prestigious economic/financial information company quoted on the New York Stock Exchange.

MARINA BERLUSCONI - Born in Milan on 10th August 1966. She came into the company when she was very young and she has always been deeply interested in the management and the development of the economic/financial strategies of the Group. In July 1996 she took the office of Vice Chairman of Fininvest S.p.A., a role she filled until October 2005, when she was nominated Chairman of the holding company. Since February 2003 she has been Chairwoman of Arnoldo Mondadori Editore S.p.A. She is a Director of Mediobanca S.p.A..

PASQUALE CANNATELLI - Born on 8th September 1947. He took his Degree in Economics and Commerce at the Catholic University of Milan and began his work experience in 1972 at Rank Xerox. In 1985 he entered Farmitalia Carlo Erba as Group Controller. There followed his experiences in Alitalia, first as Administrative Director and then as Controller and, again, in Farmitalia where he was Finance Administration and Controls Director of the Erbamont Group. In July 1997 he became a Director of Mediaset S.p.A. and Central Director for Planning and Controls. Since May 2003 he has been Managing Director of Fininvest S.p.A..

He is a Director of Arnoldo Mondadori Editore S.p.A., Mediolanum S.p.A. and AC Milan S.p.A..

PAOLO ANDREA COLOMBO - Born in Milan on 12th April 1960. Took a Degree in Company Economics at the University "L. Bocconi" of Milan. He is a Certified Public Accountant and Accounting Auditor. He is a Director of Eni S.p.A., Carlo Tassara S.p.A., Chairman of the Board of Statutory Auditors of Aviva Vita S.p.A., GE Capital Interbanca S.p.A., a Director of Ceresio Sim and an Active Statutory Auditor of Angelo Moratti S.p.A. and Credit Agricole Assicurazioni Italia Holding S.p.A..

MAURO CRIPPA - Born in Rome on 26th April of 1959. He is a Professional Journalist. He is also a Director of the company Europea Editrice of "Il Giornale" since 1998, of R.T.I. S.p.A. since 1999 and of Class CNBC S.p.A. since 2000. In 1987 he has been the manager of the Institutional Print and Product Office of Arnoldo Mondadori Editore S.p.A. In 1994 he entered the Fininvest Group with the office of Press Relations Director. In 1996 he took the office of Central Communications Management and Press Relations in Mediaset. Currently he has the position in Mediaset of Information General Manager of Mediaset.

BRUNO ERMOLLI - Born in Varese on 6th March 1939. He has been an entrepreneur for more than thirty years of Professional Services for Management and Organisational Consultancy. He lectures at courses and seminars for entrepreneurs and managers. He is often called upon to collaborate with the Presidency of the Council of Ministers as an expert in Public Management and Public Administration Organisation. From 1985 to 1989 he was Promoter and Chairman of the National Federation for the Advanced Services Industries Sector. From 1980 to 1982 he was Chairman of the National Association of Management and Organisational Consultancy Companies. In 1970 he set up, and still today presides over Sin&retetica, the leading Italian Management Consultancy Company for Private Enterprises, Banks, Insurance Companies, Public Entities and Public Administrations. The President of the Italian Republic nominated him a Knight of Labour. Currently he is Vice Chairman of the La Scala Theatre Foundation, a Director of Arnoldo Mondadori Editore S.p.A., Mediolanum S.p.A. Mondadori France, Fininvest S.p.A., and Fondazione Cariplo and a Senior Advisor and Member of the European Advisory Council of JP Morgan.

LUIGI FAUSTI - Born in Ancona in 1929. He did classical studies at the C. Tacito Grammar School of Terni and legal studies at the University of Rome. Hired as a clerical worker by the Banca Commerciale Italiana in 1947 he has had 51 years of uninterrupted professional activity passing upward through various career levels in different offices of the Bank in Italy. In 1984 he was called upon to enter its Central Management, in Italian Credit Services, firstly with the position of Central Joint Director and then, from 1987, with that of Central Director, with "supervisor" functions for that same Service. In May 1990 he was nominated Managing Director. In April 1994 he was nominated Vice Chairman and Managing Director. In June 1996 there was conferred upon him, by the Second Studies University of Naples a *Honoris Causa* Degree in Economics. In April 1997 he was nominated Chairman. In 1999 he was nominated Honorary Chairman by acclamation, an office that he resigned from in June of the same year because of disagreements over the business choices that were being made by the Bank.

MARCO GIORDANI - Born in Milan on 30th November del 1961. He is a graduate in Economics and Commerce of the University "L. Bocconi" of Milan. From 2000 he has been Chief Financial Officer of the Mediaset Group. He is a Director of Gestelevision Telecinco S.A., Publitalia '80 S.p.A., Med Due S.r.l, and Mediamond S.p.A. Edam Acquisition Holding I Cooperatief U.A. and Medusa Film S.p.A. and Managing Director of R.T.I. S.p.A. From 1998 to 2000 he was in IFIL S.p.A., in Shareholdings Controls Management and afterwards nominated as A Director and a member of the Executive Committee of LA RINASCENTE S.p.A., as well as a Director of S.I.B. (Società Italiana Bricolage). In

1991 he was Finance Manager of the RINASCENTE Group within which, in 1997 he took the position of Chief Financial Officer.

ALFREDO MESSINA - Born in Colleferro (Rome) on 8th September 1935. A Graduate in Economics and Commerce he began his career filling various positions of an administrative type in a number of companies. After experiences in Olivetti, as Controller of Group Production and in Alitalia, as Manager for Central Administration, Finance, Planning and Controls, in 1989 he was at IRI (Institute for Industrial Reconstruction) as Central Planning and Controls Manager. In January 1990 he entered Fininvest S.p.A. as Director General and in 1996 was nominated Managing Director for the administration and controls area of the Group, overseeing the sectors of Large Scale Distribution and Insurance and Financial Products. Currently he is Deputy Vice Chairman of Mediolanum S.p.A., Chairman of Mediolanum Assicurazioni S.p.A. and of Mediolanum Vita S.p.A.. He is a Director of Gestelevision Telecinco SA and of Molmed S.p.A.

GINA NIERI - Born in Lucca on 2nd December 1953. A Graduate in Political Sciences at the University of Pisa, she obtained the specialisation in Journalism and Mass Communications at the Luiss of Rome (Free University of Social Studies). From 1977 she has worked in the area of commercial television, which she entered with her nomination as Secretary General of FIEL, the first association of the "free" broadcasters. She then went to FRT - Radio Television Federation – as Director until 1990, when she entered the FININVEST GROUP as Manager for Relations with the Enterprise Associations. From June 2007 she has been Vice Chairwoman of R.T.I. S.p.A., in which she has been a member of the Board of Directors since 1999. She is a member of the Junta of ASSOLOMBARDA (Lombardy Trade Association) and the Junta of CONFINDUSTRIA (Italian Confederation of Industry). From 21st June 2004 she has been Vice Chairwoman of the Campus Multimedia Consortium, a Consortium set up by Mediaset and the Free University for Languages and Communications (IULM). Currently, in MEDIASET she holds the position of Director of Institutional and Legal Affairs and Strategic Analyses. Since November 2010 she has been Vice Chairwoman of A.C.T. (European Association of Commercial Television).

NICCOLO ' QUERCI – Born in Florence on 10th May 1961. A Law Graduate of the University of Siena in 1988 he took a Master in Enterprise Communications. Since 2007 he has been Central Personnel and Organisation Director of the Mediaset Group and Vice Chairman of Publitalia '80 S.p.A.. From 2006 to 2010 he was Chairman of the company Mediashopping. From 2003 Managing Director of R.T.I. for Human Resources, General Services and Safety and from 2001 Vice Chairman of R.T.I. S.p.A.. From 1999 to 2006 he was Director of artistic resources, productions, entertainment and sport and, until 2008, Manager for the diversified activities and new business of the Group. From 1992 to 1999 he was the Assistant and Head of the Secretariat of Silvio Berlusconi, filling various organisational positions over the years. From 1989 to 1992 in Publitalia '80 he was Account Manager Large Customers and assistant Chairman and Managing Director and from 1987 to 1988 an Account Executive in P. T. Needham.

CARLO SECCHI – Born on 4th February 1944 is professor of European Political Economy at the Bocconi University of Milan, of which he was Rector in the period 2000-2004. He is Director of the Institute of Latin American Studies and of the Countries in Transition. He was a Member of the European Parliament during the 4th legislature (1994-1999), where he was Vice Chairman of the Economic and Monetary Commission. He was a Senator of the Italian Republic during the 12th legislature (1994-96). He is a member of the governing bodies of Foundations and Institutes of a technical/scientific nature and is Chairman of the Scientific Didactic Committee of the Multimedia Campus In.Formazione. He is Vice Chairman of ISPI (Institute for International Political Studies of

Milan), Chairman of the Italian Group of the Trilateral Commission. He is currently a member of the Board of Directors of a number of Italian companies and of the Veneranda Fabbrica del Duomo (the Milan Cathedral Conservation Body). He is currently a Director of Pirelli & C. S.p.A., Parmalat S.p.A., Italcementi S.p.A., Allianz S.p.A. and of Expo 2015 S.p.A. Since July 2009 he has been European Coordinator of the TEN-T Priority Projects (High Speed Trains France – Spain – Portugal). He is the author of books and numerous articles on international commerce and economy, on economic integration and on European themes.

ATTILIO VENTURA – Born on 6th February 1936. A Graduate in Economy and Commerce from the Catholic University of the Sacred Heart of Milan. He has taken specialisation courses in Economy and Finance at the Seton Hall University of South Orange (United States) and Merrill Lynch of New York. From 1967 he was a Stockbroker and from 1981 a member of the Stockbrokers' Management Committee. From 1985 to 1988 he was Vice Chairman of the Stock Exchange Management Committee, from 1988 to 1992 Chairman of the Stock Exchange Management Committee and from 1992 al 1995 Chairman of the Board of the Stock Exchange. From 1996 to 1998 he was a Director of the Banca Nazionale del Lavoro S.p.A. From 2004 until today he has been Vice Chairman of the “Fondazione Aretè ” of the San Raffaele Hospital of Milan. Currently he is a Director of Ceresio Sim.

The companies Arnoldo Mondadori Editore S.p.A. and Mediolanum S.p.A. belong to the Fininvest Group of which Mediaset is a part.

ATTACHMENT C
Table 2 - Format Borsa Italiana

Board of Directors											Internal Controls Committee		Compensation Committee		Governance Committee		Executive Committee		Independents Committee	
Office	Members	In office since	In office till approval of F. S. at	List (M/m) *	Exec.	Non exec.	Indep. per Code	Indep. per CFA	(%) **	Number other offices ***	****	**	****	**	****	**	****	**	*****	**
Chairman	Confalonieri Fedele	22/04/2009	31/12/2011	M	X				100								X	100		
(=) Vice Chairman	Berlusconi Pier Silvio	22/04/2009	31/12/2011	M	X				90	2							X	44,4		
(=) Director Delegato	Adreani Giuliano	22/04/2009	31/12/2011	M	X				100								X	100		
Director	Berlusconi Marina	22/04/2009	31/12/2011	M		X			70	3										
Director	Cannatelli Pasquale	22/04/2009	31/12/2011	M		X			100	3										
Director	Colombo Paolo Andrea	22/04/2009	31/12/2011	M		X	X	X	100	4			X	80	X	100			X	100
Director	Crippa Mauro	22/04/2009	31/12/2011	M	X				90											
Director	Ermolli Bruno	22/04/2009	31/12/2011	M		X			100	3			X	100						
Director	Fausti Luigi (1)	22/04/2009	01/03/2011	M		X	X	X	30											
Director	Giordani Marco	22/04/2009	31/12/2011	M	X				100											
Director	Messina Alfredo	22/04/2009	31/12/2011	M		X			80	4	X	77,7								
Director	Nieri Gina	22/04/2009	31/12/2011	M	X				90								X	100		
Director	Querci Niccolò	22/04/2009	31/12/2011	M	X				100											
Director	Secchi Carlo	22/04/2009	31/12/2011	M		X	X	X	100	5	X	100			X	100				100
Director	Ventura Attilio	22/04/2009	31/12/2011	M		X	X	X	90		X	100	X	100	X	100				100
DIRECTORS WHO CEASED DURING THE REFERENCE YEAR																				
Give the <i>quorum</i> required for the presentation of the lists at the time of the last nomination: 1,5%																				
Number of meetings held in the reference year:							BOD:10		ICC:9		CC:5		GC:7		EC:9		IC:1			

NOTES

* In this column is shown M/m according to whether the member was elected by the list voted by the majority (M) or by a minority (m)

** In this column is shown the percentage presence at the BOD and the Committee meetings (n° of presences/n° of meetings during the actual period of office of the party in question).

*** In this column is shown the number of offices held by the director or statutory auditor in other companies, also foreign, in finance, banking, insurance or large companies. There is attached to the Report the list of these companies with reference to each individual Director, stating if the company in which they hold office is part, or not, of the group that the Issuer reports to or that it is part of.

ATTACHMENT D

Article 27 of the Articles of Incorporation of the company

1. The Ordinary Shareholders' Meeting elects the Board of Statutory Auditors, consisting of three Active Statutory Auditor and two Substitute Statutory Auditors, who remain in office for three financial years and whose mandates expire with the Shareholders' Meeting called to approve the Financial Statements relative to the third financial year of their period in office and they can be re-elected.

All the Statutory Auditors must be inscribed in the Register set up according to law and must have carried out the legal auditing of accounts for a period of not less than three years.

Furthermore, the Statutory Auditors must possess the necessary requisites laid down by the relative legislation and regulations that are currently in force and the Board of Directors must ascertain that these actually exist.

2. The nomination of the Statutory Auditors takes place based on lists presented by the shareholders, with the procedure shown below. The lists must indicate at least one candidate to the office of Active Statutory Auditor and one candidate to the office of Substitute Statutory Auditor and they can contain up to a maximum of three candidates to the office of Active Statutory Auditor and a maximum of two candidates to the office of Substitute Statutory Auditor. The candidates are listed in progressive numerical order.

Each list consists of two sections. One is for the candidates for the office of Active Statutory Auditor and the other is for the candidates for the office of Substitute Statutory Auditor. Each candidate can only be present in one list, under pain of not being eligible for election

3. There have the right to present the lists the shareholders who have voting rights who alone or jointly are the overall owners of the amount of the shareholding that is asked for by the Articles of Incorporation for the presentation of the lists for the nominations of the members of the Board of Directors. Each shareholder cannot present, or take part in presenting, or vote for more than one list even through an intermediary person or a trust company. The shareholders belonging to the same group, for which there is meant the parent company, the subsidiary companies and the companies subject to joint control, and the shareholders that take part in a voting pact pursuant to article 122 of the Legislative Decree N° 58/1998, which has as its subject the shares of the company, cannot present, or take part in presenting, or vote for more than one list even through an intermediary person or a trust company.

4. The ownership of the minimum amount of the equity investment required for the presentation of the lists is calculated by taking into account the shares that are registered in the name of the shareholder at the date when the lists are deposited at the company.

5. The certification that proves the ownership of the said shareholding can also be presented after the depositing, as long as this is within the timeframes laid down for the publication of the lists by the company.

6. The lists, together with the professional curricula of the persons designated, and signed by the shareholders who have presented them must be deposited at the company's registered office within the twenty-fifth day before the one fixed for the Shareholders' Meeting and made

available to the public according to the relative legal measures that are currently in force. At the time of the presentation of the list, there must also be deposited (i) the information relative to the identities of the shareholders who have presented the list, giving the overall percentage of the shareholding owned by them, (ii) a curriculum vitae for each candidate containing exhaustive information regarding the personal and professional characteristics of the candidates and (iii) the further information, asked for by the relative legal measures currently in force, that will be indicated in the notice calling the Shareholders' Meeting. The shareholders different from those that hold, also jointly, a controlling or relative majority shareholding must also present a declaration attesting to the absence of any linking relationships, foreseen by legal measures, with these latter. Within the same timeframe there must be deposited the declarations with which the individual candidates accept their candidature and declare, under their own responsibility, that there do not exist any reasons for inability to be elected or of incompatibility laid down by law and that there is observe the limit of the accumulation of offices referred to in the following paragraph and also that there do exist any requisites that may be prescribed by the relative legislation, by the regulations and by the Articles of Incorporation for members of the Board of Statutory Auditors, as well as the list of the other administration and controls offices they hold in other companies.

7. There cannot be elected as Statutory Auditors those persons who hold administration and controls offices that surpass the limits that are laid down by the relative legislative measures that are currently in force.

8. The lists presented without observing the foregoing measures shall not be considered to have been presented and they will not be voted on.

9. The election of the Statutory Auditors goes ahead as follows:

a) From the list, which has obtained the highest number of votes in the Shareholders' Meeting, there are drawn, based on the progressive numerical order with which they are listed within the specific sections of the list, two Active Statutory Auditors and one Substitute Statutory Auditor.

b) From the second list, which has obtained the highest number of votes in the Shareholders' Meeting, among the lists presented and voted by the shareholders who are not linked to reference shareholders, pursuant to article 148, paragraph 2, of the relative Consolidated Act, there are drawn, based on the progressive numerical order with which they are listed within the specific sections of the list, the remaining Active Statutory Auditor and the other Substitute Statutory Auditor.

In the case where a number of lists have obtained the same number of votes there shall take place a new ballot between these lists, in observance of the relative legal measures currently in force, and there shall be elected those candidates of the list that obtains the simple majority of the votes.

8. There shall be elected to the office of Chairman of the Board of Statutory Auditors the candidate at first place in the section of the candidates to the office of Active Statutory Auditor elected pursuant to the preceding paragraph 7. b).

9. Whenever there is only presented one list, the Shareholders' Meeting votes on it. Whenever the list obtains the relative majority, there shall be elected as Active Statutory Auditors the three candidates indicated in progressive numerical order in the relative section and as Substitute Statutory Auditors the two candidates indicated in progressive numerical order in the relative section. The Chairmanship of the Board of Statutory Auditors belongs to the person indicated at first place in the section of the candidates for the office of Active Statutory Auditor in the list presented.

In the case of the death, renunciation or the expiry of the mandate of an Active Statutory Auditor, there enters into the office the Substitute Statutory Auditor elected at first place. In the hypothesis of the replacement of the Chairman, the Board of Statutory Auditors chooses and nominates a new Chairman from among its own members, who remains in office until the first successive Shareholders' Meeting, which must take care of the integration of the Board of Statutory Auditors.

10. Where there are no lists, the Board of Statutory Auditors and its Chairman are nominated by the Shareholders' Meeting with the relative legal majorities.

Whenever a number of lists are presented, in the case of the death, renunciation or the expiry of the mandate of a Statutory Auditor, there enters into the office the Substitute Statutory Auditor belonging to the same list as the one who ceased, positioned in the first place. In this case in order to deal with the nomination of the Statutory Auditors necessary in order to be able to integrate the Board of Statutory Auditors the procedure is as follows: when it is necessary to go ahead with the replacement of the Statutory Auditors elected in the majority lists, the nomination takes place with a relative majority vote, without the necessity for a list. When, on the other hand, the Shareholders' Meeting must nominate Active Statutory Auditors or Substitute Statutory Auditors, for the purpose of integrating the Board of Statutory Auditors, replacing Active Statutory Auditors or Substitute Statutory Auditors elected in the minority list, it passes resolutions with a relative majority vote, choosing from among the candidates indicated in the list where there was the Statutory Auditor to be replaced or, next in order to this, choosing from among the candidates positioned in any further minority lists. Where there are no candidates of the majority list or the minority lists, the nomination takes place through the voting of one or more lists, consisting of a number of candidates no greater than the number of those to be elected, presented before the date of the Shareholders' Meeting, observing the measures laid down by this article for the nomination of the Board of Statutory Auditors, while there remains the fact that there cannot be presented any lists, and if they are presented they will be totally without effect, by reference shareholders or by the shareholders who are linked to them, as these are defined by the relative legislative and regulatory measures that are currently in force regarding them. There shall be elected the candidates contained in the list that obtains the highest number of votes.

12. The Shareholders' Meeting sets the compensation of the Statutory Auditors, as well as the reimbursement of the expense incurred by them in order to carry out their assignment.

13. The powers and the duties of the Statutory Auditors are those that are laid down by law.

ATTACHMENT E

Table 3 – Format Borsa Italiana

Board of Statutory Auditors							
Office	Members	In office since	In office till approval of the F. S. at	List (M/m)*	Independence by Code	** (%)	Number of other offices ***
Chairman	Giusani Alberto	16 April 2008	31 December 2010	m	X	100	6
Active Auditor	Bianchi Martini Silvio	16 April 2008	31 December 2010	M	X	93,33	7
Active Auditor	Vittadini Francesco	16 April 2008	31 December 2010	M	X	86,67	26
Substitute Auditor	D'Onofrio Mario	16 April 2008	31 December 2010	m	X		12
Substitute Auditor	Marchesi Antonio	16 April 2008	31 December 2010	M	X		2
AUDITORS THAT CEASED DURING THE REFERENCE YEAR							
Shoe the required quorum for the presentation of the lists at the time of the last nomination: majority list 1% - minority list 0.50% of the Share Capital.							
Number of meetings held during the reference year: 15							

NOTES

* in this column is shown M/m according to whether the member was elected from the list voted by the majority (M) or by aminority (m)

** in this column is shown the percentage aprticipation of the auditors at the meetings of the BSA (n° of presences/n° of meetings held during the actual period in office of the interested party).

***in this column is shown the number of offices of director or statutory auditor held by the interested party shown pursuant to article 148, part two. of the CFA.

ATTACHMENT F

PERSONAL AND PROFESSIONAL CHARACTERISTICS OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS

ALBERTO GIUSSANI – Born in Varese on 23rd August 1946. A Graduate in Economy and Commerce at the Catholic University of the Sacred Heart of Milan. He is inscribed in the Roll of Certified Public Accountants since 1979 and in the Register of Accounting Auditors since 1995. He holds the courses in Accounts Analysis and International Accounting at the Catholic University of Milan. He holds the office of Vice Chairman of the Technical/Scientific Committee of the Italian Accounting Body, is a Director in Credito Artigiano S.p.A., in Fastweb S.p.A., in Seat Pagine Gialle S.p.A., in Istifid S.p.A. and in Finanziaria Canova S.p.A. He is an Active Statutory Auditor in the Luxottica Group S.p.A. and in Carlo Tassara S.p.A.. He is a member of a number of Associations and Foundations. He is the author of publications regarding Financial Statements and is a lecturer at numerous conventions.

SILVIO BIANCHI MARTINI – Born in Lucca on 12th January 1962. He is an Ordinary Professor of Company Economy in the Economics Faculty of the University of Pisa and Director of the Doctorate School “Fibonacci” of the same Faculty. He taught Company Strategy and Policies for more than a decade at the Bocconi University of Milan. He is authorised to exercise the profession of Certified Public Accountant and is inscribed in the Order of Certified Public Accountants accredited to the circumscription of the Court of Lucca since 1998. Furthermore, he has been inscribed in the Register of Accounting Auditors since its inception. He is a member of the corporate governance and controls bodies of a number of industrial and services companies among which there are highlighted Dada S.p.A., Molecular Medicine S.p.A., Banco di Lucca e del Tirreno S.p.A. and Sofidel S.p.A..

FRANCESCO VITTADINI - Born in Bellano on 25th May 1943. He took a Degree in Economy and Commerce at the Luigi Bocconi Commercial University. He has been inscribed in the Roll of Certified Public Accountants of Monza since 1971. He holds the office of Statutory Auditor in industrial, financial, insurance, communications and media companies among which there are highlighted as DMT S.p.A. and Mediolanum S.p.A.

MARIO D 'ONOFRIO – Born in Naples on 9th September 1947. He graduated in Economy and Commerce in 1972. He has been inscribed in the Roll of Certified Public Accountants since 1978 and in the Register of Accounting Auditors since 1995. He is the Chairman of Boards of Statutory Auditors of national relevancy, among which there are highlighted F.Ili Aversa, Atlantica (Grimaldi Group) and Pernigotti.

He is Chairman of the Surveillance Body of Ferrarelle S.p.A.. He is Professor of Company Auditing at the Parthenope University of Naples.

ANTONIO MARCHESI – Born in Milan on 6th June 1946. He is a member of the Order of Certified Public Accountants and Accounting Experts of Varese since 9th February 1978 and he is inscribed in the Register of Accounting Auditors. He was formerly Professor in Sport Management in the Department of Company Economy of the University of Turin. Currently he is an Active Statutory Auditor of Basf Italia S.r.l and Mediolanum Assicurazioni S.p.A., a Substitute Statutory Auditor of Mol Med and the sole member of the Surveillance Body of the Milan Group.