

Press Release

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**Mediaset Board Meeting 6 November 2007**

**APPROVAL FOR REPORT FOR FIRST NINE MONTHS 2007**

Consolidated Results

**Net revenues: €2,816.1 million**  
**Operating profit: €787.8 million**  
**Net profit: €372.3 million**

Italy

**October sees sharp recovery in advertising sales**

**Television costs: -1.1%**

**Mediaset Premium: revenues doubled**

**Ratings: Mediaset channels and Canale 5 confirm leadership  
in the 15-64 year-old audience**

Spain

**Operating profitability: 46.9%**

**Ratings: Telecinco Spain's leading channel**

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the Group's report for the nine months to 30 September 2007.

**MEDIASET GROUP: CONSOLIDATED RESULTS**

Included, from July 2007, as a result of the acquisitions made in the current year, are the companies of the Medusa Group, which have been fully consolidated, and, on a net equity basis, the 33.3% stake held, through Mediacinco in the consortium that controls the Endemol Group.

Also taking account of the new area of consolidation, the performance of the group in the first nine months of 2007 can be summarised as follows:

- **consolidated net revenues** rose to **€2,816.1 million**, compared with €2,671.5 million in the first nine months of 2006, an **increase of 5.4%**.
- **EBIT** rose to **€787.8 million**, an increase of €47.6 million on the figure for the same period of the previous year (€740.2 million).
- **operating profitability**, operating profit as a proportion of consolidated net revenues, went up to **28.0%**, from the 27.7% recorded in the first nine months of 2006.

- **profit before taxation** and that attributable to third-party shareholders rose to **€756.5 million**, compared with €727.1 million at 30 September 2006.
- **net profit** attributable to the Group, after estimated taxation, rose to **€372.3 million**, from the €369.1 million of the first nine months of the previous year.
- the Group's **net financial position** went from -€568.3 million at 31 December 2006 to **-€1,167.1 million** at 30 September 2007. The deficit is mainly due to the expenditure in the third quarter (for a total of €598 million) for the acquisition of the Medusa Group and the capitalisation of the vehicle established for the acquisition of Endemol, as well as the distribution of dividends by the parent company and the subsidiary Telecino (for a total of €644.7 million).
- In the first nine months of the year, the **group's net cash generation** amounted to **€681.3 million**, up from the €356.4 million for the same period of last year: in fact, 2006 recorded expenditure of €290 million for the acquisition of a dedicated network for mobile TV services (DVBH) and the acquisition of options on encrypted football rights for the 2009/2010 season of a number of important Serie A clubs.

## A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

### Italy

- In the first nine months of 2007 **consolidated net revenues** recorded an **increase of 3.7%**, reaching **€2,045.9 million** compared with €1,972.4 million in the same period of the previous year. The increase is largely the result of higher revenues from the pay-per-view activities of Mediaset Premium, network operator activities and the consolidation of the revenues of the Medusa Group.

**Gross television advertising revenues** came to **€2,002.5 million**, a fall of 3.1% on the same period of 2006. During the first nine months, this result was affected by a reduction in advertising investments by a number of key clients who had already made marked reductions in their budgets during the closing months of 2006.

If the examination is extended to the first 10 months of the year, and consequently including the brilliant start to the new autumn TV season, advertising sales show a marked recovery that brings the cumulative figure essentially in line with that of the first 10 months of 2006 (-0.4%).

**Mediaset Premium** showed a marked improvement in revenues with the first nine months pushing the total up to **€142.8 million**, well over twice the figure of €61.0 million for the first nine months of 2006. The figure includes the figure of €48.7 million from the sale of encrypted football rights for use on other platforms.

The first nine months of 2007 also recorded sales of more than 1.8 million new re-chargeable cards and more than 4.4 million re-charges.

- **EBIT** rose to **€426.3 million**, compared with €423.3 million to 30 September 2006.

- **total television costs** saw a significant fall (-1.1% compared with the first nine months of the previous year and on a like-for-like basis) and in the face of a 2007 target that was in line with the costs of 2006.
- **pre-tax profit** came to **€385,6 million**, compared with €402.8 million in the first nine months of 2006.
- **net profit** amounted to **€239,7 million**, compared with €253.9 million in the first nine months of 2006.
- The impact on the group's consolidated results of the recently acquired activities (Medusa and Endemol) already show a positive contribution, net of acquisition costs).

**TV ratings:** were positive in the first nine months of 2007 with Mediaset channels confirming their national leadership in all time bands among viewers in the 15 to 64 year-old age range (the commercial target): in fact, Mediaset recorded **42.8% in primetime** and **43.1% in the 24 hours**.

Canale 5 is Italy's most popular channel among the commercial target, with a **21.2% share in primetime** and **20.6% in the 24 hours**.

### Spain

- In the first nine months of 2007 **consolidated net revenues** generated by the Telecinco Group rose to **€771.0 million**, compared with €700.9 in the same period of the previous year.
- Telecinco's **operating profit** rose to **€361.5 million**, on the €317.3 million of the first nine months of 2006.
- **operating profitability** (operating profit as a proportion of consolidated net revenues) rose to **46.9%** (45.3% in the first nine months of 2006).
- **pre-tax profit** came to **€371.0 million**, compared with €324.6 million in the first nine months of 2006.
- **net profit** amounted to **€262.8 million**, an increase on the €229.3 million in the same period of 2006.
- Telecinco's ratings were also up, consolidating its position as Spain's absolute leader with a **primetime share of 20.5%** and **20.3%** in the **24 hours**.

## **FORECAST FOR THE YEAR**

In the current year, on a like-for-like basis and excluding the contribution generated by changes in leaving entitlements, the company expects to confirm an operating profit that is higher than that of the previous year, the extent of the improvement will depend on TV advertising sales in Italy and Spain in the last two months of the year.

The effect of the consolidation of the companies of the Medusa Group and the inclusion, on a net equity basis, of the 33.3% held, through Mediacinco, in the consortium that controls Endemol are not expected to have a significant impact on the consolidated result of the current year. Also taking account of the positive operating results and the financial structure of the operations.

### **Italy**

**Ratings.** At the end of the first ten months of 2007, Mediaset channels confirmed their leadership in the commercial target (15-64 year-olds) in all time bands, with average ratings of 42.9% in primetime and 43.1% in the 24 hours. Canale 5 consolidated its position as Italy's most popular channel and Italia 1 as the third.

**Mediaset Premium.** Sales were also excellent in the month of October: in fact, to date, around 2.0 million pre-paid cards have been sold and 4.9 million re-charges.

### **Spain**

**Ratings.** Also in October, Telecinco confirmed its leadership in terms of share, further extending its advantage over its main competitors.

*The executive responsible for the preparation of the Mediaset S.p.A. accounts, Andrea Goretti, declares that, as per para. 2 art. 154-bis, of the Single Finance Bill, that the accounting information contained in this press release corresponds to that contained in the company's books.*

Cologno Monzese, 6 November 2007

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## Highlights from the consolidated income statement (\*)

in €m

	Cumulative to 30 September		Q3	
	2007	2006	2007	2006
<b>Consolidated net revenues</b>	<b>2,816.1</b>	<b>2,671.5</b>	<b>739.1</b>	<b>677.5</b>
Labour costs	328.5	336.7	111.0	104.2
<i>of which non-recurring charges</i>	<i>(23.0)</i>			
Procurement, services and other costs	1,005.4	954.8	293.2	272.5
<b>Operating costs</b>	<b>1,333.9</b>	<b>1,291.5</b>	<b>404.1</b>	<b>376.7</b>
<b>Gross operating profit</b>	<b>1,482.2</b>	<b>1,380.1</b>	<b>334.9</b>	<b>300.8</b>
Amortisation and depreciations	694.4	641.1	247.1	212.4
<b>Operating profit</b>	<b>787.8</b>	<b>739.0</b>	<b>87.9</b>	<b>88.5</b>
((Losses)/gains from equity disposals)	-	1.3	-	-
<b>EBIT</b>	<b>787.8</b>	<b>740.2</b>	<b>87.9</b>	<b>88.5</b>
Financial income /(charges)	(34.4)	(13.5)	(14.9)	(8.1)
Income/(charges) from investments	3.1	0.3	1.6	0.4
<b>Profit before taxation</b>	<b>756.5</b>	<b>727.1</b>	<b>74.6</b>	<b>80.8</b>
Income taxes	(254.2)	(243.7)	(18.5)	(23.0)
<b>Net profit from operations</b>	<b>502.4</b>	<b>483.4</b>	<b>56.2</b>	<b>57.8</b>
(Net profit from discontinued activities)	-	-	-	-
(Minority interest (profit)/loss)	(130.1)	(114.3)	(24.7)	(21.2)
<b>Profit for the Mediaset Group</b>	<b>372.3</b>	<b>369.1</b>	<b>31.5</b>	<b>36.6</b>

## Highlights from the consolidated balance sheet (\*)

in €m

	30/09/2007	31/12/2006
Television rights	2,323.8	2,388.2
Goodwill and consolidation differences	393.7	368.7
Other tangible/intangible assets	1,100.2	1,085.2
Financial assets	570.4	93.9
Net working capital & other assets/liabilities	(414.8)	(304.1)
Severance indemnity reserve	(106.2)	(130.3)
<b>Net invested capital</b>	<b>3,867.0</b>	<b>3,501.7</b>
Net Group assets	2,443.6	2,634.1
Shareholders' equity and minority interest	256.4	299.2
<b>Net assets</b>	<b>2,700.0</b>	<b>2,933.3</b>
<b>Net financial position</b>	<b>(1,167.1)</b>	<b>(568.3)</b>

(\*) The reclassified figures in the report are not subject to certification by the external auditors