

Press Release

Mediaset Board of Directors' Meeting 11 September 2007

BOARD APPROVES RESULTS FOR FIRST HALF 2007

Consolidated Results

Net revenues: €2,077.0 million
Operating profit: €699.9 million
Net profit: €340.8 million

Italy

Television costs: -3.1%
Mediaset Premium: revenues more than double
with growing operating profit

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

Spain

Operating profitability: 51.2%
Ratings: Telecinco Spain's leading channel

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the interim report for the first six months of 2007.

MEDIASET GROUP: CONSOLIDATED RESULTS

Performance in the first six months of 2007 can be summarised as follows:

- **consolidated net revenues** came to **€2,077.0 million**, compared with €1,994.1 million in the first half of 2006.
- **EBIT** came to **€699.9 million**, a €48.2 million increase on the same period of the previous year (€651.7 million). This result was affected by non-recurring income of €23.0 million resulting from legislative changes introduced from the beginning of 2007 regarding the destination of funds for severance payments.
- **operating profitability**, operating profit as a proportion of consolidated net revenues, came to **33.7%**, compared with 32.7% in the first half of 2006.
- **profit before taxation** and that attributable to third-party shareholders, amounted to **€681.9 million**, compared with €646.3 million for the same period of 2006.
- **net profit** attributable to the Group, after estimated taxation, came to **€340.8 million**, compared with €332.5 million in the first half of the previous year.

- the Group's **net financial position** went from -€568.3 million on 31 December 2006 to **-€760.8 million** on 30 June 2007. This deficit is mainly due to the distribution of dividends by the parent company and the subsidiary Telecinco (for a total of €644.6 million).
- In the first six months of the year the Group's **net cash generation** amounted to **€451.7 million**, compared with €165.8 million in the same period of the previous year: in fact, in 2006 expenditure included €260 million for the acquisition of the DVBH network and the acquisition of encrypted rights for the 2009/2010 football season of leading Serie A clubs.

A BREAKDOWN OF RESULTS BY GEOGRAPHIC AREA

Italy

- In the first half of 2007 **consolidated net revenues** recorded **growth of 2.3%** to reach **€1,505.8 million**, compared with €1,472.2 million in the same period of the previous year. This increase was mainly the result of higher revenues from the Mediaset Premium pay-per-view service and network operator activities.
Television advertising revenues came to **€1,522.6 million**, a fall of 3.4% on the first half of 2006. This was the result of a shortfall in advertising investments by a number of big groups that had already reduced their budgets in the last six months of 2006. Starting in March, however, there was a recovery which led to an improvement in sales for Mediaset's channels which, in the second quarter, grew by 0.4% compared with the same period of 2006.
- **EBIT** came to **€407.0 million**, an increase on the €387.8 million of the first half of 2006.
- **total television costs** were down in the period (-3.1% on the first six months of the previous year) where the objective for 2007 is to be essentially in line with the costs of 2006. This result was affected by extraordinary income of €21.6 million generated by legislative changes introduced at the beginning of 2007 on the use of funds for severance payments.
- **pre-tax profit** came to **€379.9 million**, compared with €377.6 million in the first half of 2006.
- **net profit** amounted to **€234.7 million**, compared with €239.0 million in the first half 2006.
- there were excellent results for the pay-per-view business, "**Mediaset Premium**" which saw a marked increase in revenues in the first six months of 2007, which reached **€92.5 million**, well over double the €36.3 million of the first half of last year. This figure includes income €22.6 million for the sale of encrypted football rights for use on other platforms.
Only two years since its launch, and for the second quarter in a row, Mediaset Premium has recorded a positive **operating profit**.

In the first six months of 2007 more than 420,000 new re-chargeable cards and more than 2.5 million re-charges were sold..

- TV ratings during the period were also positive: in the first six months of 2007 Mediaset's channels confirmed their national leadership in all the time bands among viewers in the 15 to 64 year-old age range (the commercial target) that account for 70% of the Italian population: Mediaset had a **43.0% prime time share** and **43.3% in the 24 hours**.

Canale 5 is Italy's most popular channel in the commercial target with a **23.3% prime time share** and **22.9% in the 24 hours**.

Spagna

- In the first six months of 2007 **consolidated net revenues** generated by the Telecinco Group came to **€571.9 million**, an increase on the €523.3 for the same period of the previous year.
- Telecinco's **operating profit** rose to **€293.0 million**, from the €264.4 million of the first half of 2006.
- **operating profitability** (operating profit as a proportion of consolidated net revenues) reached a record level of **51.2%** (50.5% in the first half of 2006).
- **pre-tax profit** came to **€302.0 million**, compared with €269.1 million in the first half of 2006.
- **net profit** amounted to **€211.6 million**, compared with €186.4 million in the first half 2006.
- Telecinco's ratings were also up, consolidating its position as Spain's absolute leader with a **prime time share of 20.6%** and **20.4%** in the **24 hours**.

FORECAST FOR THE YEAR

On a like-for-like basis and excluding the contribution generated by legislative changes concerning the use of funds for severance payments, for the current year the Group expects to generate a higher level of operating profit than last year. The scale of the increase will depend of the trends in advertising sales both in Italy and in Spain.

From the beginning of the third quarter the companies of the Medusa Group will be fully consolidated, on a net equity basis, as will the 33.3% stake in the consortium that controls Endemol (held by Mediacinco). These factors are not expected to have a significant impact of the consolidated results for the current year, given the positive operating results that will be generated by the various businesses and the financial structure of the Endemol operation that sustains the cost of the acquisition.

Italy

Ratings. At the end of the period January-August 2007 Mediaset channels confirmed their leadership in the commercial target (15-16 year-olds) in all time bands, with an average prime time share of 42.9% and a 43% share in the 24 hours. Canale 5 consolidated its absolute leadership, while Italia 1 confirmed its position as Italy's third most popular channel.

Advertising sales. The trend in sales for Mediaset channels in the two-month period July/August was up on the figure for the same period of the previous year, confirming the progressive improvement that began in March. As a result of this performance, advertising sales, which at the end of the first half was down by -3.4%, after eight months were down by about -2% compared with the same period of the previous year. A further increase in advertising sales is expected in the coming months and should lead to consolidated advertising revenues for the year in line with those of 2006.

Mediaset Premium. Excellent sales have been recorded since the end of June, coinciding with the launch of the new pay-TV service. To date, around 1.1 million pre-paid cards and 1.4 million re-charges have been sold.

Spain

Telecinco confirmed, also in the two-month period July/August its leadership, both in terms of share, with a further increase at the end of 8 months in the gap from 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, 11 September 2007

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Highlights from the consolidated income statement (*)

in €m

	1st Half 2007	1st Half 2006	2° trimestre 2007	2° trimestre 2006
Consolidated net revenues	2,077.0	1,994.1	1,112.1	1,038.9
Labour costs	217.5	232.0	101.5	116.3
<i>of which non-recurring income</i>	<i>(23.0)</i>		<i>(23.0)</i>	
Procurement, services and other costs	712.2	682.9	343.0	326.8
Operating costs	929.8	914.9	444.6	443.1
Gross operating profit	1,147.2	1,079.2	667.4	595.8
Amortisation and depreciations	447.3	428.8	223.3	209.7
Operating profit	699.9	650.4	444.2	386.1
((Losses)/gains from equity disposals)	-	1.3	-	-
EBIT	699.9	651.7	444.2	386.1
Financial income /(charges)	(19.5)	(5.4)	(10.6)	(1.7)
Income/(charges) from investments	1.5	-	0.7	0.4
Profit before taxation	681.9	646.3	434.3	384.8
Income taxes	(235.7)	(220.7)	(155.6)	(140.9)
Net profit from operations	446.2	425.6	278.7	243.9
(Net profit from discontinued activities)	-	-	-	-
(Minority interest (profit)/loss)	(105.4)	(93.1)	(62.4)	(56.5)
Profit for the Mediaset Group	340.8	332.5	216.3	187.4

Highlights from the consolidated balance sheet (*)

in €m

	30/06/2007	31/12/2006
Television rights	2,327.7	2,388.2
Goodwill and consolidation differences	368.8	368.7
Other tangible/intangible assets	1,092.5	1,085.2
Financial assets	92.9	93.9
Net working capital & other assets/liabilities	(283.2)	(304.1)
Severance indemnity reserve	(100.5)	(130.3)
Net invested capital	3,498.2	3,501.7
Net Group assets	2,488.7	2,634.1
Shareholders' equity and minority interest	248.7	299.2
Net assets	2,737.4	2,933.3
Net financial position	(760.8)	(568.3)

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