

Press Release

Mediaset Group Nine-month 2001 Results

Net revenues EURO 1,725.6 million (+3.0%)

Operating profit: 28.5%

Advertising sales in the first 9 months: + 3.3%

**Record ratings in the current season: 43.3% share
Canale 5 - Confirmed as Italy's most popular channel**

The Board of Directors of Mediaset, which met today under the Chairmanship of Fedele Confalonieri, has approved the management's report on the Mediaset Group's 3-quarter 2001 results.

In the first nine months of 2001, the Group's three television channels, Canale 5, Italia 1 and Retequattro, achieved **record ratings** with an average 24-hour share of **43.3%**, the best result in the last five years.

This result is mainly attributable to the **excellent performance of Canale 5** that has confirmed its position as Italy's most popular channel: 23.6% in prime time (+2.6%) and 23.3% over 24 hours (+1.9%).

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

- **Consolidated net revenues** increased to **1,725.6 million euros**, up **3.0%** from the 1,675.7 million euros of the first nine months of 2000.
This increase in the Group's revenues is mainly the result of an overall increase in **television revenues (+4.3%)**.
- In particular, third-party **advertising sales** for Mediaset's networks showed an increase of **3.3%** compared with the same period of 2000. It is a particularly positive result in view of the generally negative trends experienced by national competitors and the leading European operators. It should also be seen in the light of the particularly positive trends that were characteristic of the growing advertising market one year ago.

- Other television revenues came to 92.6 million euros, compared with 71.2 million last year, an increase of 21.4 million mainly resulting from the sale of pay TV rights to a number of Champions League matches.

Revenues coming from multimedia activities, (i.e. the distribution of thematic channels, advertising sales linked to the Internet and Mediavideo - the teletext service of the three networks - and the magazine '*La macchina del tempo*', showed a marked increase, rising from 19.1 million euros in the first nine months of 2000 to 26.2 million for the first three quarters of the current year.

- **Operating costs**, rose from 695.4 million euros in the first nine months of 2000 to **720.9 million euros** this time, an increase of 25.5 million euros. Meanwhile, the strategy of containing costs, combined with a commitment to strengthening the schedules of the three networks in order to make them more competitive, continues.
- **Gross operating profit (Ebitda)** for the period **grew by 2.5%**, from 980.3 million euros in the same period of the previous year, to **1,004.7 million euros** in the first nine months of 2001.
- **Operating profit (Ebit)**, net of amortisations and depreciations for 513.5 million euros, totalled **491.2.3 million euros** compared with the 505.7 million euros of the first nine months of 2000. The trend in operating profit was affected by the increases in the amortisation of rights, that reflects the dynamics of investments in recent years.
- As a proportion of consolidated net revenues, **the Group's operating margin** for the period was **28.5%** (30.2% for the same period of 2000). However, an evaluation of this result - which needs to be seen in the context of the exceptional results of the previous year - must, in any case, take account of the highly seasonal character of the Mediaset Group's results that tends to emphasise the performance in the first half of the year and sees a slow-down in July-September
- **Pre-tax profit** for the period came to **436.7 million euros**, compared with 480.8 million in the first nine months of 2000.
In the context of lower operating profit, the change is mainly the result of the writedown of the stake in Blu, already effected before June 30.
- The Group's **net financial position**, as at September 30, 2001, showed a deficit of 58 million euros (compared with a surplus of 125.3 million euros as at December 31,2000). This change in liquidity, despite a positive cash flow in the current year, is attributable to equity investments, the financing of Blu and Albacom, the acquisition of

the business activities of the Internet portal Jumpy and seasonal tax and dividend payments.

FORECAST FOR THE FULL YEAR

In the first ten months of 2001, Mediaset channels achieved excellent results in terms of 24-hour ratings with a further 0.4 point increase on the same period of the previous year. Also in the first ten months, television advertising revenues showed an increase 2% on the same period of the previous year.

Currently available evidence suggests that television advertising revenues will end the year slightly above those of last year. Such a result, which is against the general trend and has no equal among European media companies, should be considered exceptional in view of the marked fall foreseen for the national television market as a whole.

For the last part of the year, a more contained increase in television costs, compared with the final quarter of 2000 and the third quarter of 2001, is forecast. Nevertheless, this will not compensate totally the trend in advertising revenues, even if for Mediaset they remain substantially above the negative expectations of the reference market. It is therefore foreseen that the full-year net result will be positive, even if lower than that of 2000 - a year that was by all accounts exceptional - also due to lower income from subsidiary companies.

Cologno Monzese, 13 November 2001

Highlights from the consolidated income statement*
In millions of euros

	Progressive to 30 September		Third quarter	
	2001	2000	2001	2000
Revenues from sales and services	1,701.5	1,655.0	351.7	381.7
Other revenues and income	24.1	20.7	4.2	8.4
Total consolidated net revenues	1,725.6	1,675.7	355.9	390.1
Labour costs	218.2	217.5	68.4	65.9
Procurement, services and other	502.7	477.9	129.5	136.4
Operating costs	720.9	695.4	197.9	202.3
Gross operating profit	1,004.7	980.3	158.0	187.8
Amortisations and depreciations	513.5	474.6	167.1	154.3
Operating profit	491.2	505.7	(9.1)	33.5
Financial income /(charges)	(24.5)	(15.8)	(19.0)	(4.4)
Income/(charges) from investments	(55.8)	(8.3)	(12.0)	(14.3)
Profit before extraordinary items	410.9	481.6	(40.1)	14.8
Extraordinary income/(charges)	25.8	(0.8)	26.5	0.3
Pre-tax profit	436.7	480.8	(13.6)	15.1

Highlights from the consolidated balance sheet*
In millions of euros

	31/12/2000	30/09/2001	30/06/2001
1,763.9	Television rights	1,861.1	1,895.0
450.0	Other tangible/intangible assets	425.2	462.5
585.5	Financial assets	730.3	623.5
(450.4)	Net working capital & other assets/liabilities	(324.4)	(60.8)
(85.1)	Severance indemnity reserve	(91.3)	(89.3)
2,263.9	Net invested capital	2,600.9	2,830.9
125.3	Net financial position	(58.0)	(274.1)
2,389.2	Shareholders' equity and minority interest	2,542.9	2,556.8

()Uncertified and unaudited figures*