

BOARD APPROVES 2006 STOCK OPTION PLAN

The Board of Directors of Mediaset, which met today under the chairmanship of Fedele Confalonieri, launched the 2006 Stock Option Plan and defined the relative regulations.

The AGM of 20th April 2006, having decided on the creation of a Stock Option Plan designed to act as an incentive for the participants in the Plan and to actively involve them in the running of the Group and in enhancing its value, approved the introduction of a Stock Option Plan for the Company's shares for a period of three years beginning in 2006 destined for employees of the Company, its subsidiaries and its parent company whose efforts have a relevant impact on the achievement of the Group's strategic objectives.

The Shareholders also entrusted the Board of Directors with the management of the Stock Option Plan for the period 2006/2008 with all the powers necessary for the identification of participants, establishing performance objectives, allocating option rights and carrying out the Plan itself in all its aspects.

The Remuneration Committee made a presentation to the Board on management loyalty and incentive systems with a view to the renewal of the Stock Option Plan 2006/2008.

The Board of Directors, while recognising that the Stock Option tool, also as a result of Legislative Decree n°. 223 of 4 July 2006, is becoming much more onerous compared with the recent past, both for the company and for participants, accepted the Remuneration Committee's proposal which on the one hand foresees the renewal of the three-year stock option plan in a form unchanged in terms of the participants and the number of options to be allocated in 2006, and, on the other, suggests the development, from 2007, of new system of management loyalty and incentive schemes.

Consequently, in line with the guidelines outlined by the Remuneration Committee, the Board agreed:

- to proceed with the 2006 Plan in the same manner as previous years;
- to review the tools to be used for the issue of stock options for 2007 and 2008, also by identifying new management loyalty and incentive schemes;

and, as far as 2006 is concerned, the Board:

- identified the number of participants in the 2006 plan as 128:

- allocated, from today, a total of 3.716.000 personal and non-transferable option rights, amounting to 0.31% of the share capital;
- defined the criteria for the determination of the exercise price for the options based on the average reference price of Mediaset shares (as recorded by Borsa Italiana S.p.a. in the period from the date of allocation and the same day of the previous month, as per current tax rules). Making the unit price for allocated options € 8.92;
- identified, as a condition for the exercise of such options, the attainment of the annual performance indicators relating to ROE and free-cash flow (to be verified by the Board for each year of the duration of the plan, before the end of the first half of the year subsequent to the year of allocation of options);
- established that, subordinate to these requirements, the exercise of options on allocated shares for 2006 may be effected exclusively in the period between 1st January 2009 and 31st December 2011.

It was further resolved that the Remuneration Committee should present new proposals for a loyalty and incentive scheme for employees of the company and its subsidiaries, whose functions have a determining impact on the attainment of the Group's strategic objectives, that also takes account of new tools consistent with the policy guidelines provided by the Board of Directors and current social and tax charges, as well as any other applicable norms or the relative interpretation and application of the same.

Cologno Monzese, 25 July 2006

Department of Communications and Media Relations

Tel. +39 0225149156

Fax +39 0225149286

e-mail: ufficiostampa@mediaset.it

<http://www.mediaset.it/corporate/>

Investor Relations Department

Tel. +39 0225147008

Fax +39 0225148535

e-mail: ir@mediaset.it

<http://www.mediaset.it/investor/>