

PRESS RELEASE

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**FININVEST GROUP HALF YEARLY REPORT**

**OPERATING PROFIT OF € 689 MILLION, AN INCREASE OF 35.4%**

**CONSOLIDATED NET REVENUES OF € 2,779 MILLION: +11.4%**

**PRE-TAX PROFITS OF € 410 MILLION**

Today, under the Chairmanship of Aldo Bonomo, the Board of Directors of Fininvest S.p.A. approved the company's balance sheet and income statement for the first half of 2004.

**FININVEST GROUP HALF YEARLY REPORT**

*In a macroeconomic situation that continues to be characterised by uncertainty, in the first half of the year the Fininvest Group recorded positive results, both with regard to the development of established strategic guidelines and in terms of the business and financial results, by continuing to pursue efficiencies within its core businesses.*

*Here are the consolidated pro-forma highlights for the first six months of 2004:*

**The Fininvest Group's net revenues increased to 30 June 2004 by 11.4% to € 2,779 million**, compared with the same period of the previous year. On a like-for-like basis, excluding the impact of the consolidation of the Piemme Group, bought by Mondadori in the second half of 2003, revenue growth was 10.7%

Consolidated **gross operating profit** for the first six months of 2004 rose to € **1,208 million** compared with € 1,099 million in the first half of 2003 (+ 9.9%).

There was also an increase in **operating profit**, which rose to € **689 million**, and increase of **35.4%** on the € **509 million** of the same period of 2003. Of particular note is the **level of operating profit as a proportion of revenues, 24.8%** (in the first half of 2003 the figure was 20.4%), which confirms a trend in operating profitability that has now continued for eight years.

The first half of 2004 generated a **pre-tax profit of € 410 million** compared with € 216 million in the same period of last year. This result was achieved after making reserves for **amortisations for a total of € 525 million** (€ 583 million in the first half of 2003), booking **extraordinary income of € 104 million** and **recognising profits for third party shareholders of € 401 million** (€ 279 million in the corresponding period of the previous year).

The Group's **consolidated net financial position** at 30 June 2004 showed a deficit of € **997 million**, an **improvement of € 178 million** compared with the deficit of € 1,175 million recorded on 31 December 2003.

On the 30th June last year the Group's consolidated net financial position showed a deficit of € 1,165 million.

Net assets, including minority interests and considering the pre-tax profit, increased by **€ 376 million** from € 3,234 million on 31 December 2003 to **€ 3,610 million on 30 June 2004**.

### **HALF YEARLY REPORT FININVEST S.P.A.**

The Half Yearly Report for 2004 of the parent company Fininvest S.p.A. showed a pre-tax profit of **€ 174 million** compared with the € 134 million of the first six months of 2003 (+30.6%), after making **amortisations of € 0.3 million** (€ 0.3 million in the first half of last year).

Milan, 26 October 2004