

## PRESS RELEASE

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### FININVEST GROUP – FINANCIAL STATEMENTS 2011

**CONSOLIDATED REVENUES: 5,811.1 MILLION EUROS**

**OPERATING MARGIN: 609.9 MILLION EUROS**

**NET PROFIT: 7.5 MILLION EUROS**

**2 BILLION EUROS INVESTED**

**THE SHAREHOLDERS OF THE PARENT COMPANY WAIVE THEIR RIGHT TO  
A DIVIDEND**

***Luigi Berlusconi, Maurizio Costa and Danilo Pellegrino appointed to the  
Board of Directors of Fininvest S.p.A.***

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During the Shareholders' Meeting of Fininvest S.p.A. that was held today under the chairmanship of Marina Berlusconi, the shareholders approved the financial statements of the parent company and examined the consolidated financial statements for the financial year that closed on 31 December 2011.

*In the context of an extremely grave financial crisis that has resulted in a drastic reduction in investments and consumer spending on a worldwide scale, during 2011 the Fininvest Group continued to implement the strategy it has adopted to deal with such a critical scenario. This strategy includes a rigorous policy aimed at **reducing costs** while at the same time focusing on maintaining the **quality of the offer**. It is therefore particularly significant that even during a year of such extraordinary difficulties, consolidated **investments** touched on 2 billion euros an amount that is higher than the figure registered both in 2008 and 2009 and substantially in line with 2010.*

*With regard to the income statement, the appreciable decrease in the consolidated net profit was mainly due to an **adjustment to the value** of some financial assets carried out by Mediolanum and Fininvest S.p.A.*

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As for the legal procedures regarding the “Lodo Mondadori” (Mondadori award), following the sentence handed down by the Milan Court of Appeal on 9 July 2011, on 26 July 2011 Fininvest S.p.A. decided to authorise the direct payment, in place of the surety provided on 21 December 2009, to CIR S.p.A. for a total amount of 564.2 million euros, while at the same time it emphasised that the payment was of a temporary nature and in no way represents the acceptance of the sentence, and expressed its right to appeal against the sentence. Subsequently, on 17 November 2011, the Company deposited an appeal with the Court of Cassation against the sentence.

Fininvest S.p.A. believes that there is no basis for awarding these damages and that therefore, in accordance with the opinion of its legal advisors and also of authoritative independent legal-accounting experts, it is more than likely that the appeal will produce a positive result. As a result of this conviction and also in virtue of the temporary nature of the payment made, no allocation was made in the 2011 financial statements for this amount.

The Shareholders’ Meeting passed resolution to impose an obligation for the impossibility to dispose of part of the equity of Fininvest through the setting up of a “*Reserve linked to the result of the Cir legal proceedings*” until all legal proceedings and appeal procedures are definitively exhausted.

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## **FININVEST GROUP CONSOLIDATED FINANCIAL STATEMENTS 2011**

*The following are the main pro-forma\* consolidated results for 2011:*

**Consolidated revenues** for 2011 for the Fininvest Group amounted to **5,811.1 million euros**, representing a 1.4% decrease compared with the figure of 5,891.8 million euros registered in 2010.

Consolidated **gross operating profits** amounted to **1,946 million euros**, compared with 2,102 million euros in the previous year (-7.4%).

The **operating result** amounted to **609.9 million euros** (881 million euros at 31 December 2010), a decrease of 30,8%, representing **10.5%** of net revenues compared with 15% in 2010.

The **consolidated net profit** amounted to **7.5 million euros** (160.1 million euros in 2010).

The result was heavily penalised by the **writedown** carried out by the Mediolanum Group, on the value of Greek government bonds held in the portfolio (the value adjustment related to the investment held by the Fininvest Group amounted to 30.5 million euros) and the writedown of the investment held in Mediobanca S.p.A. that was made by the Mediolanum Group (14.8 million euros held by the Fininvest Group) and the parent company, Fininvest S.p.A., for 60 million euros.

Excluding the impact deriving from the adjustments to value and other non-recurring operations, the consolidated net result amounted to approximately **107 million euros**.

The profit was obtained after making **depreciations** for a total of 1,336.3 million euros (1,221.3 million euros in 2010) and recognising **profits due to third-party shareholders** of 215.3 million euros (264.7 million euros in 2010).

The **operating cash flow** (profit + depreciations) was substantially stable, amounting to **1,559.2 million euros**.

The Fininvest Group's **net financial position** at 31 December 2011 showed a **debt of 2,077.5 million euros** compared with 1,357.2 million euros at 31 December 2010. The difference was mainly due to the temporary transfer of 564.2 million euros carried out by Fininvest S.p.A. in favour of Cir S.p.A. as part of the "Lodo Mondadori" legal proceedings.

**Investments** carried out during 2011 amounted to **1,926.4 million euros** (2,224. million euros in 2010).

*\* pro-forma: the Milan holding was consolidated using the net equity method.*

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## **FININVEST S.P.A. FINANCIAL STATEMENTS 2011**

In 2011 the **statutory net profit** of the parent company, Fininvest S.p.A., amounted to **105.9 million euros**, compared with 87.1 million euros in 2010 (+21.5%).

Despite an appreciable increase in net profit, the Shareholders' Meeting resolved, for the second consecutive year, **to waive its right to a dividend** and to allocate the entire result for 2011 to the item "Profit carried forward". This decision confirms the strong commitment to the Group and to its prospects for growth.

The parent company's **net equity** at 31 December 2011 amounted to 2,630.9 million euros, compared with 2,525 million euros at 31 December 2010.

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The Shareholders' Meeting of Fininvest S.p.A. also resolved to nominate the new Board of Directors, confirming as directors Marina Berlusconi (Chairman), Pasquale Cannatelli (Chief Executive), Barbara Berlusconi, Bruno Ermolli, Ubaldo Livolsi, Roberto Poli and Salvatore Sciascia. The Shareholders' Meeting also appointed Luigi Berlusconi, Maurizio Costa and Danilo Pellegrino to the Board of Directors.

### **Luigi Berlusconi**

*Luigi Berlusconi was born in Arlesheim (Switzerland) on 27 September 1988. In 2011 he graduated in Economics and Finance from the Università Luigi Bocconi in Milan, where he is currently studying for a Masters in the economic and social sciences field.*

*Since 2007 he has been a member of the Board of Directors of Mediolanum S.p.A., which is quoted on the Milan stock exchange.*

*In December 2011 he was appointed to the position of Managing Director Responsible for Financial Management at Holding Italiana Quattordicesima S.p.A.*

### **Maurizio Costa**

*Maurizio Costa, born in Pavia in 1948, trained as a mechanical engineer.*

*He has been Chief Executive of Arnoldo Mondadori Editore since 1997 and Deputy Chairman and Chief Executive since 2003. He is also Chairman of Random House Mondadori, Deputy Chairman of Mondadori France and a member of numerous Board of Directors in Group publishing companies, and in 2007 he became an Independent Director on the Board of Amplifon.*

*He began his career in the IRI Group. In 1984 he joined the Montedison Group, where from 1985 until 1988 he was the Director Responsible for Strategy and Development for Standa and from 1989 until 1982 he was General Manager of the Standa Group. In 1992 he joined Mondadori as Director Responsible for Subsidiaries and Business Development, and in 1994 he was appointed Chief Executive of the Elemond Group.*

### **Danilo Pellegrino**

*Danilo Pellegrino was born in Milan on 18 September 1957 and is currently General Manager of Fininvest SpA.*

*After leaving school he studied Economics and Commerce at the Università Cattolica in Milan.*

*He began his career in 1975 at Magneti Marelli Spa (Fiat Group), where he held various positions in the Administration and Control area before becoming responsible for Management and Control for the Magneti Marelli Group.*

*In 1988 he joined Fininvest Spa where he held various positions in the Control area, before being appointed Director Responsible for Administration, Planning and Control of the holding in 1999 and General Manager in 2003.*

*Among his various appointments he is Chairman of the Manzoni Theatre, Chairman of Alba Aerotrasporti, Director of Mediolanum SpA and Mediolanum Vita/Assicurazione and Director of Milan Entertainment, Milan Real Estate and other Group companies.*

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