



PRIMA PAGINA

**LIFE WITH FATHER**

Marina Berlusconi on her biggest achievements at Fininvest.

Article on page A10

# Fininvest Is a Family Affair

Marina Berlusconi Emerges as Powerful Force at Italian Media Empire

By JENNIFER CLARK  
*Dow Jones Newswires*

MILAN—Ask Fininvest SpA Vice Chairman Marina Berlusconi what she reads besides company reports, and her answer is revealing.

“Right now I’m reading Marguerite Yourcenar’s ‘Memoirs of Hadrian,’” she says, referring to the French author’s portrait of the benevolent Roman emperor. “It describes the psychology of a powerful man as told through the eyes of a woman.”

Ms. Berlusconi, 35 years old, could have written such a book herself. Her father, Silvio, founded Fininvest in the early 1960s, building it into Italy’s biggest media company before abruptly stepping down in 1993 to enter politics. He is now Italy’s prime minister.

Ms. Berlusconi has served as Fininvest’s No. 2 since 1996, outranked only by Chief Executive Claudio Sposito. In this role, she oversees day-to-day decisions in family-held businesses—from television, film and publishing to the A.C. Milan soccer team—that generated €4.31 billion in sales for 2000, the most recent year for which results are available.

Asked what she considers to be the biggest achievements of her tenure, Ms. Berlusconi cites the decisions to sell real-estate unit Edilnord and retailing division Standa to focus on the group’s more profitable core communications activities.

That process was completed in 2001 with the sale of Edilnord. Combined with a meticulous attention to costs—in 2001, costs were down to 65% of sales, from a figure of 81% in 1997—Fininvest reported annual operating-profit growth of 24%



Photo: Imagoeconomica/AF

**Marina Berlusconi**

from 1996 to 2000. Its 2000 net profit reached an all-time high of €326 million—more than double 1999 net of €139 million.

Ms. Berlusconi also points with pride to the increased programming budget of publicly traded television broadcaster Mediaset SpA, in which Fininvest has a controlling stake. The majority of Mediaset’s prime-time drama shows are now produced in-house—quite an achievement for a company that made its mark in the 1980s by airing imported “Dallas” and “Dynasty” reruns. “Young Casanova,” a

nade-for-television movie produced by Mediaset, won a prize at the Biarritz Festival this year.

She admits 2000 was a banner year for media companies, and says the group's main achievement in 2001 was a relentless focus on controlling costs to bolster profitability. She says earnings were very satisfactory; Fininvest will release 2001 results in May or June.

In an otherwise defensive year, Fininvest's film producer and distributor Medusa became the Italian market leader, overtaking competitors Cecchi Gori Group, an Italian house, as well as U.S. majors such as Warner Brothers. Medusa also was a co-producer of the lauded Robert Altman film "Gosford Park."

International expansion remains one of Fininvest's priorities, Ms. Berlusconi says. That may include taking financial stakes in foreign companies. Mediaset holds a 40% stake in Spanish broadcaster Telecinco, and is considering increasing its stake if cash-strapped German media baron Leo Kirch decides to sell his 25% stake, according to recent press reports. Ms. Berlusconi says that Fininvest is looking at opportunities across the board. But, she adds, "the group will keep its feet firmly on the ground and will only move if the price is right."

Ms. Berlusconi says she doesn't like to work around the clock, but it's clear that the family company is her life. (Her hobbies include reading, shopping and renting movies from Blockbuster). She joined Fininvest when she was 24, and spent the first several years working with former Chief Executive Franco Tato', now CEO of Italian electricity giant Enel SpA. Ms. Berlusconi, who never finished college, has credited him with showing her the ropes, and once told an interviewer that working with Mr. Tato' was "better than going to Harvard."

"Marina followed me very closely through a very difficult restructuring of the company," says Mr. Tato'. "She was dedicated, bright and supportive."

She says the realization that she wanted to join the family firm came gradually. The turning point came when her father decided to go into politics. "That speeded things up—I had more responsibility than I would have had otherwise," she says.

In 1998, her father started talks to sell part of Mediaset, Italy's largest commercial broadcaster, to News Corp., to

resolve nagging conflict-of-interest issues stemming from his role in politics. Rupert Murdoch traveled to Mr. Berlusconi's palatial villa north of Milan for the talks. But Ms. Berlusconi and her brother Piersilvio, now vice chairman of Mediaset, persuaded their father not to sell. Ms. Berlusconi feels strongly about the importance of the family business, and both siblings have said that they wanted to keep Mediaset in the family so they could run it themselves.

One longtime Fininvest executive says she is methodical in her decision-making, studying all sides of a question before making up her mind. She also has the family's knack for divining the tastes of ordinary Italians, this executive says.

What would she have done if she hadn't joined Fininvest? Ms. Berlusconi says she rarely thinks about it. "I love animals . . . maybe I would have become a veterinarian," she says.