

PRIMA PAGINA

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Fininvest Cuts Mediaset Stake

Dow Jones Newswires

MILAN—Italian Prime Minister Silvio Berlusconi's Fininvest SpA, in a long-awaited move, cut its stake in broadcaster Mediaset SpA by selling 16.7% in a placement that could raise around €2 billion.

Fininvest, the holding company owned by the Berlusconi family, said the sale will trim its stake in Mediaset to 34.3%, freeing cash for other possible investments.

The placement of 197 million shares is being handled by J.P. Morgan Chase & Co. and is aimed at institutional investors from Italy and elsewhere, Fininvest said.

Traders in Milan and London said the stake was being offered in a price range of €10.70 to €10.90. Mediaset shares fell 3.7% yesterday to €10.57 each.

Mr. Berlusconi has come under pres-

sure to sell Mediaset since he first went into politics in 1993, when he created his own political party Forza Italia. The sale comes less than 10 days after Mr. Berlusconi's center-right coalition suffered a sharp setback in regional elections.

Fininvest said it will use cash from the sale for new investments. But anti-trust laws as well as criticism deriving from Mr. Berlusconi's political role will make it hard for the company to expand in Italy.

Mediaset is well-positioned in the Italian advertising market, its ratings are strong and its business is generating plenty of cash.

"Mediaset's stock appeal wouldn't change even if the buyer were to be a private-equity company—and anyway the company's outlook remains sound," said Alessandro Frigerio, a fund manager for Pigoli Consulenza.