



TELECINCO

RESULTS FIRST QUARTER 2009¹ (January – March)

Madrid – May 7th, 2009

CONTENTS:

1. Financial and operating highlights
2. Profit and loss account
3. Cash flow generation
4. Summary balance sheet
5. Audience share performance

¹ 2008 and 2009 accounts not audited

1. Financial and operating highlights

Consolidated financial highlights for the year to March, include:

1. So far 2009 is still being affected by the crisis that hit the Spanish economy during 2008. Macro economic figures do not show any changes in trend and no sector of the Spanish economy is safe from the decline. An example of the magnitude of the crisis is the unemployment rate with more than 4 million people unemployed at the end of March 2009, 17.4% of the active population (versus the European rate of 8.9%).

Total Net Revenues in the first quarter of 2009, have been seriously hit by the crisis, they reached €159.67 million whereas in the same period last year they were €248.98 million, -35.9% versus the same period of 2008. The “Gross Advertising Revenues of Television” in this period amount to €147.55 million compared to €237.97 million that were reached last year, while the “Advertising Revenues of Other Media” reached €4.35 million with an increase of +3.8% compared to last year. The “Total gross advertising revenues” amount to €151.91 million, a 37.3% drop versus 2008. Finally, the “Other Revenues” amount to €14.48 million with a decrease of -16.0% versus last year (€17.25 million). This is mainly due to the fact that no movie has been premiered during this period and the decline in SMS revenues because of a rescheduling in broadcasting the reality show “Supervivientes”.

2. The 15.2% average **audience share** in the first quarter 2009, total-individuals (total day), situates Telecinco as the third television network just 0.1 behind Antena 3 (15.3%) who are second in the ranking. The leader during the first quarter 2009 was TVE-1 (17.3%) thanks to its aggressive programming strategy.

In total-individuals prime time² Telecinco’s audience share reaches 17.5% distancing them from TVE-1 by 0.3pp and leaving Antena 3 in fourth position (behind FORTA) at a distance of 3.7pps. In “Commercial Target³” the audience of Telecinco was 17.9% in Prime Time, at a distance of 3.0pp and 3.7pp from Antena 3 and TVE-1 respectively. The audience total day “Commercial Target” of Telecinco was 15.7% just 0.3pp behind the leader Antena 3 and 1.8pp ahead of TVE-1.

3. During the period the Group reduced its **Total Operating Costs** by 11.5% reaching €116.02 million opposed to the €131.06 million reached last year. This **decrease** is mainly due to the cost control policy that the company has stressed since the beginning of the crisis. Part of this reduction is due to the reversal of a provision no longer necessary.

² Prime time: Time slot with the highest television consumption of the day, from 20:30 to 24:00.

³ Commercial target: Audience group comprising individuals from 16 to 59 living in communities of over 10,000 inhabitants and across medium and upper social classes



On a percentage basis and despite the advertising market decline, Telecinco maintains its incomparable operating margins. The **Adjusted EBITDA⁵** margin reached 28.8% (48.3% in the same period last year) and 27.3% (from 47.4% in 2007) in terms of **EBIT**. This result confirms that Telecinco is one of the most profitable TV companies in Europe.

Given the weak conditions of the advertising market, the reliability of operating margins and strict cost control policy are the two most important elements that will ensure the natural development of the business through this crisis. Telecinco relies on a privileged position thanks to its traditional cost management and control, and the strength of its margins.

4. **Net profit**, after tax, was €29.26 million while last year's figure stood at €81.48 million; the net profit margin reached 18.3%. If we isolate the accounting impact (after taxes) of the amortization of intangibles resulting from the "Purchase Price Allocation" (PPA) of Endemol which is recorded under the "Results of equity consolidated companies", then the adjusted result would improve by €4.10 million, reaching €33.36 million, that is 62.0% lower than 2008 (€87.84 million) with a margin over Net Revenues of 20.9% compared to 35.3% of 2008.
5. **Free cash flow** was €55.81 million, decreasing by €47.97 million versus last year with a Net Profit Adjusted conversion rate into Free Cash of 35%.
6. **The net financial position** as of March 31st 2009 was €24.42 million.

⁵ (EBITDA post-rights amortisation)
www.inversores.telecinco.es

2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

<i>Millions of €</i>	1Q09	1Q08	% change
TOTAL NET REVENUES	159,67	248,98	(35,9%)
Rights Amortisation	(40,22)	(32,53)	23,6%
Personnel	(20,45)	(20,84)	(1,9%)
Other operating costs	(53,03)	(75,45)	(29,7%)
Adjusted EBITDA	45,98	120,16	(61,7%)
Other amortisations, provisions	(2,32)	(2,24)	3,9%
EBIT	43,65	117,92	(63,0%)
Equity consolidated results	(11,57)	(8,30)	39,4%
Financial results	0,03	0,62	(95,2%)
Pre-tax profits	32,11	110,24	(70,9%)
Income taxes	(5,19)	(29,74)	(82,5%)
Minority interests	2,33	0,99	136,7%
Net profit	29,26	81,48	(64,1%)
Adjusted Net profit	33,36	87,84	(62,0%)

As previously mentioned, compared to the same period last year and under consistent conditions, the Adjusted Net Profit amounted to €33.36 million (-62.0% versus 2008). The difference of €4.10 million is entirely due to the post-Tax impact of the amortisation of intangibles at Edam level resulting from the difference between the price paid and the net accounting value of the Group (known as "Purchase Price Allocation" or PPA). This constitutes an accounting convention which neither affects the value nor the cash flow of the Endemol Group, whose operational results remain satisfactory.

2.1. Revenues

Table 2: Revenues

	1Q09	1Q08	% change
Gross advertising revenues	151,91	242,16	(37,3%)
- <i>Television</i>	147,55	237,97	(38,0%)
- <i>Others</i>	4,35	4,19	3,8%
Discounts	(6,72)	(10,43)	(35,6%)
Net advertising revenues	145,19	231,74	(37,3%)
Other revenues	14,48	17,25	(16,0%)
TOTAL NET REVENUES	159,67	248,98	(35,9%)

Gross advertising revenues in the first quarter 2009 reached €151.91 million 37.3% lower than last year (€242.16 million).

Television's Gross advertising revenues reached €147.55 million versus €237.97 million in 2008 down by 38.0%.

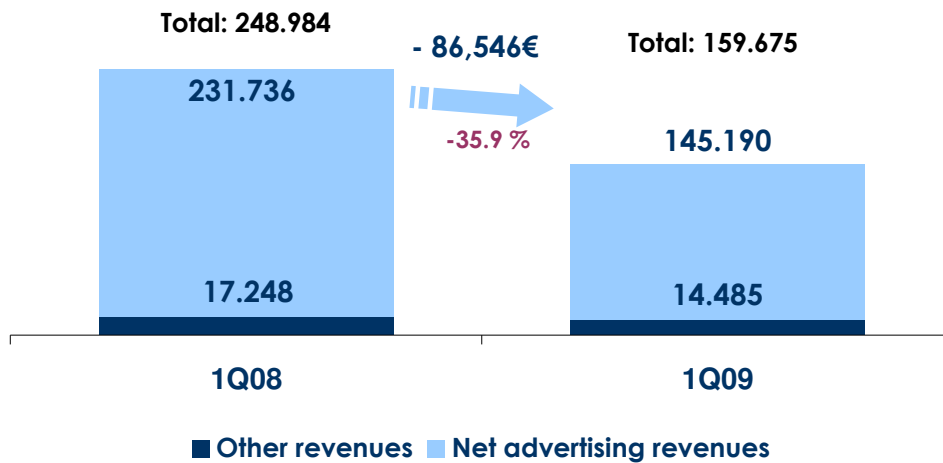
The **Other advertising revenues** made €4.35 million increasing by 3.8% compared to 2008 and include advertising revenues from other platforms such as the Internet, thematic and digital channels and teletext, etc.

Net advertising revenues after commissions and allowances reached €145.19 million with a reduction of 37.3% compared with last year (€231.74 million).

“**Other revenues**”, which mainly include the sale of coproduction film rights, merchandising rights, SMS and audio text services amounted to €14.48 million with a decrease of 16.0% versus last year. This reduction is mainly due to the rescheduling in the broadcasting of the reality show “Supervivientes” the effect of which was a reduction of the SMS revenues and we also have to underline the absence of movies released by the company during this period.

Finally, **Total Net Revenues** amounted to €159.67 million, showing a decline of -35.9% compared with last year (€248.98 million).

Total Net Revenues, Advertising and Others Revenues,



2.2. Operating costs

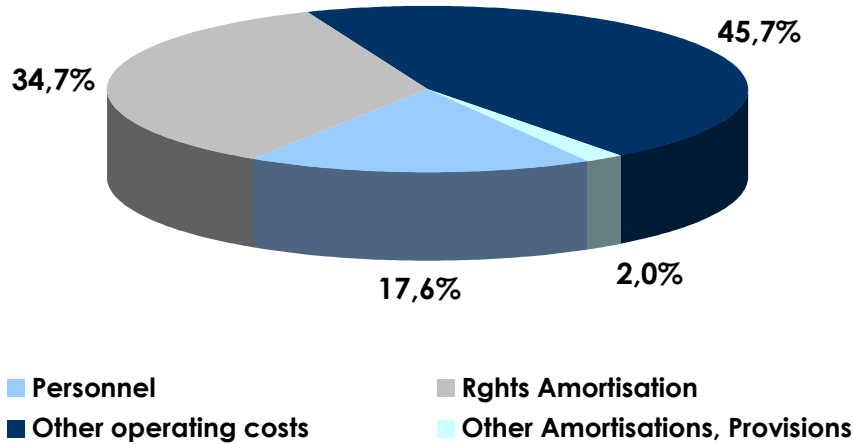
Total operating costs, which amounted to €116.02 million, decreased by 11.5% compared to last year; this result is due once more to our long-established cost control policy. This cost control policy is *a well established trademark of the Group*. We also have to underline that during this period we reverted a specific provision that was no longer necessary. In any case, excluding the exceptional impact of undoing the aforementioned reserve, the operating costs would have decreased by 9%.

Table 3: Operating costs

Millions of €	1Q09	1Q08	% change
Personnel costs	20,45	20,84	(1,9%)
Rights amortisation	40,22	32,53	23,6%
Other operating costs	53,03	75,45	(29,7%)
Other amortisation and provisions	2,32	2,24	3,9%
TOTAL OPERATING COSTS	116,02	131,06	(11,5%)

Telecinco's in-house production continues to dominate the network's programming in terms of broadcasting hours. In the first quarter of 2009, 84.4% of broadcasted programmes were produced in-house and the remaining 15.6% were external productions (compared with an 85.0% and 15.0% in the same period of 2008).

Operating Costs



2.3 Operating profit and margins

Adjusted EBITDA reached €45.98 million, down by 61.7% vs. 2008.

Net operating profit (EBIT) was €43.65 million down by 63.0% versus last year.

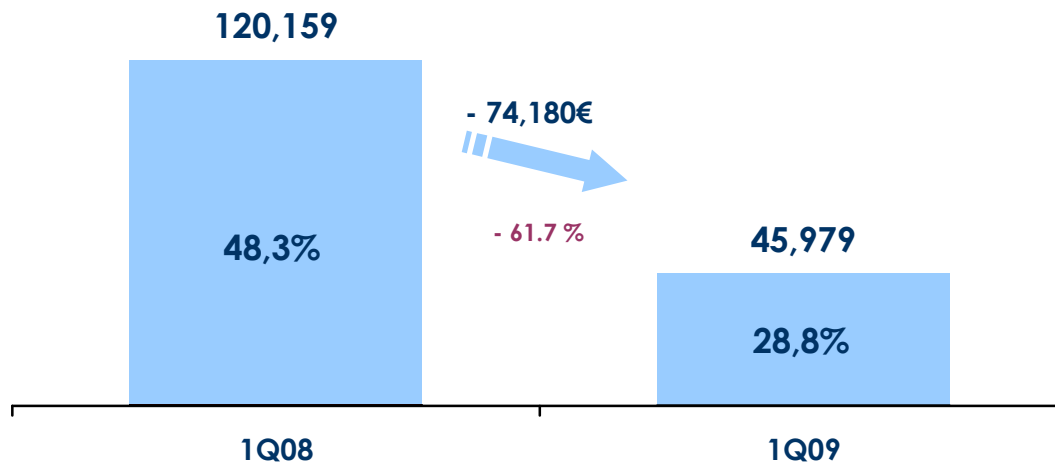
It's important to highlight that the operating margins of the company, in spite of the deterioration of the advertising market, are at a remarkable level. The **adjusted EBITDA** margin in the first three months of 2009 reaches 28.8% and the **EBIT** margin is 27.3%. It is important to highlight that the decline in the advertising market started just after the first quarter 2008, so the traditional comparison versus the previous period is terribly hard and reflects two completely different realities.

Table 4: Margins

Millions of €	1Q09	1Q08	% change
Total net revenues	159,67	248,98	(35,9%)
Adjusted EBITDA	45,98	120,16	(61,7%)
EBIT	43,65	117,92	(63,0%)
Net profit	29,26	81,48	(64,1%)
Adjusted EBITDA	33,36	87,84	(62,0%)
Adj.EBITDA / Total net revenues	28,8%	48,3%	
EBIT/ Total net revenues	27,3%	47,4%	
Net profit / Total net revenues	18,3%	32,7%	
Adj. Net Profit / Total Net Revenues	20,9%	35,3%	

As explained before, the net revenues were down in this period, but the operating margins (**EBITDA and EBIT**) have remained, on a percentage basis, in the region of 30%, demonstrating the efficiency of the business model in the context of an advertising market which is clearly deteriorating.

EBITDA adjusted (million €)
EBITDA/Total Net Revenues (%)



2.4. Financial result and equity consolidated companies

Financial income totalled €0.03 million compared to the previous year (€0.62 million). The ability of the Group to generate cash as well as the absence of external debt resulted in a better financial position as of March 31st 2009 versus the figure at the end of 2008 this made the positive financial result possible.

A negative result is shown from the **equity consolidated companies**⁵ totalling €11.57 million. This negative figure is almost exclusively related to the losses of Edam Adcquisition Holding Coop. which includes the PPA amortization.

2.5. Profit for the period January-March 2009

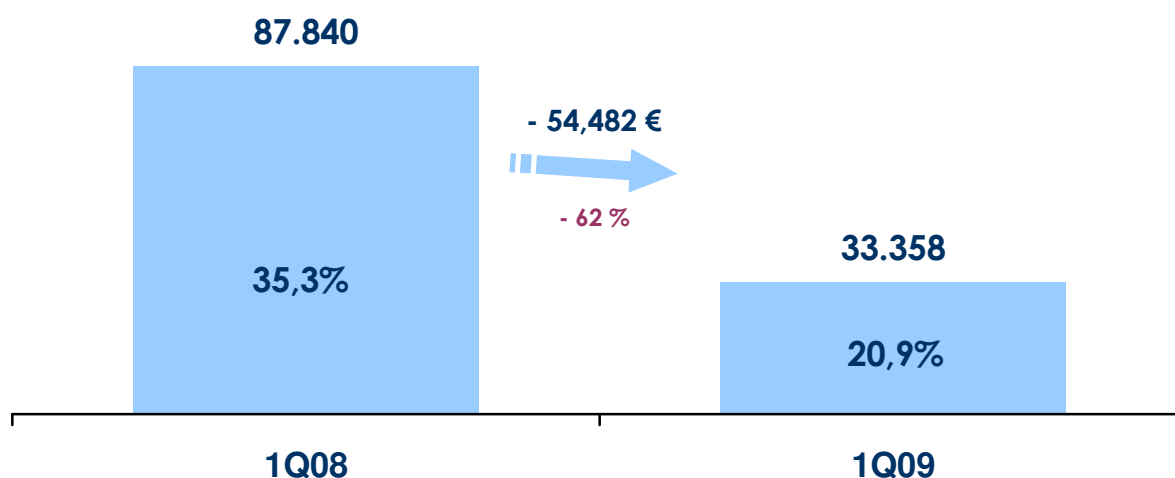
Pre-tax profit corresponding to the quarter reached €32.11 million versus €110.24 million for the same period in 2008, down by €78.13 million (-70.9%). This is basically due to the above mentioned flexion of the advertising market.

After a €5.19 million corporate income tax expense (compared with €29.74 million in 2008) calculated on the basis of the official rate in place, the **net profit after minority interests** reached €29.26 million, decreasing by €52.22 million or -64.1% over the same period in 2008.

The impact of the amortization of intangibles following the “PPA” of participated companies (mainly Endemol) amounts to €4.10 million so that the Adjusted Net Profit reaches €33.36 million a reduction of 62.0% compared to last year. The above mentioned Adjusted Net Result means a margin of 20.9% (35.3% in 2007) which is a clear indication of the capacity of Telecinco’s business model to resist and react to the adverse market situation.

⁵ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Pegaso Television Inc. (35%), Big Bang Media S.L. (30% indirect shareholding) and Publici Televisión S.A. (50% indirect shareholding), Producciones Mandarina S.L. (30% indirect shareholding), La Fábrica de la Tele S.L. (30% indirect shareholding), Edam Acquisition Holding Coöp (33% indirect shareholding).

Adjusted Net Profit (million €)
Adjusted Net Profit / Total Net Revenues (%)



3. Cash flow generation

The **Operating Free Cash Flow** in the first quarter 2009 amounts to €55.81 million, compared to €103.79 million in 2008. The difference of €47.97 million is explained by much lower revenues. In any case it's important to underline the Group's cash generation capacity under adverse market conditions this is a notable strength of the enterprise during this time.

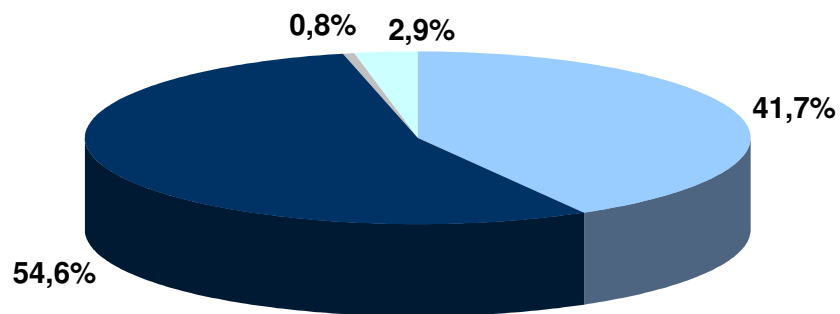
Table 5: Cash Flow

Millions of €	1Q09	1Q08	Change in millions of €
Net profit (without minority interests)	26,92	80,50	(53,57)
Amortisation:	42,16	34,07	8,10
- Rights	40,22	32,53	7,69
- Other	1,94	1,54	0,40
Provisions	0,38	0,70	(0,32)
Other	9,82	(4,05)	13,86
OPERATING CASH FLOW	79,28	111,22	(31,93)
Investment in rights	(56,61)	(53,01)	(3,60)
Investments, other	(0,45)	(1,07)	0,62
Change in working capital	33,60	46,65	(13,06)
OPERATING FREE CASH FLOW	55,81	103,79	(47,97)
Change in Equity	(2,63)	5,87	(8,50)
Financial investments	(2,91)	(23,22)	20,30
Dividends received	0,00	0,00	0,00
Dividend payments	0,00	0,00	0,00
Net Cash Change	50,27	86,44	(36,17)
INITIAL FINANCIAL POSITION	(25,85)	13,15	(39,00)
FINAL FINANCIAL POSITION	24,42	99,59	(75,17)



Total net investment increased by €3.0 million in the first quarter 2009 compared to last year, reaching €57.1 million. This is mainly due to an increase in investment in third party rights (+14.7 million) offset by a decline in investments in co-production (-€11.1 million), while the investments in Spanish fiction were flat (+€0.0 million), versus the same period of last year, as explained by the following chart:

**Net investments 1Q09:
€ 57.06 millions**



■ TV Rights Fiction ■ TV Rights Non Fiction ■ Fixed Assets ■ Co-production

4. Balance Sheet

Table 6: Summary Balance Sheet

	1Q09	December 2008
<i>Millions of €</i>		
Tangible assets	306,11	323,61
- Financial	249,20	264,49
- Non Financial	56,90	59,12
Audiovisual rights and Pre-payments	207,13	190,74
- Third parties	117,89	96,57
- Fiction	23,34	27,26
- Co-production / Distribution	65,90	66,90
Pre-paid taxes	26,22	26,31
TOTAL NON-CURRENT ASSETS	539,46	540,66
Current assets	203,70	251,79
Financial investments and cash	131,53	35,11
TOTAL CURRENT ASSETS	335,23	286,90
TOTAL ASSETS	874,69	827,56
Shareholders` equity	479,14	461,47
Non-current provisions	41,32	43,80
Non-current payables	1,46	0,22
Non-current financial liabilities	60,31	59,81
TOTAL NON-CURRENT LIABILITIES	103,09	103,83
Current payables	245,86	261,10
Current financial liabilities	46,59	1,15
TOTAL CURRENT LIABILITIES	292,46	262,25
TOTAL LIABILITIES	874,69	827,56

The evolution of the **library** examples stability within the different categories and is in line with the business' strategy, and shows an increase in third parties rights and is in line with accounting rules applied by the Group..

Current Assets are up due to a higher cash position that compensates the lower balance of commercial clients as a result of lower revenues.

Non current liabilities are in line with the figure reached at December 31st 2008. The **Net financial position** reached, at the end of March 2009, was €24.42 million.

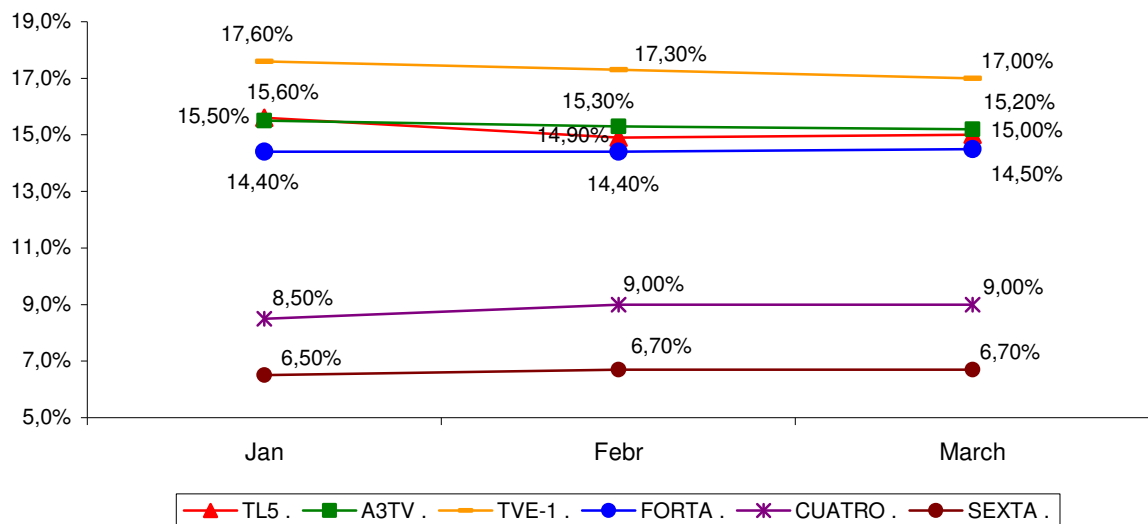
5. Audience share performance

Table 7: January-March average audience share

		1Q09	1Q08
Totals Individuals	Total Day	15,2%	19,1%
	PRIME TIME	17,5%	20,6%
	DAY TIME	14,0%	18,3%
Commercial Target	Total Day	15,7%	20,8%
	PRIME TIME	17,9%	22,8%
	DAY TIME	14,6%	19,7%

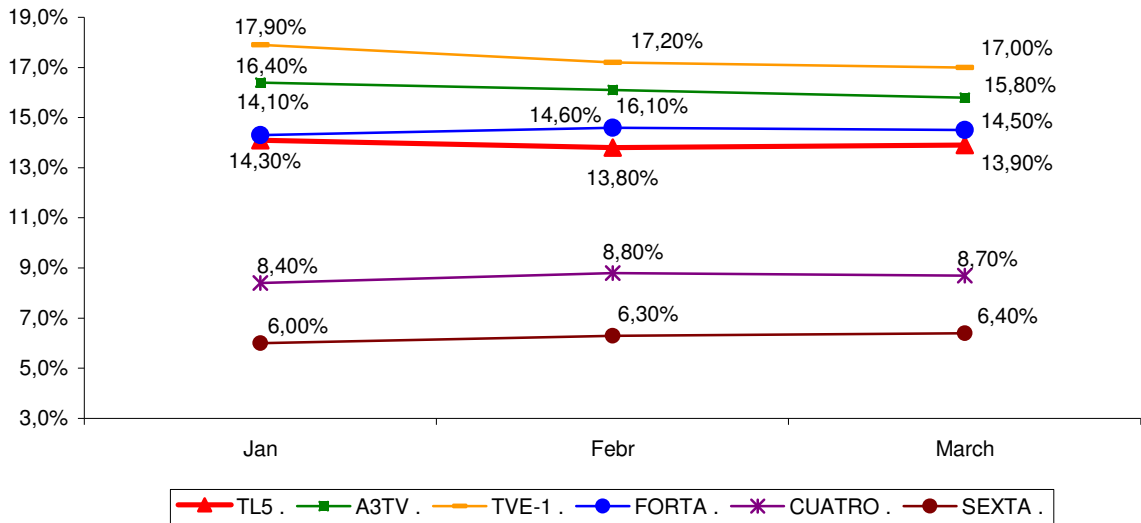
At the end of the first quarter 2009 Telecinco reached 15.2% average audience share in total-individuals (total day) and situates Telecinco as the third television network just 0.1 points behind Antena 3 (15.3%) who are second in the ranking. The leader during the first quarter 2009 was TVE-1 (17.3%) thanks to its aggressive programming strategy.

Audiencia Share, 24 Hours, Total Individuals (in%)



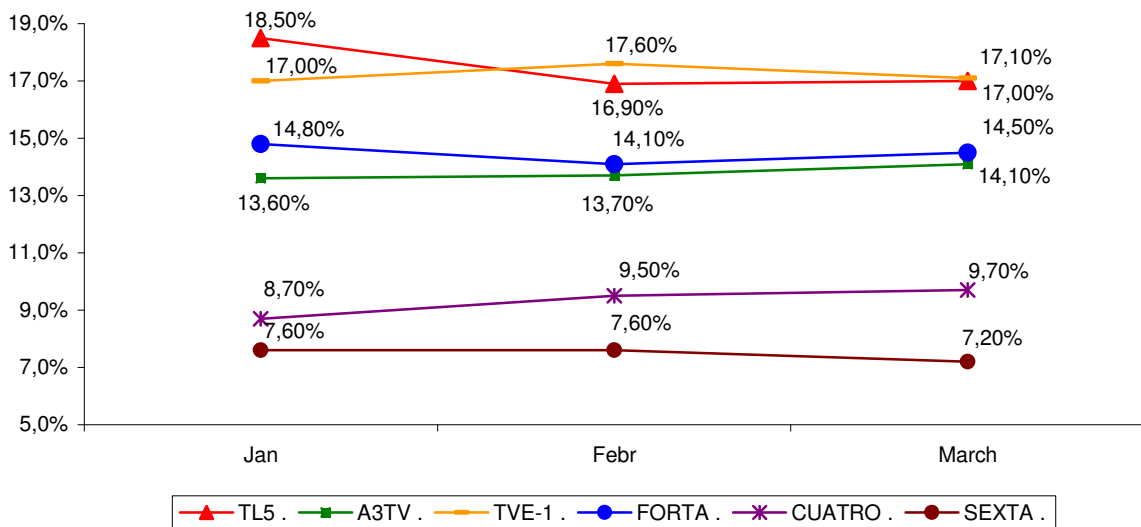
With regards to “day time” audience share, Telecinco achieves an average of 14.0%, even though they have suffered losses in some afternoon slots, they are maintaining a competitive position versus the other broadcasters.

Audiencia Share, Day Time, Total Individuals (in%)



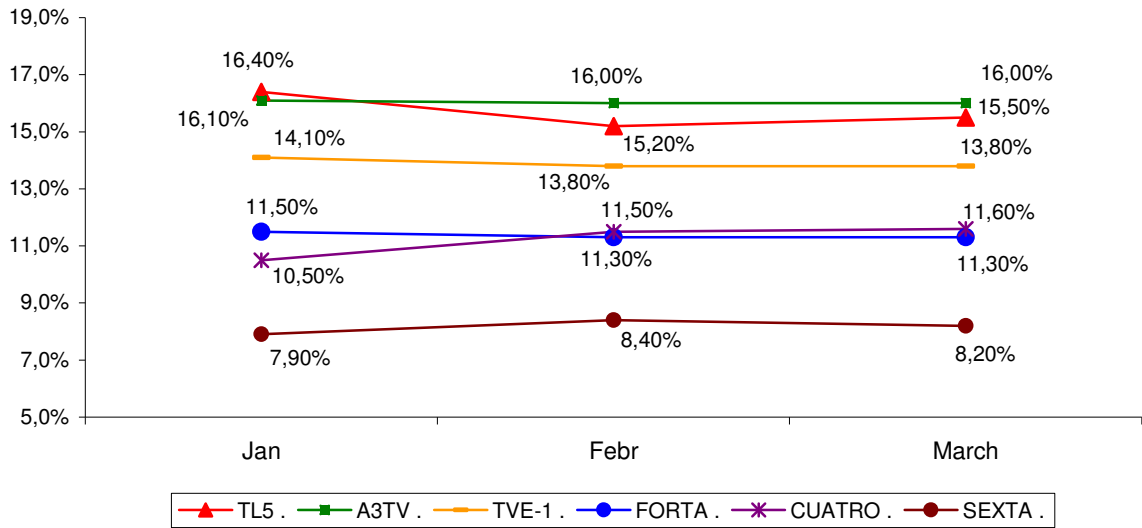
Telecinco's preserves its leadership in prime time total-individuals beating TVE-1 by 0.3pp and Antena 3, fourth in the ranking behind FORTA, by 3.7 points.

Audiencia Share, Prime Time, Total Individuals (in%)

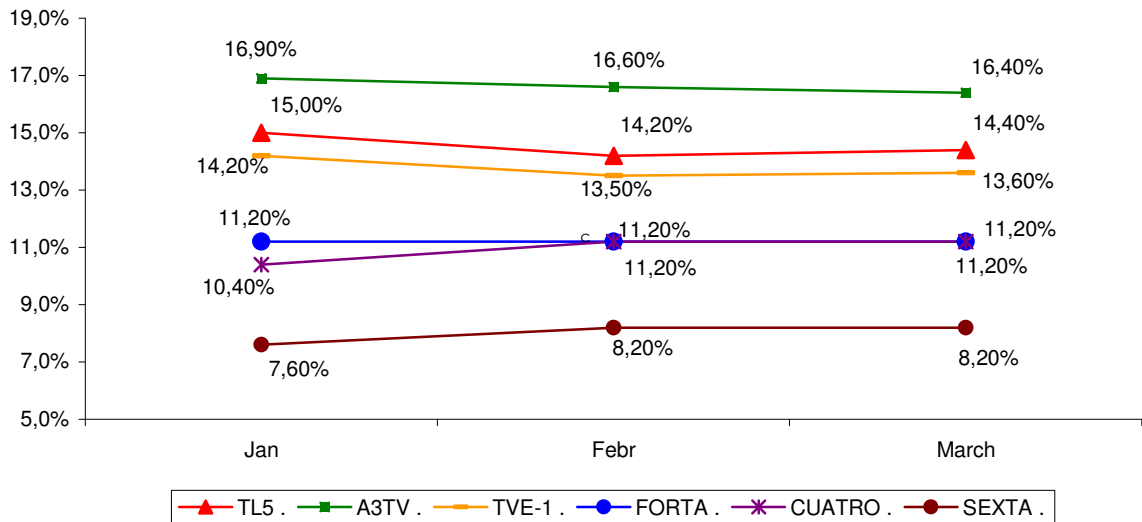


With regards to the commercial target audience share for 24 hours, prime time, Telecinco maintains the lead in the first part of 2009 while in the Day Time the channel they were the second option, a few points behind Antena 3 and ahead of TVE-1.

Audiencia Share, 24 Hours, Commercial Target (in%)



Audiencia Share, Day Time, Commercial Target (in%)



Audiencie Share, Prime Time, Commercial Target (in%)

