



TELECINCO

**RESULTS
YEAR 2007
(January – December)**

Madrid – 28 February, 2007

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1. Financial and operating highlights

Consolidated financial highlights for the year to December, include:

1. **Total Net Revenues** grew by 8.4% compared with the same period last year, amounting to €1,081.65 million. This growth has been driven by an 8.9% increase in the gross advertising revenues of Telecinco (€1,036.86 million), a 13.4% growth in “non TV - advertising revenues” (€14.95 million) and by the increase of “other revenues” to €75.53 million (+1.1%).

In 2007 Telecinco has proved its undisputed leadership and competitive strength achieving once more a record in revenues, being the first TV channel in Spain to achieve the amount of 1,000 million euros in advertising. Publiespaña’s advertising revenues have shown high growth despite a more difficult environment with increased competition.

The average 20.3% **audience share** during the exercise 2007 in terms of total-individuals (total day), places Telecinco as the leading television network ahead of Antena 3TV (17.4%) by 2.9 pp. TVE-1 maintains the third position in the ranking (17.2%). Telecinco is the only broadcaster with a total-individuals audience share above 20% while consolidating its leadership in terms of the most attractive audience for advertisers: Total-individuals prime time audience share¹ was 20.9%. With regards to commercial target², Telecinco's audience share was 22.5% in terms of total-day audience and 23.5% in the prime time slot.

Telecinco's **programming** continued to demonstrate its strength and stability with high audience share figures across all slots. Notable audience shares were reported³ for the programmes “Yo Soy Bea” (34.8%), “Los Serrano” (23.9%), and “Aida” (28.2%), “La Que Se Avecina” (21.3%), the American series “CSI Las Vegas” (28.3%), as well as “Gran Hermano 9” (28.3%), “Camera Café” (22.8%), “Escenas de Matrimonio” (26.1%), “La Noria” (20.9%), Está Pasando (20.4%) and “Aquí Hay Tomate” (23.6%). The Formula 1 Championship has achieved an audience share of 48.3%, in the new season.

2. **Total operating costs** were €596.39 million and grew by 6.9%. This growth includes costs related to the integration of Conecta Cinco Telecinco S.A.U. (previously known as Europortal Jumpy España S.A.) and the incorporation of Mediacinco Cartera S.L. Excluding the aforementioned items, total operating costs grew in line with the guidance given by the Company at the beginning of the year.
3. **Adjusted EBITDA**⁴ grew by 10.2% to €490.64 million, and **EBIT** totalled €485.25 million (+10.4%). The resulting operating margins were 45.4% for EBITDA (adj.)/total net revenues and 44.9% for EBIT/total net revenues. Telecinco continues, another year, to be one of the most profitable company's, in both monetary and percentage on net revenues, in its sector in Europe.

¹ Prime time: Time slot with the highest television consumption of the day, from 20:30 to 24:00.

² 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.

³ January-September average audience share.

⁴ Post-rights amortisation



4. **Net profit**, after taxes, were €353.06 million, up 12.3% compared with the same period in 2006. The net profit margin achieves 32.6% versus 31.5% on the previous period.
5. **Free cash flow** was €369.83 million, with **operating cash flow** up €70.98 million, compared with the same period in 2006, to €569.69 million.
6. **The net financial position** as of December 31st 2007, was €13.15 million and includes the financial investment in Edam Acquisition Holding Coöp made by Mediacinco Cartera S.L. (75% of total share capital). The distribution of dividends amounting to €314.25 million, charged to 2006 results (pay-out 100%), took place on May 3rd 2007.
7. On July 3rd 2007 the Consortium comprising Mediacinco Cartera (Telecinco 75%, Mediaset 25%), Cyrte Fund II and GS Capital Partners acquired, 99.7% of **Endemol Investment Holding**, from Telefonica, for a global amount of €2,629.6 million. Subsequently the Consortium acquired a 6% shareholding of Endemol N.V. from Cyrte Fund II and launched a public offering for the acquisition of the remaining 19% of the floating capital. All the above mentioned acquisitions were paid at a price of €24.55 per share (ex-dividend). At the end of the public offering for the acquisition of Endemol N.V. the consortium has a participation of 99.73%. The company was de-listed on September 12 2007.
8. In the first quarter of 2007 Telecinco increased its stake in Conecta Cinco Telecinco S.A.U. (previously known as Europortal Jumpy España S.A.) from 50% up to 100%. The aforementioned company owns the internet business rights for the Group and is consolidated from 1st March by the global consolidation method.



2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

	2007	2006	% change
<i>Millions of €</i>			
TOTAL NET REVENUES	1.081,65	997,55	8,4%
Rights Amortisation	(188,08)	(163,72)	14,9%
Personnel	(84,85)	(79,48)	6,8%
Other operating costs	(318,07)	(309,08)	2,9%
Adjusted EBITDA	490,64	445,27	10,2%
Other amortisations, provisions	(5,39)	(5,70)	(5,5%)
EBIT	485,25	439,57	10,4%
Equity consolidated results	(3,14)	0,97	(423,1%)
Financial results	5,33	10,03	(46,8%)
Pre-tax profits	487,44	450,58	8,2%
Income taxes	(137,42)	(136,22)	0,9%
Minority interests	3,04	(0,10)	(3041,5%)
Net profit	353,06	314,25	12,3%

2.1. Revenues

Table 2: Revenues

	2007	2006	% change
Gross advertising revenues	1.051,81	965,42	8,9%
- Telecinco	1.036,86	952,24	8,9%
- Others	14,95	13,19	13,4%
Discounts	(45,70)	(42,61)	7,2%
Net advertising revenues	1.006,12	922,81	9,0%
Other revenues	75,53	74,74	1,1%
TOTAL NET REVENUES	1.081,65	997,55	8,4%

Total gross advertising revenues for the year 2007 grew by 8.9% reaching €1,051.81 million.

Telecinco's **gross advertising revenues** grew by 8.9% to €1,036.86 million. **Other advertising revenues** reach €14.95 million growing by 13.4% and include advertising revenues from other TV activities (thematic channels and DTT), as well as the Internet and teletext.

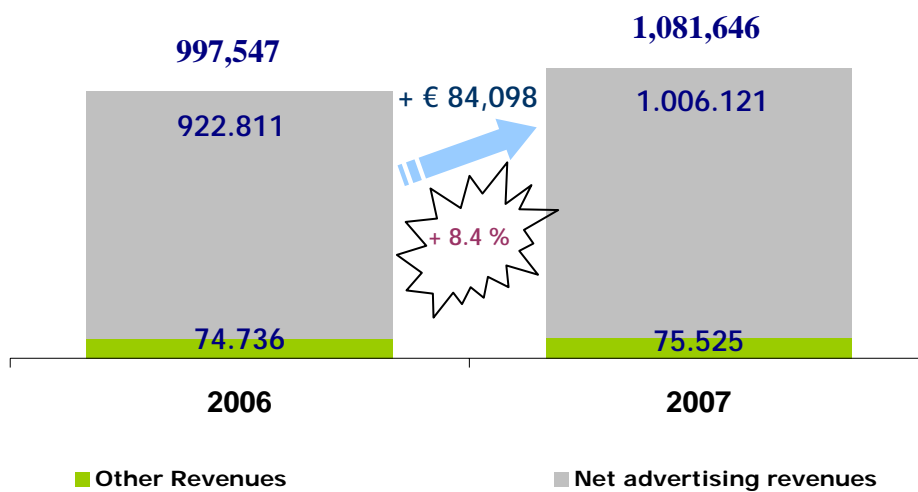


Net advertising revenues after commissions and allowances climbed by 9.0% going for the first time in Telecinco's history beyond 1,000 million Euros mark and attaining €1,006.12 million.

“Other revenues”, including the distribution of film rights, merchandising rights and audio text services, amounted to €75.52 million.

Finally, **total net revenues** grew by €84.09 million (+8.4%) to €1,081.65 million compared with the same period of the previous year.

Total Net Revenues, Advertising and Other Revenues





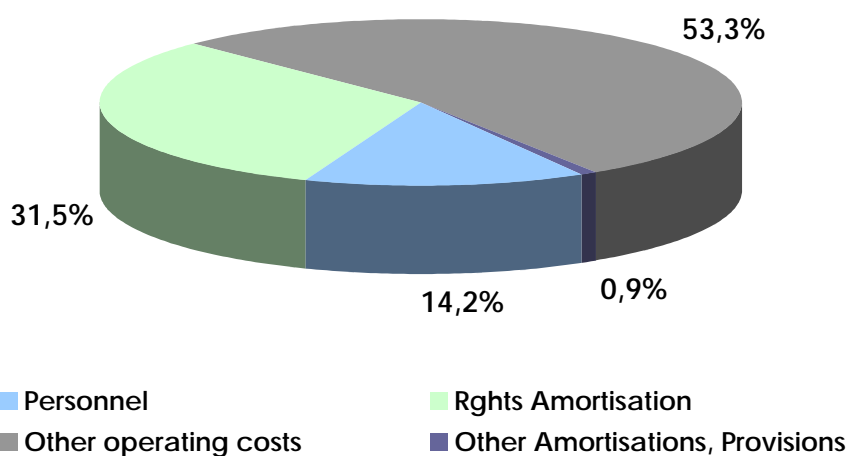
2.2. Operating costs

Total operating costs, which totalled €596.39 million, grew by 6.9% in the year 2007. Costs are rising in line with the guidance given at the beginning of the year (increase between 5-6%) plus the costs of Conecta Cinco Telecinco S.A.U. (previously known as Europortal Jumpy España S.A.) which now consolidates line by line and the incorporation cost related to Mediacinco Cartera S.L.

Table 3: Operating costs

Millions of €	2007	2006	% change
Personnel costs	84,85	79,48	6,8%
Rights amortisation	188,08	163,72	14,9%
Other operating costs	318,07	309,08	2,9%
Other amortisation and provisions	5,39	5,70	(5,5%)
TOTAL OPERATING COSTS	596,39	557,98	6,9%

Operating Costs



In terms of broadcasting hours, the weight of Telecinco's in-house production exceeds external production in the network's programming. In 2007 83.6% of programmes were in-house production and the remaining 16.4% was external production (compared with a 80.7-19.3 ratio in 2006).



2.3 Operating profit and operating margins

Adjusted EBITDA (EBITDA post-rights amortisation) reached €490.64 million, up by 10.2% or €45.37 million vs. 2006.

Net operating profit (EBIT) was €485.25 million, representing an increase of 10.4% or €45.68 million compared with 2006.

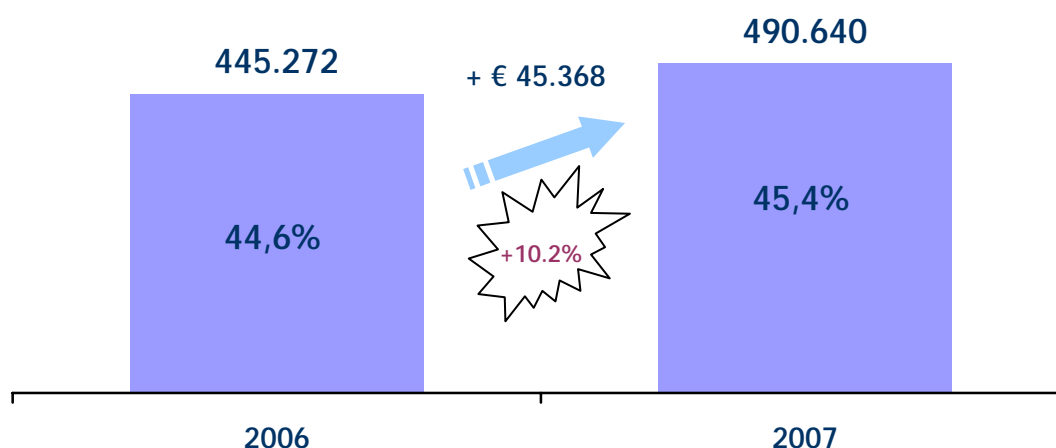
The resulting operating margins are as follows:

Table 4: Operating margins

Millions of €	2007	2006	% change
Total net revenues	1.081,65	997,55	8,4%
Adjusted EBITDA	490,64	445,27	10,2%
EBIT	485,25	439,57	10,4%
Net profit	353,06	314,25	12,3%
Adj.EBITDA / Total net revenues	45,4%	44,6%	
EBIT/ Total net revenues	44,9%	44,1%	
Net profit / Total net revenues	32,6%	31,5%	

EBITDA and EBIT improvements show the efficiency of the business model, in which operating margins are at record levels as a result of an effective cost-control policy and an innovative commercial policy targeted at achieving the highest advertising market share. Thanks to this business model the company has maintained excellent operating profitability despite a more difficult and competitive market environment.

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





2.4. Financial result and equity consolidated companies

Financial income totalled €5.33 million decreasing of 46.8% compared with the previous year. This reduction is explained by the Group's investment of €466 million to acquire their share in Endemol. This investment has been financed by the Group, and has resulted in a reduced amount of cash investment and in lower interest income.

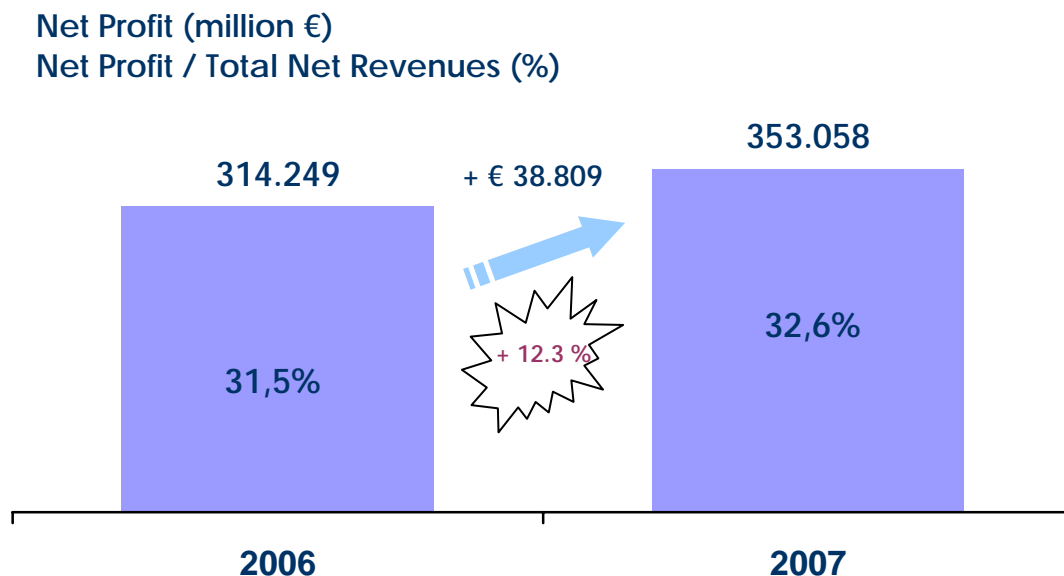
A negative result was recorded from **equity consolidated companies**⁵ totalling €-3.14 million.

Gestevisión Telecinco has increased from 50% to 100% its stake in Europortal Jumpy España S.A., therefore is consolidated from the 1st of March by the global consolidation method. Since the incorporation of Mediacinco Cartera S.L. it has been consolidated by the global consolidation method. Gestevisión Telecinco has a stake of 75% in Mediacinco; the latter owns a 33% in Edam Acquisition Holding Coöp, first level holding of the Endemol Group.

2.5. Profit for the period January-December 2007

Pre-tax profit for the exercise 2007 was €487.44 million, up by €36.86 million compared with €450.58 million in 2006 (+8.2%).

After recording €137.42 million for the corporate income tax expense, compared with €136.22 million in 2006, the **net profit after minority interests** for 2007 was €353.06 million, an increase of €38.81 million or 12.3% over 2006.



⁵ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Canal Factoría Ficción S.A. (40%), Aprox Imagen S.L. (40% 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%), Edam Acquisition Holding Coöp (33% indirect shareholding).



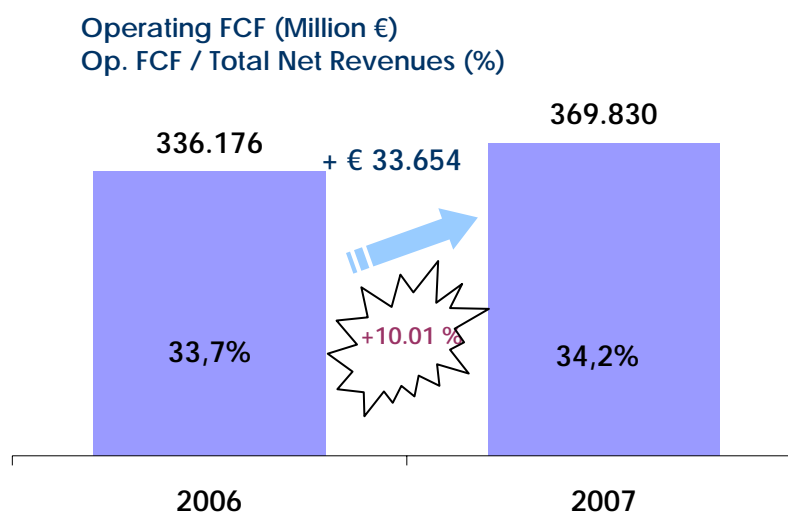
3. Cash flow generation

Cash flow generation was boosted, once again, by the strong operating performance. **Operating free cash flow** amounts to €369.83 million, increasing by €33.65 million compared with 2006.

Table 5: Cash Flow

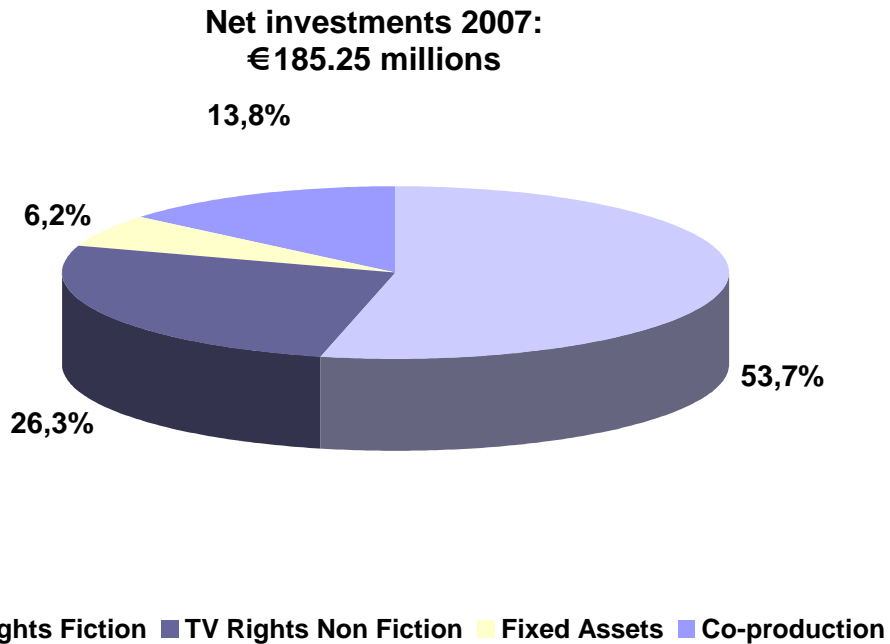
Millions of €	2007	2006	Change in millions of €
Net profit	353,06	314,25	38,81
Amortisation:	192,78	169,58	23,20
- Rights	188,08	163,71	24,37
- Other	4,70	5,87	(1,17)
Provisions	0,69	(0,17)	0,86
Other	23,16	15,05	8,11
OPERATING CASH FLOW	569,69	498,71	70,98
Investment in rights	(173,72)	(135,03)	(38,69)
Investments, other	(11,53)	(9,93)	(1,60)
Change in working capital	(14,61)	(17,58)	2,97
OPERATING FREE CASH FLOW	369,83	336,18	33,65
Change in Equity	24,70	3,89	20,81
Financial investments	(464,49)	(10,58)	(453,91)
Dividends received	1,21	1,15	0,06
Dividend payments	(314,25)	(290,31)	(23,94)
Net cash increase	(382,99)	40,32	(423,32)
INITIAL FINANCIAL POSITION	396,14	355,82	40,32
FINAL FINANCIAL POSITION	13,15	396,14	(382,99)

As a result of the strong generation of **operating free cash flow**, the free cash flow conversion ratio (Free Cash Flow as a % of total net revenues) has reached 34.2%





Total net investment increased by 27.8% in 2007, reaching €185.25 million, mainly by the investment in fiction. This includes mainly investment in Spanish fiction of €99.45 million (+37.2%), coproduction of 25.49 (+75.91%) and, in line with the companies policy, a contained figure of third-party rights acquisitions of €48.78 (+1.5%).





4. Balance Sheet

Table 6: Summary Balance Sheet

<i>Millions of €</i>	<i>December 2007</i>	<i>December 2006</i>
Tangible assets	532,80	74,95
Audiovisual rights and Pre-payments	186,12	201,78
- Third parties	104,67	133,91
- Fiction	29,34	20,67
- Co-production / Distribution	52,11	47,21
Pre-paid taxes	19,56	17,95
TOTAL NON-CURRENT ASSETS	738,48	294,68
Current assets	269,14	237,68
Financial investments and cash	74,84	399,18
TOTAL CURRENT ASSETS	343,98	636,87
TOTAL ASSETS	1.082,46	931,55
Shareholders` equity	662,49	598,98
Non-current provisions	90,09	79,07
Non-current payables	0,67	1,40
Non-current financial liabilities	60,60	1,98
TOTAL NON-CURRENT LIABILITIES	151,37	82,46
Current payables	267,51	249,05
Current financial liabilities	1,10	1,06
TOTAL CURRENT LIABILITIES	268,61	250,12
TOTAL LIABILITIES	1.082,46	931,55

Tangible assets have increased mainly because of the acquisition of 33% in Edam Acquisition Holding Coöp.

The evolution of the **library**, in line with the policy of the company, shows a slight decline, with an increase in movie co-productions and Spanish fiction rights (in-house production) and a decline in the third party rights.

As for **current assets**, the decrease is mainly explained by having less cash following the investment in Endemol.

The increase in **Non-current financial liabilities** is the effect of an inter-company loan given by Mediaset to the Group, to contribute 25% to the acquisition of Endemol; **Current liabilities** have increased due to higher liabilities for the increase of investment in Spanish fiction rights and for increased selling cost related to the rise in revenues.



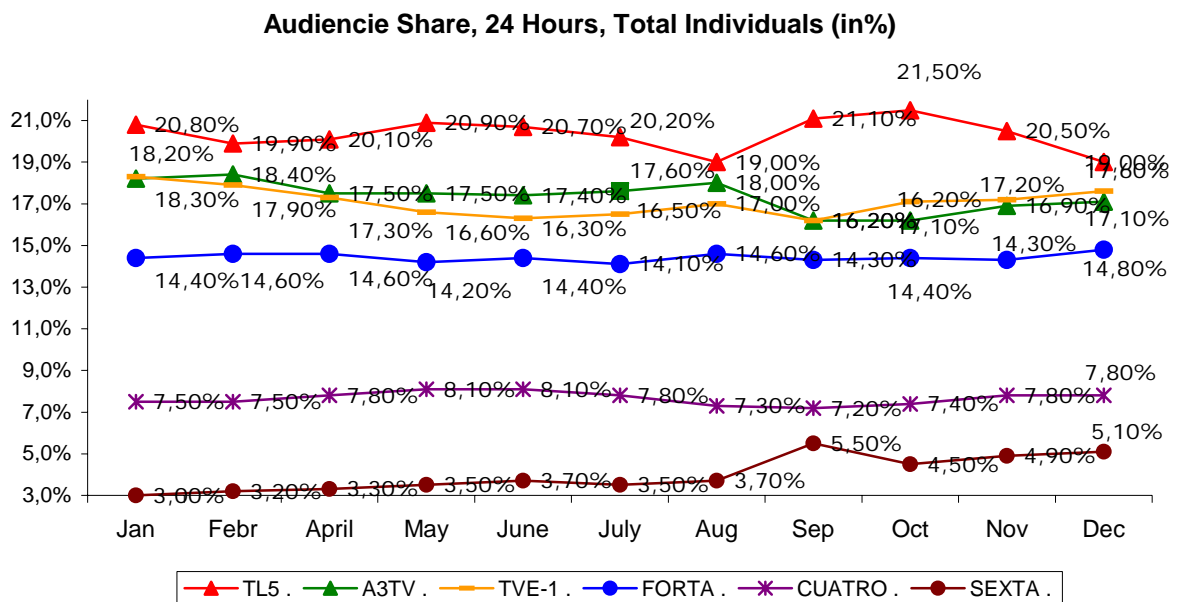
At the end of 2007 the **net financial position** reached €13.15 million, after the distribution of €314.25 million in dividends, (charged to the 2006 results, a pay-out of 100%), took place on May 3rd 2007 and after the previously mentioned acquisition of the participation in Endemol.

5. Audience share performance

Table 7: January-December average audience share

		2007	2006
Totals Individuals	Total Day	20,3%	21,2%
	PRIME TIME	20,9%	21,4%
	DAY TIME	20,0%	21,2%
Commercial Target	Total Day	22,5%	23,1%
	PRIME TIME	23,5%	23,7%
	DAY TIME	22,0%	22,9%

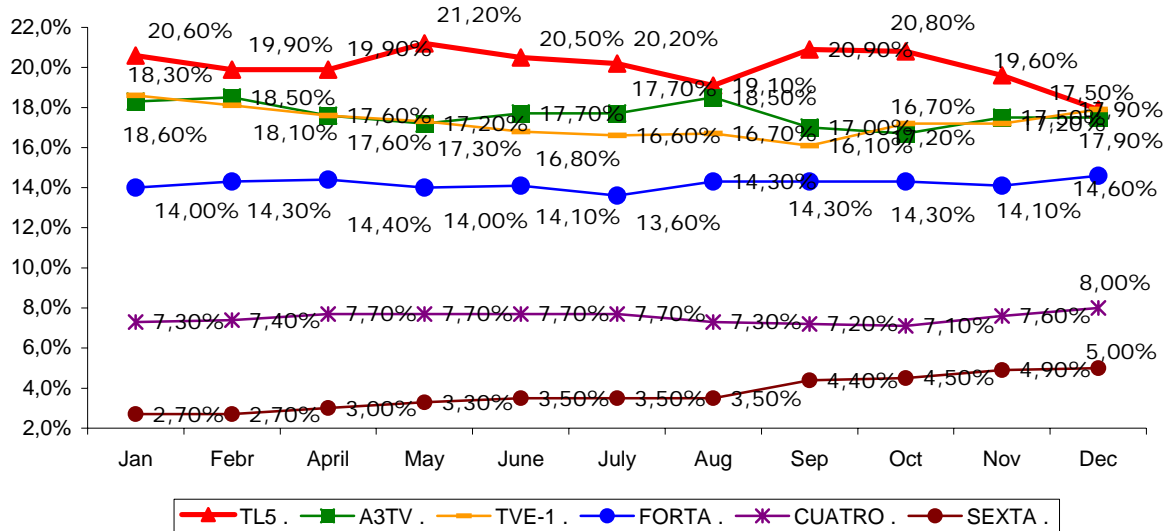
Telecinco has reached an average audience share of 20.3% in the first year 2007, well ahead of Antena 3TV (17.4%) and TVE1 (17.2%). Telecinco has progressively improved its audience share since the beginning of 2007 consolidating its leadership along the year. In December 2007 Telecinco accumulated 22 consecutive months of leadership in audience widening the gap with its competitors.





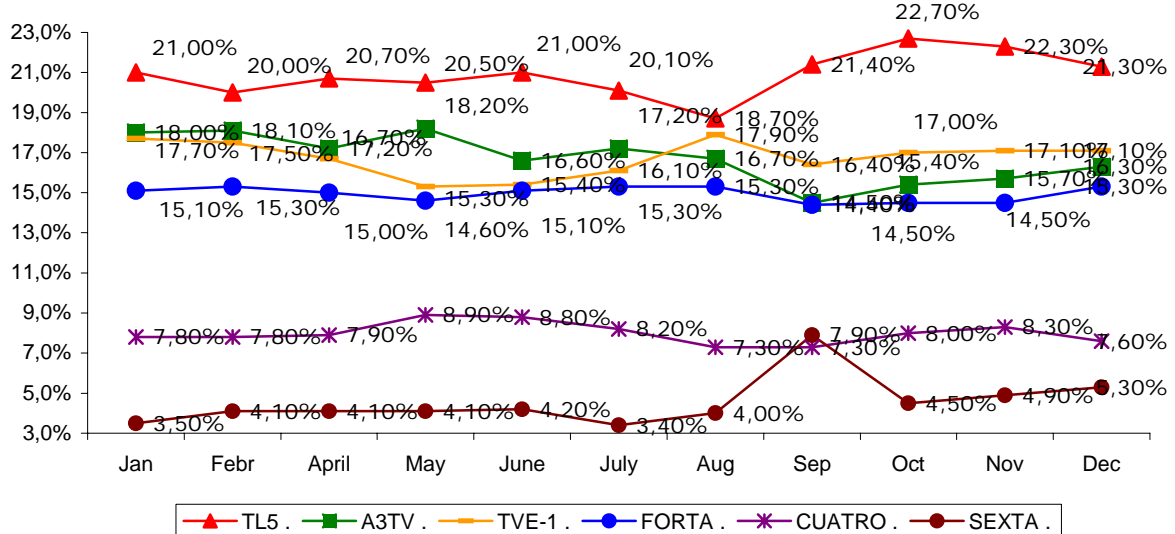
With regard to “day time” audience share, Telecinco has consolidated its leadership at a 20% share since the beginning of 2007 and closes the year reaching 20.3%, improving its competitive advantage versus other TVs.

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



Telecinco's prime time total-individuals audience share also beats TVE-1 and Antena 3TV, consolidating the leadership far ahead of its competitors. In December 2007 the distance with its immediate competitor has widened by 4.1 points.

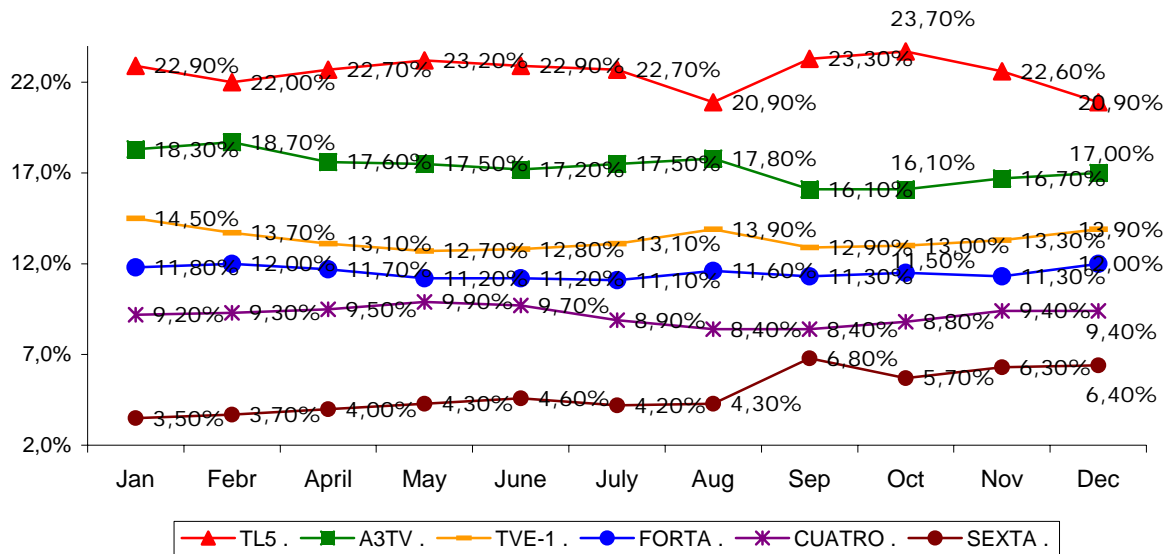
Audiencia Share, Prime Time, Total Individuals (in%)





As for commercial target audience share for 24 hours, day time and prime time, Telecinco maintains its leadership, which is also reinforced by audiences growing month by month since the beginning of 2007.

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



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

