



GENERAL SHAREHOLDERS' MEETING
APRIL 13TH, 2011

ADDRESS BY CHIEF EXECUTIVE OFFICER GIUSEPPE TRINGALI

Good morning every one.

In the next minutes, we shall analyse and share the advertising results of Grupo Telecinco during 2010.

This year was crucial for the audiovisual sector and, particularly, for Grupo Publiespaña.

In 2010, we witnessed the final elimination of advertising from the state-run television, with the good news that the investment remained within the television sector.

This market normalisation has not been risk free. Many voices had claimed that this event would cause investments to be transferred from television to other media. However, eventually, it has been proven that large clients need the broad coverage that only television can offer them for their communication strategies.

From our side, we are pleased at the fact that we have been able to pick up more than 35% of the investment released by the state-run television, the highest share achieved by an operator, which is proof of the trust inspired by our networks as an effective means of advertising.

We have also been witnesses of two other long-awaited developments over the past years: the final digital switch-on and the implementation of the General Audiovisual Communication Law.

The new law has introduced significant changes into the area of advertising. As a consequence, we have reinvented our offer of special initiatives plunging into new business lines for Publiespaña such as product placement or embedded marketing, a new typology (the best example of integration between contents and advertising) which will undoubtedly bring about many good results.

As for the analogue switch-off or the digital switch-on, it was realised in April 2010. Thanks to its gradual deployment since June 2009, the much-feared date did not have a serious impact on our market.

The digitisation of the television signal brought about a significant increase of the television offer but, at the same, it entailed an extra effort as new appealing contents had to be developed for all of the networks managed by our Company.



In this demanding scenario, Telecinco managed to maintain its positioning through the ongoing and progressive growth of its thematic channels –LaSiete and Factoría de Ficción– to which it added the launching of Boing, a new channel for the children and youth target.

Such mutually enriching profiles have been critical to our 30.8% revenue increase vis-à-vis 2009, accounting for a leading 32.1% market share. Furthermore, Grupo Telecinco achieved the best efficiency ratio in the market: 181 (let us remember that such ratio measures the ratio between audience share and investment share).

During 2010 the marketing of conventional advertising through advertising modules has consolidated. A model undertaken in 2009 when we provided our clients with the greatest planning flexibility offering them the spots that best suited their target audience.

We are loyal to a set of working principles that imply maximum respect for advertising clients and viewers. However, our obligation is to make such principles compatible with an efficient management of the advertising space with a view to maintaining the efficiency ratios mentioned before.

In this regard, we started off the fourth quarter by implementing a policy for the placement and duration of advertising blocks that seeks the highest effectiveness for our clients. Thus, at one of our networks –at FDF specifically– we set into motion, always hand in hand with contents, a working system whereby none of our advertising blocks would show more than six minutes of conventional advertising during the so-called prime time (between 8:30 p.m. and 0:30 a.m.).

Such initiative has been a major success and has turned FDF into one of the most efficient networks in transforming the network's audience into an advertising audience. We continue to make improvements in this area and have already exported the model to the rest of the channels within our Group.

It is our obligation to make sure that our clients' communications plans are effectively supported by our networks. In order to achieve this objective, we shall continue seeking and adapting the most suitable formula to keep such an important challenge alive.

This scenario was also coupled by the most important sport event in Spain in the past years: South Africa 2010 World Cup broadcasted by Telecinco, which delivered the most extraordinary results. The broadcasting of the matches played by the Spanish Team, which finally won the most valued trophy in the sports world, implied a major challenge for us, in which we take special pride and which has contributed to enhance our Company's image and that of our clients in the Spanish people's top of mind.

Yet this year's highlight has been the creation of the first audiovisual communication group in Spain and one of the most outstanding ones in Europe.



The integration of Cuatro and the acquisition of 22% of Digital+ would have not been possible without the adequate legal framework and, above all, without our shareholders' confidence in this project.

The good rating, revenue and management results obtained in the past years have been the cornerstone to close this transaction successfully.

This project has implied a huge effort and a significant economic investment, which ratifies our trustworthiness in the Spanish corporate fabric, a fabric that we are certain that will soon begin to rally reaching the levels that the country deserves both in the European and the global economy.

The new group –formed by Telecinco and Cuatro– is a business project that in 2010, according to the data reported by Kantar Media, obtained a rating of 25.5% and a cumulative advertising investment share of 44.0% according to the InfoAdex publication.

In addition to open television, our Group is also growing in other media and advertising areas. Through Publimedia Gestión we have been able to improve our figures in our core business lines: Pay TV, Internet, and outdoor digital advertising.

At year end, we added Digital+ (over 20), its subscription magazine and Cuatro's web to our offer.

Additionally, the year 2010 has been the year for the Iwall Inshop audiovisual advertising circuit expansion. Iwall Inshop is one of the market's cutting-edge systems with over 500 screens located in 40 shopping centres across Spain and Andorra.

Thus, I come to the end of my presentation aware of the fact that 2011 opens up a whole new dimension:

- We have more channels available.
- We can offer more and better profiles.
- We have the leading offer in the open television, Pay TV and Internet segments.
- We have the greatest technical resources and, above all, the best team.

This new dimension furthers our responsibility towards the Company, the shareholders and the market.

I am convinced, as always, that success is not given gift, but rather a battle that we must conquer altogether day after day. And for that reason, and as we have been doing so far, we shall make our greatest effort to attain the best possible results.

Thank you very much for your attention.