



TELECINCO

2010 RESULTS (January – December)

Madrid – February 24th, 2011

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1. Financial and operating highlights

- ***In 2010, the Telecinco Group has successfully completed the acquisition of 100% of the shares of “Sociedad General de Televisión Cuatro, S.A.U.” (“SOGECUATRO”) and the 22% stake in “DTS Distribuidora de Televisión Digital, S.A. (“DIGITAL+”), consolidating its competitive leadership.***

Telecinco has acquired from “Prisa Televisión, S.A.U. (“PRISA TV”) a 22% stake in Digital+ at a cash price of 487,988,380 Euros, by the issuing 86,817,700 new ordinary shares with pre-emptive rights for existing shareholders.

As well, Prisa TV has contributed to Telecinco’s capital with the 100% of the shares of Sogecuatro as a non-cash contribution capital increase as agreed on the 24th of December of 2010 by the Telecinco Extraordinary General Meeting. This capital increase was fully subscribed and paid for by Prisa, for a total amount of 572,534,586 Euros, with 73,401,870 new ordinary shares having been issued.

Therefore, Telecinco increases its capital to a total of 406,861,426 shares, each with a par value of 0.50 Euros.

- ***Telecinco Group has achieved solid results in 2010 within an uncertain environment due to the weakness of the Spanish economy. However, the TV advertising market is beginning to recover which has led to this positive trend within TV in 2010.***
Consolidated results as of 31 December 2010, include:

1. The disappearance of advertising on TVE has allowed for the growth of private TVs, which have absorbed the majority of the investments freed up by State TV. Moreover, prices are beginning to adjust in the TV advertising market, in order to try to recover the levels following the removal of TVE from the advertising market.

In fiscal year 2010 the TV industry has increased its share of advertising investments. Telecinco Group has demonstrated its ability to cope with an environment of increasing competition in the free-TV sector, remaining the leader in turnover.

Total Net Revenues reached €855.06 million in 2010 whereas last year they were at €656.26 million, which is an increase of +30.3%. The “Gross Advertising Revenues of Multiplex Telecinco” in this period amount to €791.81 million compared to €605.26 million that were reached last year, while the “Advertising Revenues of Other Media” totalled €43.08 million compared to €14.04 million of 2009. “Total gross advertising revenues” amount to €834.89 million, a 34.8% increase versus 2009. Finally, the “Other Revenues” amount to €60.50 million, a decrease of 9.0% versus the €66.47 million of last year. This is mainly due to less income generated from films during the second half of 2010.

2. **Total Operating Costs** of the Group reached €635.62 million with an increase of 19.1%. This increase is mainly due to the variable costs of sales of advertising and cinema, the impact of the 3% tax over revenues to finance TVE, which in 2010 affects the entire year while in 2009 it influenced just the last four months, and the reversal of a specific provision in 2009.

On a percentage basis, Telecinco has increased its operating margins, thanks to the advertising price increases as a consequence of the elimination of advertising on State TV channels which has had a positive impact on the advertising revenues of the period. The **Adjusted EBITDA**¹ margin reached 26.7% (19.9% in 2009) and 25.7% in terms of **EBIT** (18.7% in 2009). This result places Telecinco among the most profitable commercial TV companies in Europe.

The resilience of operating margins, the adjustment of prices in the TV advertising market and the positive trend of the audience shares coupled with the traditional cost control policy of the Group are strategic elements that will be present in the development of the business in the current economic environment, which is still uncertain.

Among the commercial channels, Telecinco relies on a privileged position thanks to the strength of its business model and its leadership position in audience shares.

3. **Net profit**, after tax, reached €70.55 million in 2010, compared to €48.44 million in 2009. If we isolate the accounting impact (after taxes) of the impairment test and the amortization of intangibles resulting from the "Purchase Price Allocation" (PPA) of Endemol which are recorded under the "Results of equity consolidated companies", then the adjusted result would improve by €93.82 million, reaching €164.36 million of net adjusted profit, with a margin of 19.2% over Net Revenues.
4. **Free cash flow** was €201.11 million with an Adjusted Net Profit conversion rate into Free Cash of 23.5%, a very telling ratio which measures the ability of the Group to generate cash from its current business activities whilst meeting its operational investments and obligations.
5. **The net financial position** as of December 31st 2010 was €-28.05 million, €72.5 of which is made up of a long term loan from Mediaset to the Group for the acquisition of Endemol back in 2007. Excluding the latter, the net financial position would be positive for €44.45 million. It also includes the distribution of the 2009 dividend for an amount of €48.44 million, representing €0.20 per circulating share and equating a pay-out ratio of 100%. Such dividend was paid on March 10th 2010.

¹ (EBITDA post-rights amortisation)



6. The average **audience share** of the Telecinco Group in 2010 total-individuals (total day), reaches 17.7%, with a +1.9pp lead on Antena3 Group (15.8%). The audience share total-individuals (total day) of the main channel, Telecinco, was 14.6%. This figure situates Telecinco as the first commercial television network 2.9 ahead of Antena3 (11.7%).

In "Commercial Target²" (total day), the audience of Telecinco Group was 18.3%, 1.6pp ahead of Antena3 Group (16.7%). The Telecinco channel audience share reaches 14.9%, 3pp ahead of Antena3 channel (11.9%).

As per the audience of the new channels, LA SIETE, FACTORIA DE FICCION and BOING, the trend in the audience shares continues to set records, the sum of the channels has reached 3.1% in 2010, in total day, total-individuals and 3.4% in total day, commercial target.

The broadcast of the Spanish matches of the World Cup in South Africa, places Telecinco as the leader in audience in June and July.

Telecinco Group consolidates its leadership in 2010 amongst the commercial channels, increasing the distance from its main competitors.

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

2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

| <i>Millions of €</i> | 2010 | 2009 | % change |
|--------------------------------------------|---------------|---------------|--------------|
| TOTAL NET REVENUES | 855,06 | 656,26 | 30,3% |
| Rights Amortisation | (144,52) | (161,45) | (10,5%) |
| Personnel | (89,88) | (79,54) | 13,0% |
| Other operating costs | (392,58) | (284,89) | 37,8% |
| Adjusted EBITDA | 228,07 | 130,38 | 74,9% |
| Other amortisations, provisions | (8,63) | (7,60) | 13,6% |
| EBIT | 219,44 | 122,78 | 78,7% |
| Equity Cons. Results and Depr. Fin. Assets | (186,00) | (123,13) | 51,1% |
| Financial results | 3,06 | 3,20 | (4,5%) |
| Pre-tax profits | 36,50 | 2,85 | - |
| Income taxes | 0,02 | 24,14 | - |
| Minority interests | 34,02 | 21,45 | 58,6% |
| Net profit | 70,55 | 48,44 | 45,6% |
| Adjusted Net profit | 164,36 | 112,64 | 45,9% |

As previously mentioned, compared to the same period last year and under consistent conditions, the Adjusted Net Profit amounted to €164.36 million (+45.9% versus 2009), a 19.2% margin over Net Revenues.

The €93.82 million difference between the Net Profit and the adjusted Net Profit is due to the post-Tax impact of the amortisation of intangibles and the impairment test carried out on the participated company Edam in application of the international accounting standards and the result of which has been the write-off of the investment at September 30th. All of this constitutes the application of an accounting convention that does not affect the operating activity or the cash flow of the Endemol Group, the operational results of which are satisfactory.

2.1. Revenues

Table 2: Revenues

| | 2010 | 2009 | % change |
|-----------------------------------|---------------|---------------|---------------|
| Gross advertising revenues | 834,89 | 619,30 | 34,8% |
| - <i>Multiplex Telecinco</i> | 791,81 | 605,26 | 30,8% |
| - <i>Others</i> | 43,08 | 14,04 | - |
| Discounts | (40,33) | (29,51) | 36,7% |
| Net advertising revenues | 794,56 | 589,79 | 34,7% |
| Other revenues | 60,50 | 66,47 | (9,0%) |
| TOTAL NET REVENUES | 855,06 | 656,26 | 30,3% |

Gross advertising revenues in 2010 grew by 34.8% reaching €834.89 million, compared to the same period last year (€619.30 million).

Multiplex Telecinco's Gross advertising revenues, which include advertising revenues from TELECINCO, LA SIETE, FACTORIA DE FICCION and BOING, reached €791.81 million versus €605.26 million in 2009, representing an increase of 30.8%.

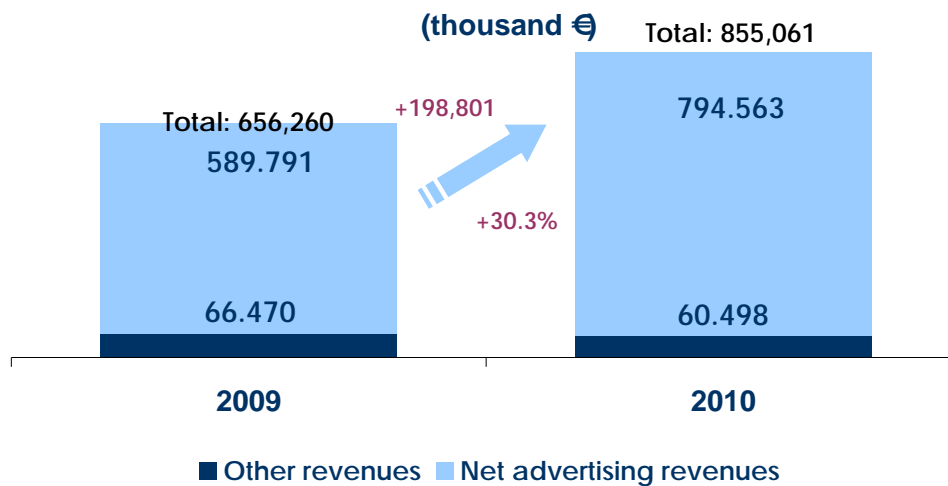
The **Other advertising revenues** reached €43.08 million. This figure includes advertising revenues from other platforms such as the thematic channels, Internet and teletext, etc. The difference with 2009 is mainly explained by the incorporation of new channels during the year.

Net advertising revenues after commissions climbed by 34.7% to €794.56 million compared with last year (€589.79 million)

"Other revenues", which mainly include the sale of coproduction film rights, merchandising rights, SMS, Call TV and audiotex services amounted to €60.50 million with a decrease of 9.0% versus last year, mainly due to less income deriving from cinema during the second half of 2010 (in 2009 there were significant revenues from the sale of film rights for "Agora", "Celda 211" and "Spanish Movie") and a reduction of Call TV, SMS and Merchandising revenues. This decline is mainly explained by the new regulation and the condition of the Spanish economy, which has produced a reduction in the consumption of these products.

Finally, **Total Net Revenues** grew by 30.3% to €855.06 million, compared to 2009 (€656.26 million).

Total Net Revenues, Advertising and Others Revenues



2.2. Operating costs

Total operating costs, amounted to €635.62 million, that is an increase of 19.1% when compared to last year which is explained by higher variable costs related to the sale of advertising and associated to higher income generation, higher costs related to cinema, by the 3% tax over revenues to finance TVE accrued for the whole of the fiscal year, by the increased investment in the new channels, (LA SIETE, FACTORIA DE FICCION and BOING). The comparative with the same period of last year is further complicated due to the reversal of specific provisions in 2009.

In any case, excluding the exceptional impact of undoing the net impact of the reversal of the provision both in 2009 (€42.5 million) and 2010 (€10.7 million), the operating costs would have increased by 10.1%.

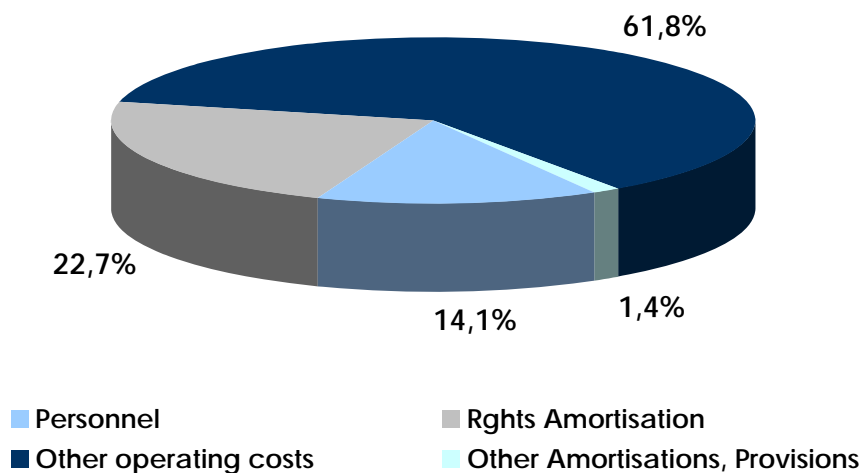
Table 3: Operating costs

| Millions of € | 2010 | 2009 | % change |
|-----------------------------------|---------------|---------------|--------------|
| Personnel costs | 89,88 | 79,54 | 13,0% |
| Rights amortisation | 144,52 | 161,45 | (10,5%) |
| Other operating costs | 392,58 | 284,89 | 37,8% |
| Other amortisation and provisions | 8,63 | 7,60 | 13,6% |
| TOTAL OPERATING COSTS | 635,62 | 533,48 | 19,1% |

Telecinco's in-house production continues to dominate the network's programming in terms of broadcasting hours. In 2010, 88.0% of broadcasted programmes on the main channel (Telecinco) were produced in-house and the remaining 12.0% were external productions (compared with an 85.4% and 14.6% in 2009).

As per the secondary channels, LA SIETE, 86.0% of production is in-house and 14.0% third parties rights, FACTORIA DE FICCION has a more equated proportion with 37.5% of in-house versus 62.5% of third parties, while BOING is more intensive in third party rights.

Operating Costs



2.3 Operating profit and margins

Adjusted EBITDA reached €228.07 million, increasing by 74.9% versus last year, representing a 26.7% margin over revenues.

Net operating profit (EBIT) grew by 78.7% to €219.44 million with a margin of 25.7% over revenues compared to 2009, demonstrating the ability of the company to capitalize the operating leverage that is inherent in the sector when there are increases in the revenue line.

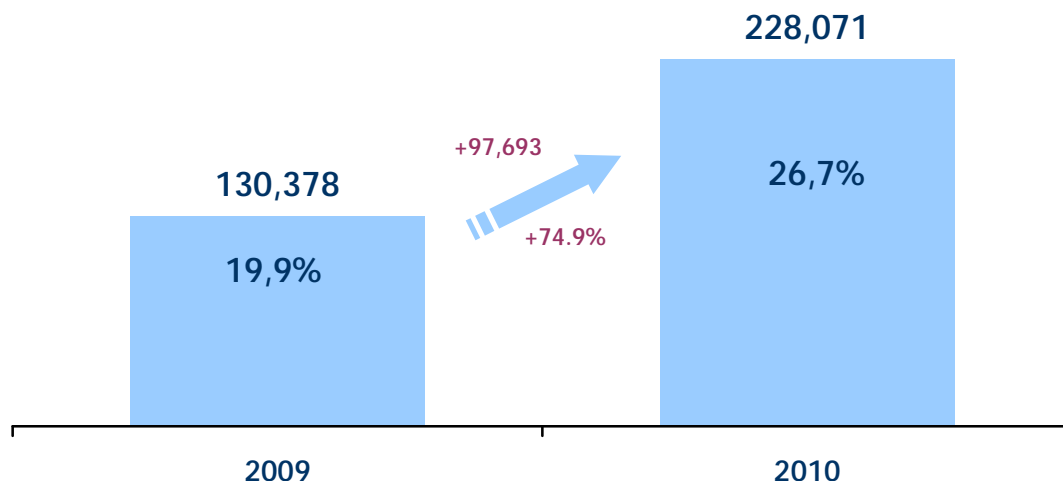
The ability to efficiently sell the advertising space in the new context of the advertising market, following the elimination of advertising on State TV and the Group's audience strength as well as the traditional and effective cost control policy of the Group, has led to increased levels in the operating margins of the company thanks to the advertising price recovery which positively affected revenue generation.

Table 4: Margins

| | 2010 | 2009 | % change |
|--------------------------------------|---------------|---------------|--------------|
| Millions of € | | | |
| Total net revenues | 855,06 | 656,26 | 30,3% |
| Adjusted EBITDA | 228,07 | 130,38 | 74,9% |
| EBIT | 219,44 | 122,78 | 78,7% |
| Net profit | 70,55 | 48,44 | 45,6% |
| Ajusted Net profit | 164,36 | 112,64 | 45,9% |
| Adj.EBITDA / Total net revenues | 26,7% | 19,9% | |
| EBIT/ Total net revenues | 25,7% | 18,7% | |
| Net profit / Total net revenues | 8,3% | 7,4% | |
| Adj. Net Profit / Total Net Revenues | 19,2% | 17,2% | |

On a percentage basis, operating margins (**Adj.EBITDA and EBIT**) are, 26.7% and 25.7% respectively, demonstrating the efficiency of the business model at increasing margins in the new context of the advertising market and the new multichannel environment originated by the analogue switch off which happened at the beginning of April 2010.

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



2.4. Financial result and equity consolidated companies

Financial income totalled €3.06 million on a net basis, mainly due to the revenues arising from long term financial assets recognized as “amortized costs” and from a lower than expected need to resort to drawdowns against the existing lines of credit on the back of a solid cash flow generation in the period.

A negative result is shown from the **equity consolidated companies³** and from the **depreciation of financial assets** totalling €186.00 million. This negative figure is almost exclusively related to the losses of the participated company Edam Acquisition Holding Coop. which includes the result of the impairment test carried out by the Group. The result of this test, which has been carried out in compliance with the international accounting standards, has been the complete write-off of the investment for a total amount of €178.70 million

2.5. Profit for the period January – December 2010

Pre-tax profit, has increased considerably in 2010, reaching €36.50 million compared to €2.85 million in 2009.

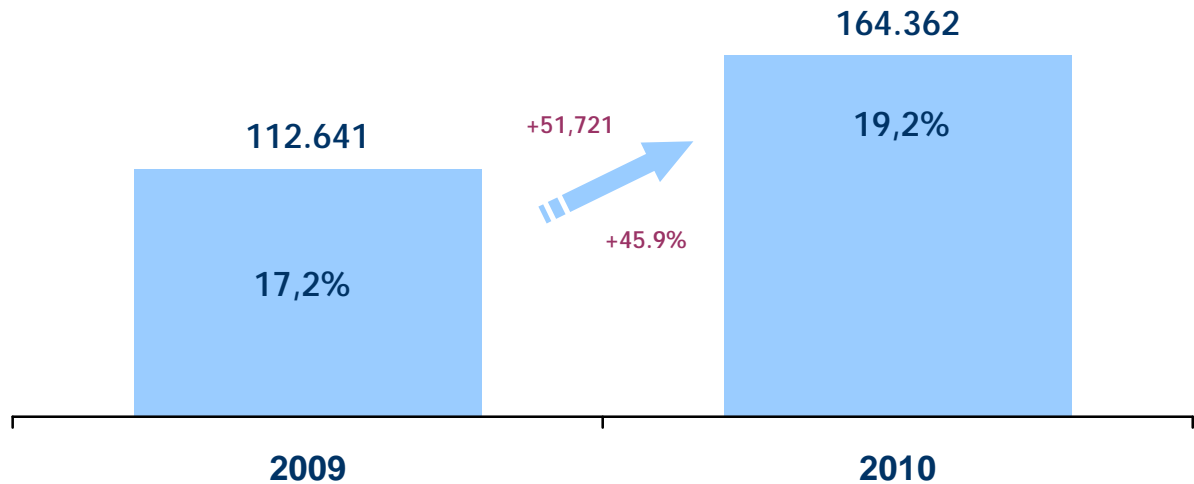
Net profit after minority interests amounted to €70.55 million.

In homogeneous conditions to 2009, **adjusted net income** amounted to €164.36 million, excluding the impact the impairment test and the amortization of intangibles following the “PPA” of participated companies (mainly Endemol), which have no effect on the operational margins, and which amounts to €93.82 million.

This represents an adjusted net income margin of 19.2% of total net income, which demonstrates the ability of Telecinco to further develop the business and grow in a delicate economic environment.

³ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Pegaso Television Inc. (43.7%), DTS Distribuidora de Televisión Digital, S.A. (22%), Big Bang Media S.L. (30% indirect shareholding), Producciones Mandarina S.L. (30% indirect shareholding), La Fábrica de la Tele S.L. (30% indirect shareholding), Aprox Imagen S.L. (3% indirect shareholding), Edam Acquisition Holding Coöp (33% indirect shareholding).

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



3. Cash flow generation

The **Operating Free Cash Flow** in 2010 amounts to €201.11 million, versus €94.41 million in 2009. The increase of €106.70 million is mainly explained by higher income from the sale of advertising.

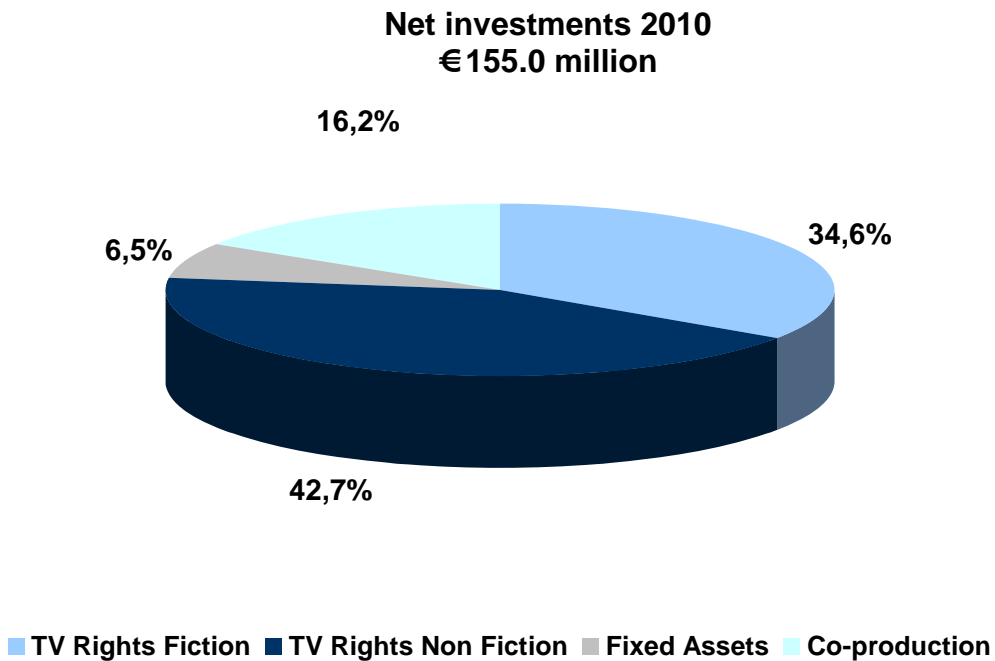
Table 5: Cash Flow

| Millions of € | 2010 | 2009 | Change in millions of € |
|-----------------------------------------|-----------------|-----------------|-------------------------|
| Net profit (without minority interests) | 36,52 | 26,99 | 9,54 |
| Amortisation: | 152,49 | 168,66 | (16,17) |
| - Rights | 144,52 | 161,45 | (16,93) |
| - Other | 7,97 | 7,20 | 0,76 |
| Provisions | 0,66 | 0,36 | 0,31 |
| Other | 200,88 | 109,46 | 91,42 |
| OPERATING CASH FLOW | 390,55 | 305,46 | 85,10 |
| Investment in rights | (144,91) | (169,05) | 24,14 |
| Investments, other | (10,08) | (5,17) | (4,90) |
| Change in working capital | (34,45) | (36,82) | 2,37 |
| OPERATING FREE CASH FLOW | 201,11 | 94,41 | 106,70 |
| Change in Equity | 1.075,92 | (2,25) | 1.078,16 |
| Financial investments | (1.101,64) | (13,84) | (1.087,81) |
| Dividends received | 1,02 | 1,79 | (0,77) |
| Dividend payments | (48,44) | (210,27) | 161,83 |
| Net Cash Change | 127,96 | (130,15) | 258,11 |
| INITIAL FINANCIAL POSITION | (156,01) | (25,85) | (130,15) |
| FINAL FINANCIAL POSITION | (28,05) | (156,01) | 127,96 |



Total net investment reached €155.0 million in 2010, representing a decrease of €19.2 million compared to last year.

The decrease in investments in Spanish fiction (-€46.2 million) is partially compensated by the increase in co-productions (+€15.4 million) and in investments of third party rights (+€6.7 million), as explained by the following chart:



4. Balance Sheet

Table 6: Summary Balance Sheet

| <i>Millions of €</i> | <i>December 2010</i> | <i>December 2009</i> |
|--------------------------------------------|----------------------|----------------------|
| Tangible assets | 1.149,78 | 221,70 |
| - Financial | 1.094,89 | 168,67 |
| - Non Financial | 54,88 | 53,03 |
| Audiovisual rights and Pre-payments | 264,86 | 193,99 |
| - Third parties | 190,36 | 121,27 |
| - Fiction | 32,12 | 37,12 |
| - Co-production / Distribution | 42,38 | 35,60 |
| Pre-paid taxes | 154,05 | 108,21 |
| TOTAL NON-CURRENT ASSETS | 1.568,69 | 523,91 |
| Current assets | 295,83 | 199,48 |
| Financial investments and cash | 116,39 | 10,70 |
| TOTAL CURRENT ASSETS | 412,22 | 210,18 |
| TOTAL ASSETS | 1.980,91 | 734,09 |
| Shareholders` equity | 1.376,10 | 291,61 |
| Non-current provisions | 31,98 | 21,32 |
| Non-current payables | 0,75 | 0,26 |
| Non-current financial liabilities | 73,10 | 90,67 |
| TOTAL NON-CURRENT LIABILITIES | 105,83 | 112,26 |
| Current payables | 427,63 | 254,19 |
| Current financial liabilities | 71,34 | 76,03 |
| TOTAL CURRENT LIABILITIES | 498,97 | 330,23 |
| TOTAL LIABILITIES | 1.980,91 | 734,09 |

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 due to the incorporation of Cuatro's assets within the balance sheet.

Current Assets are up due to a higher cash position and financial investments thanks to the free cash flow improvement.

Current liabilities have increased compared to the figures reached as of December 31st 2009, mainly due to the incorporation of Cuatro's trade creditors into the balance.

The **Net financial position** reached, at the end of December 2010, was €-28.05 million.

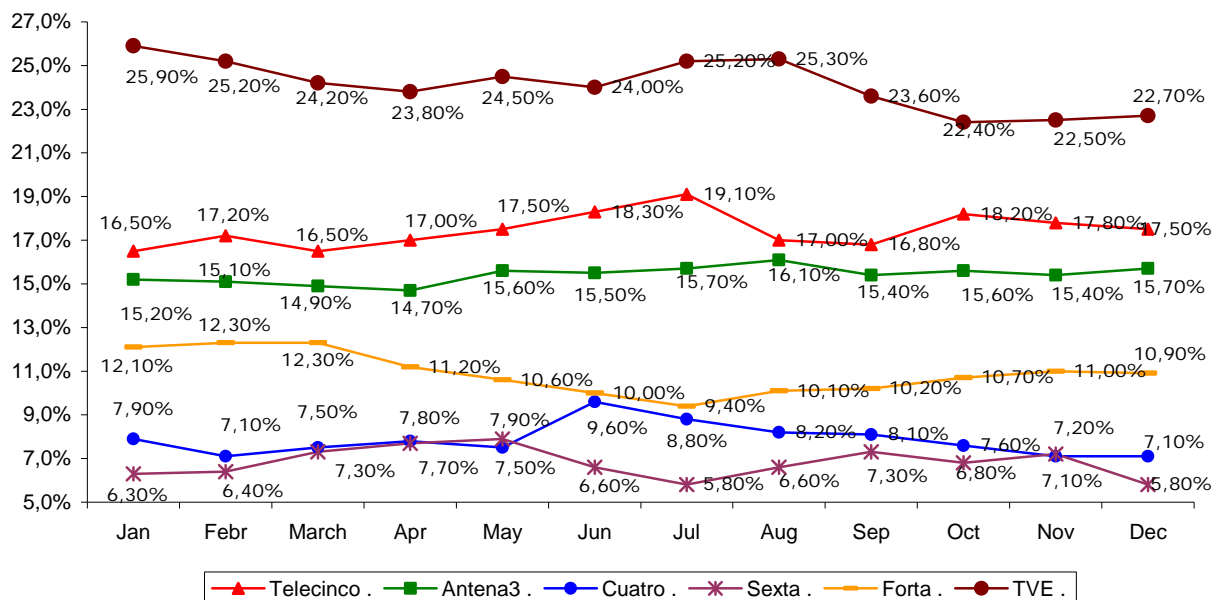
5. Audience share performance

Table 7: January-December average audience share for the GROUP Telecinco

| | 2010 | 2009 | |
|--------------------------|-------------------|--------------|--------------|
| Total Individuals | Total Day | 17,7% | 16,2% |
| | PRIME TIME | 17,8% | 17,3% |
| | DAY TIME | 17,7% | 15,6% |
| Commercial Target | Total Day | 18,3% | 16,8% |
| | PRIME TIME | 17,9% | 17,6% |
| | DAY TIME | 18,5% | 16,4% |

The Group audience share in 2010 consolidates Telecinco Group as the leader of the commercial TV. The audience share in total-individuals (total day) for the period, reached 17.7% 1.9 points ahead of Antena3 Group (15.8%). Concerning the audience share in commercial target (total day), Telecinco Group (18.3%) has an average 1.6 ahead of Antena3 Group (16.7%).

Audience Share, 24 Hours, Total Individuals (in %) per Group



Audience Share, 24 Hours, Commercial Target (in %) per Group

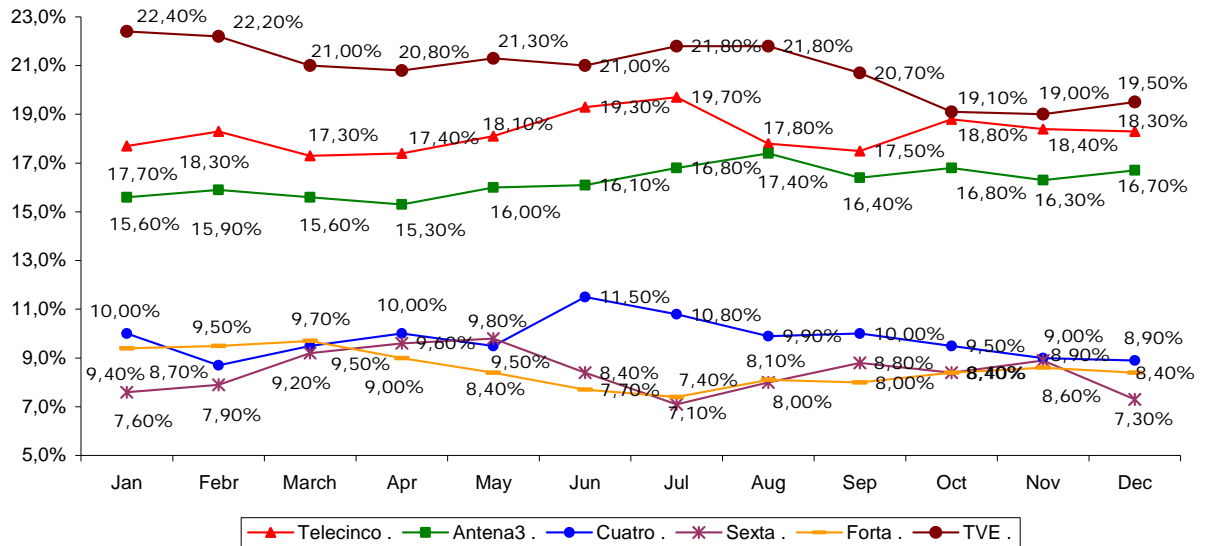


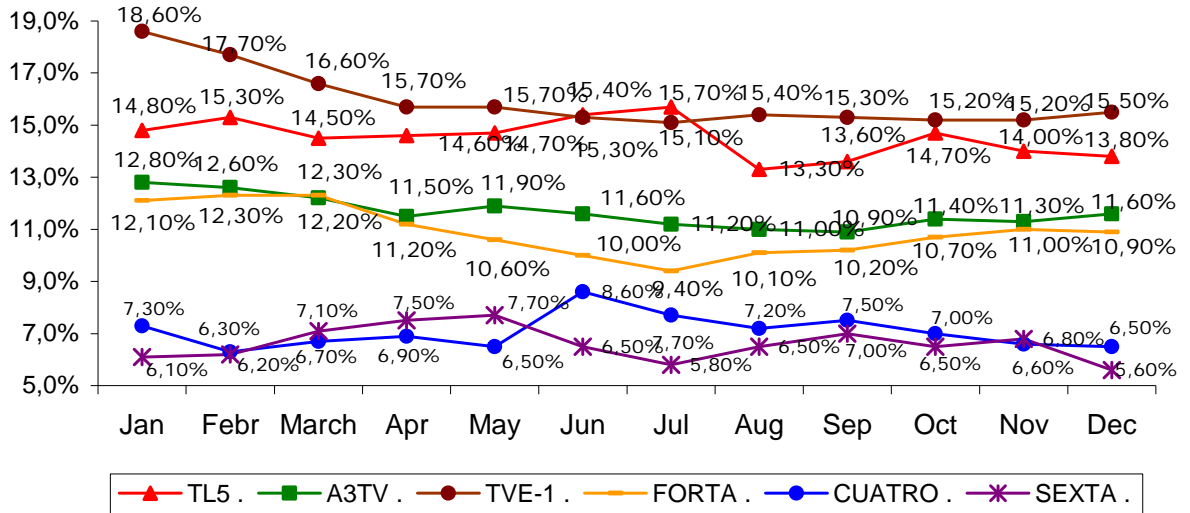
Table 8: January-December average audience share for Telecinco

| | 2010 | 2009 |
|--------------------------|--------------|--------------|
| Total Individuals | | |
| Total Day | 14,6% | 15,1% |
| PRIME TIME | 14,4% | 16,2% |
| DAY TIME | 14,6% | 14,5% |
| Commercial Target | | |
| Total Day | 14,9% | 15,5% |
| PRIME TIME | 14,3% | 16,4% |
| DAY TIME | 15,2% | 15,1% |

At the end of December 2010 Telecinco channel reached 14.6% average audience share in total-individuals (total day) this situates Telecinco as the leading commercial network 2.9 points ahead of Antena3 (11.7%).

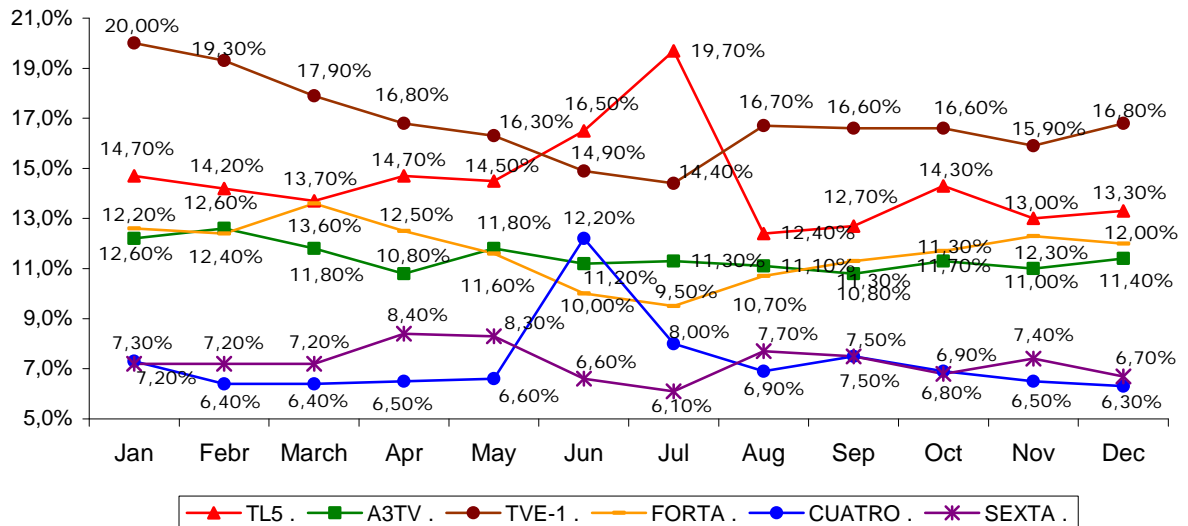
Concerning the audience share in commercial target (total day), Telecinco (14.9%) has an average of 3 points ahead of Antena3 (11.9%).

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



The broadcast of the Spanish matches of the World Cup in South Africa in June and July, places Telecinco as the leader in 24h. and in prime time⁴ total-individuals.

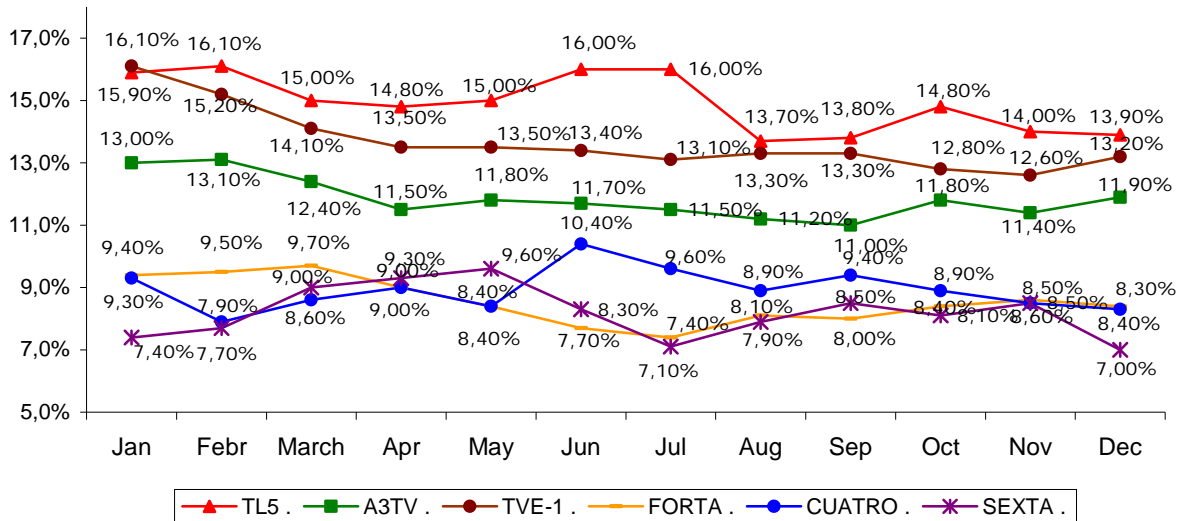
Audience Share, Prime Time, Total Individuals (in %)



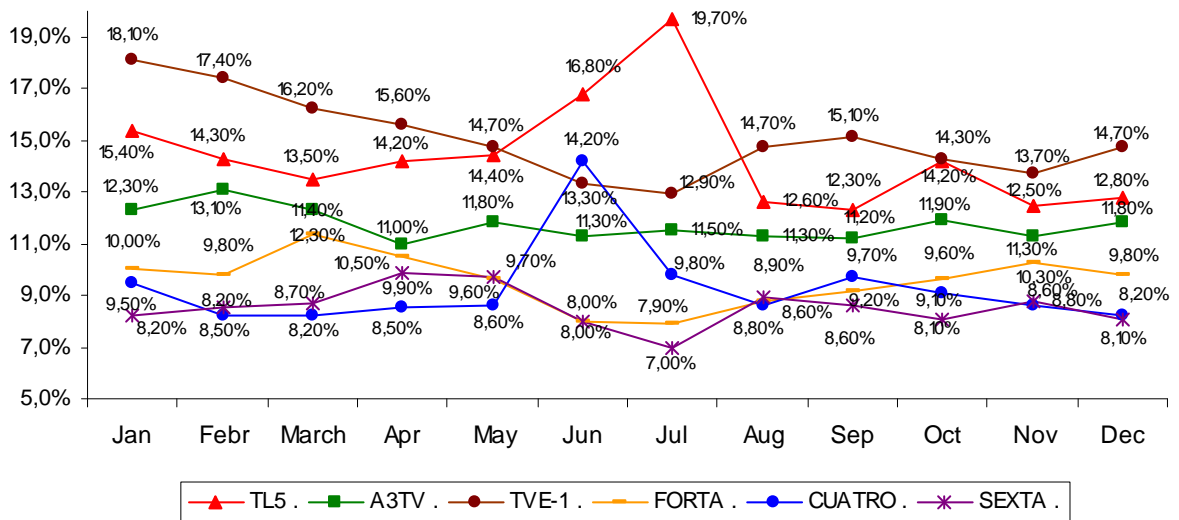
With regards to the commercial target audience share for 24 hours, prime time, and day time, Telecinco maintains the lead in 2010, increasing the distance from its main competitors.

⁴ Prime time: Time slot with the highest television consumption of the day, from 20:30 to 24:00.

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



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





In 2010 Telecinco continues with the development of its multichannel strategy with the launch of the kids channel BOING completing the offer of the group (in September 2009 the Group launched LA SIETE and FACTORIA DE FICCION).

In December 2010, FACTORIA DE FICCION has reached a total audience share in total day of 2.1%, LA SIETE a share of 1.6% and BOING 0.8%.

Audience Share, 24 hours, DTV %

