

MEDIASET *españa.*

QUARTERLY RESULTS¹ January – March 2011

Madrid – May 5th, 2011

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¹ Accounts not audited



1. Financial and operating highlights

- ***Telecinco changes its corporate identity to a new business dimension and becomes Mediaset España***

At the Annual General Meeting, held on April 13th, 2011, Telecinco's shareholders have approved to adopt a new corporate brand for the company, which is now called Mediaset España Comunicación, S.A. (hereinafter Mediaset España). A new identity in line with the new dimension of the largest audiovisual group in Spain after the acquisition of 100% of Cuatro and 22% of Digital +, which today brings together the family of channels consisting of Telecinco, Cuatro, Factoría de Ficción, LaSiete, Boing and Divinity.

- ***Mediaset España recorded a recurring adjusted EBITDA during the first quarter of 2011 of 63.90 million Euros and the new group got an advertising market share of 44% (+1.8% versus last quarter of 2010), in an volatile advertising market. Consolidated results as of 31 March 2011, include:***

1. The start of 2011 is driven by an erratic advertising market where visibility on the evolution of advertising recovery remains low. While the price adjustment, initiated in the first quarter of 2010 following the elimination of advertising on TVE, continues.

According to the latest Infoadex report, advertising investment on TV, in the first quarter of 2011, was 0.9% higher than in the same period of 2010, reaching €589.9 million, compared to €584.7 million in 2010, which represents a share of 50.4% of total advertising spend, which has had a decrease of -1.0%. Mediaset España is still the leader in the first quarter of 2011, with a share of 44.0%.

Total Net Revenues, in the first quarter of 2011, reached €266.11 million versus €286.91 million as per first quarter 2010 pro-forma. The Gross Advertising Revenues of the two Multiplex of Mediaset España in this period amount to €258.23 million compared to €265.55 million that were reached last year as per the pro-forma, which was the first quarter without advertising in TVE (allowing in 2010 the beginning of the adjustment in prices in the TV advertising market and higher revenues of private TVs, which have absorbed the majority of the investments freed up by the State TV).

Advertising Revenues of Other Media totalled €8.92 million compared to €10.26 million of the pro-forma of 2010. Total gross advertising revenues amount to €267.15 million. Finally, the "Other Revenues" amount to €14.40 million versus the €25.21 million of last year. This is mainly due to less income generated from films during the first quarter of 2011 (in 2010 the income originated was higher due to the contribution from the films "Agora", "Celda 211" and "Spanish Movie").

2. **Total Operating Costs** of Mediaset España reached €219.48 million in the first quarter of 2011, a decrease of 1.3% versus 2010. During the first quarter the Group has began to effectively achieve the costs synergies generated from the integration of Cuatro.

On a percentage basis, Mediaset España has increased its recurring operating margin, thanks to the cost savings and cost synergies obtained during the first quarter of 2011, following the acquisition of Cuatro. The **Recurring Adjusted EBITDA**² margin reached 24.0% versus 20.2% in the same period of 2010. This result places Mediaset España among the most profitable commercial TV companies in Europe.

The strength of the traditional operating margins and strict cost management are very important elements to help develop business in an environment of volatility of the advertising market.

3. **Net profit**, after tax, as of March 31st, 2011, reached €40.07 million, compared to €50.43 million of 2010 pro-forma. If we isolate the accounting impact (after taxes) of the amortization of intangibles, then the adjusted result would improve reaching €42.07 million of net adjusted profit, with a margin of 15.8% over Net Revenues.
4. **Free cash flow** in the first quarter of 2011 was €10.32 million. This result includes the payment of the commercial liabilities related to Cuatro which were in place at the time of the acquisition as well as the indemnity payments made in the period.
5. **The net financial position** as of March 31st 2011 was €1.45 million positive and that includes the Intercompany loan with Mediaset relating mainly to the acquisition of Endemol.

² EBITDA post-rights amortisation, excluding one-off costs

6. The average **audience share** of Mediaset España in the first quarter of 2011 total-individuals (total day), reaches 25.5%, with a +8.7pp lead on Antena3 Group (16.8%). The audience share total-individuals (total day) of the main channel, Telecinco, was 14.0%. This figure confirms Telecinco as the first commercial television network 2.6 ahead of Antena3 (11.4%).
- In “Commercial Target³” (total day), the audience of Mediaset España was 27.7%, 10pp ahead of Antena3 Group (17.7%). The Telecinco channel audience share reaches 14.0%, 2.4pp ahead of Antena3 channel (11.6%).
- The average audience share of Cuatro reached 6.4% total-individuals (total day) and 8.0% in commercial target.
- As per the audience of the new channels, FACTORIA DE FICCION, LA SIETE and BOING, the trend in the audience share continues to set records, the sum of the channels has reached 4.5% in the first quarter, in total day, total-individuals and 5.0% in total day, commercial target.
- Also during the first quarter of 2011 the channel Big Brother 24 hours adds to the Group audience share 0.5p in total day, total-individuals and 0.6p in commercial target.
- Mediaset España consolidates its leadership in 2011 amongst the commercial channels.

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

2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

Millions of €	1Q2011	Proforma 1Q2010	% change	Reported 1Q2010
TOTAL NET REVENUES	266,11	286,91	(7,2%)	211,99
Rights Amortisation	(50,25)	(58,96)	(14,8%)	(35,13)
Personnel	(27,03)	(27,26)	(0,9%)	(19,18)
Other operating costs	(124,94)	(142,73)	(12,5%)	(88,29)
Recurring Adjusted EBITDA	63,90	57,95	10,3%	69,38
Non recurring costs	(12,46)	8,10	-	8,10
Adjusted EBITDA	51,44	66,05	(22,1%)	77,48
Other amortisations, provisions	(2,81)	(1,51)	86,1%	(1,40)
Amortisation PPA (provisional)	(2,00)	0,00	-	-
EBIT	46,63	64,54	(27,8%)	76,08
Equity Cons. Results and Depr. Fin. Assets	1,65	(11,28)	-	(11,29)
Financial results	2,50	1,58	57,7%	1,64
Pre-tax profits	50,78	54,84	(7,4%)	66,44
Income taxes	(10,66)	(6,80)	56,9%	(9,97)
Minority interests	(0,04)	2,39	-	2,39
Net profit	40,07	50,43	(20,5%)	58,86
Adjusted Net profit	42,07	53,98	(22,1%)	62,41

The Adjusted Net Profit in the first quarter of 2011 amounted to €42.07 million, a 15.8% margin over Net Revenues.

The €2.00 million difference between the Net Profit and the adjusted Net Profit is due to the post-tax impact of the amortization of intangibles following the “PPA” (Purchase Price Allocation) of Cuatro.

It should be noted that such allocation is preliminary and non-definitive, and so is the amortisation expense charged in the period, which represents the best estimate. According to IFRS, there is one year from the date of the acquisition to complete the allocation process.

2.1. Revenues

Table 2: Revenues

	1Q2011	Proforma 1Q2010	% change	Reported 1Q2010
Gross advertising revenues	267,15	275,81	(3,1%)	200,77
- Multiplex	258,23	265,55	(2,8%)	194,19
- Others	8,92	10,26	(13,0%)	6,58
Discounts	(15,44)	(14,11)	9,4%	(9,61)
Net advertising revenues	251,71	261,70	(3,8%)	191,16
Other revenues	14,40	25,21	(42,9%)	20,83
TOTAL NET REVENUES	266,11	286,91	(7,2%)	211,99

Gross advertising revenues in the first quarter 2011 reached €267.15 million, compared to the same period last year (€275.81 million).

Multiplex Mediaset España's Gross advertising revenues, which include advertising revenues from TELECINCO, CUATRO, FACTORIA DE FICCION, LA SIETE and BOING, reached €258.23 million versus €265.55 million in 2010 pro-forma.

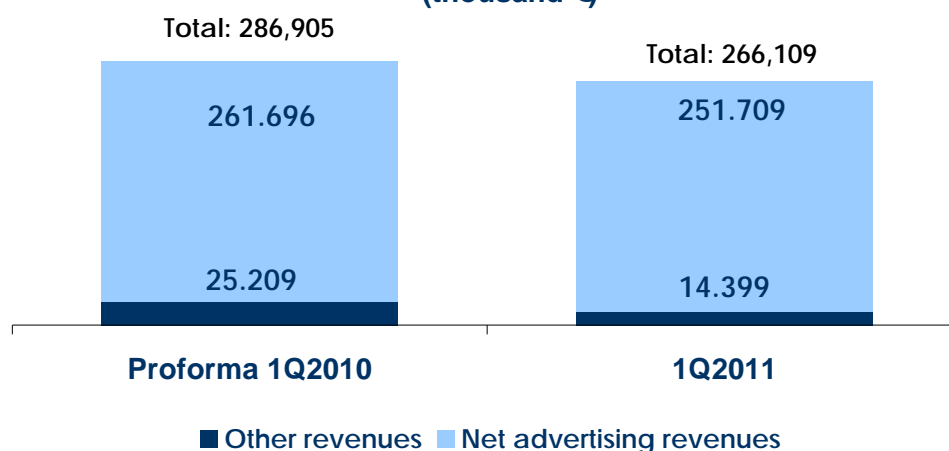
The **Other advertising revenues** reached €8.92 million. This figure includes advertising revenues from other platforms such as the thematic channels, Internet and teletext, etc. The difference with 2010 pro-forma is mainly explained by the exclusion of external channels in 2011, in compliance with the limitations agreed with the antitrust authority following the acquisition of Cuatro.

Net advertising revenues after commissions reached €251.71 million compared with same period of 2010 (€261.70 million)

"**Other revenues**", which mainly include the sale of coproduction film rights, merchandising rights, SMS, Call TV and audiotex services amounted to €14.40 million with a decrease of 42.9% versus same period of last year, mainly due to less income deriving from cinema during the first quarter of 2011 (in 2010 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 condition of the Spanish economy, which has produced a reduction in the consumption of these products.

Finally, **Total Net Revenues** amounted to €266.11 million, compared to €286.91 million in 2010.

Total Net Revenues, Advertising and Others Revenues
(thousand €)



2.2. Operating costs

Total operating costs, as of March 31st 2011 amounted to €219.48 million, which is a decrease of 1.3% when compared to last year pro-forma. This decrease is mainly due to the realization of part of the synergies generated by the integration of Cuatro and to the impact of a lesser cost of sales on the back of reduced non advertising revenues net of the non recurring costs.

In any case, excluding the exceptional impact of non-recurring restructuring costs (€12.46 million), the PPA amortisation (€2.0 million) and the impact of the reversal of the provision in 2010 (€8.1 million) the operating costs would have decreased by 11.0%, demonstrating the potential of the new group and the ability to manage costs to maximize margins.

Table 3: Operating costs

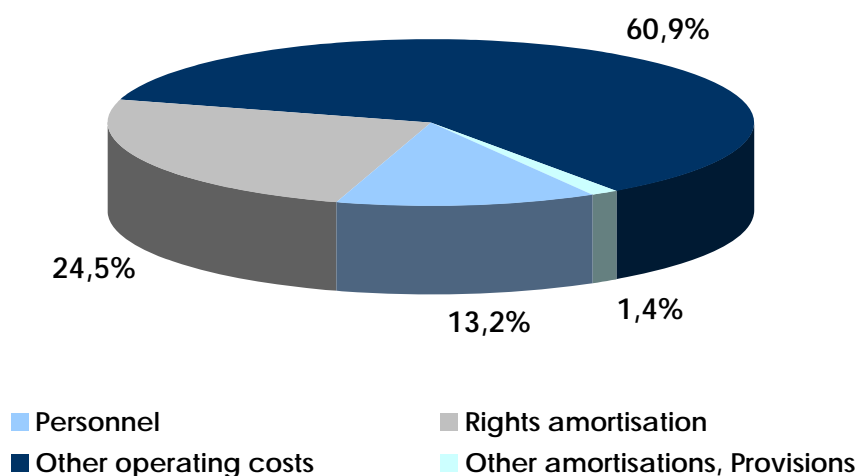
Millions of €	1Q2011	Proforma 1Q2010	% change	Reported 1Q2010
Personnel costs	27,03	27,26	(0,9%)	19,18
Rights amortisation	50,25	58,96	(14,8%)	35,13
Other operating costs	124,94	142,73	(12,5%)	88,29
<u>Total recurring costs</u>	202,21	228,96	(11,7%)	142,61
Non recurrings costs	12,46	(8,10)	-	(8,10)
Other amortisation and provisions	2,81	1,51	86,0%	1,40
Amortisation PPA (provisional)	2,00	-	-	-
TOTAL OPERATING COSTS	219,48	222,37	(1,3%)	135,90

The Group's in-house production continues to dominate the network's programming in terms of broadcasting hours. In 2011, 91.5% of broadcasted programmes on the main channel (Telecinco) were produced in-house and the remaining 8.5% were external productions (compared with an 87.2% and 12.8% in 2010).

Channel Cuatro has a different proportion (59.3% of in-house; 40.7% of third parties).

As per the secondary channels, LA SIETE, 91.1% of production is in-house and 8.9% third parties rights, FACTORIA DE FICCION has a proportion of 40.3% of in-house versus 59.7% of third parties and BOING is more intensive in third party rights.

Operating Costs



2.3 Operating profit and margins

Recurring Adjusted EBITDA reached €63.90 million, increasing by 10.3% versus same period last year, representing a 24.0% margin over revenues.

Net operating profit (EBIT) reached €46.63 million with a margin of 17.5% over revenues.

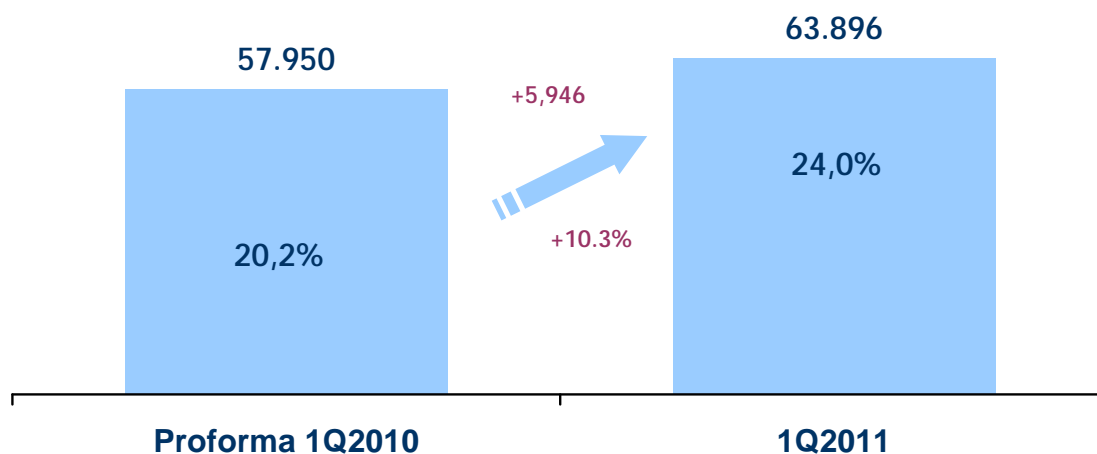
Mediaset España's ability to manage costs has led to increase the recurring adjusted EBITDA margin through the realization of cost synergies with Cuatro as well as through savings in general expenses in the period.

Table 4: Margins

Millions of €	1Q2011	Proforma 1Q2010	% change	Reported 1Q2010
Total net revenues	266,11	286,91	(7,2%)	211,99
Recurring Adjusted EBITDA	63,90	57,95	10,3%	69,38
Adjusted EBITDA	51,44	66,05	(22,1%)	77,48
EBIT	46,63	64,54	(27,8%)	76,08
Net profit	40,07	50,43	(20,5%)	58,86
Ajusted Net profit	42,07	53,98	(22,1%)	62,41
Rec. Adj.EBITDA / Total net revenues	24,0%	20,2%		32,7%
Adj.EBITDA / Total net revenues	19,3%	23,0%		36,5%
EBIT/ Total net revenues	17,5%	22,5%		35,9%
Net profit / Total net revenues	15,1%	17,6%		27,8%
Adj. Net Profit / Total Net Revenues	15,8%	18,8%		29,4%

On a percentage basis, operating margins (**Recurring Adj.EBITDA and EBIT**) are, 24.0% and 17.5% respectively, demonstrating the efficiency of the business model in terms of ability to sustain margins in a volatile market environment, as well as the management's ability that allows the company to partially absorb the impact of the decline in advertising spending.

EBITDA Adjusted Rec. (Thousand €)
EBITDA Adj. Rec. / Total Net Revenues (%)



2.4. Financial result and equity consolidated companies

Financial income totalled €2.50 million on a net basis, mainly due to the absence of debt coupled with the interest on cash surpluses.

On the other hand, the result from the **equity consolidated companies**⁴ amounted €1.65 million.

In the first quarter 2011, there is no impact of the participation in Edam, (Endemol Group), as a result of write-off of participation done in 2010.

2.5. Profit for the period January – March 2011

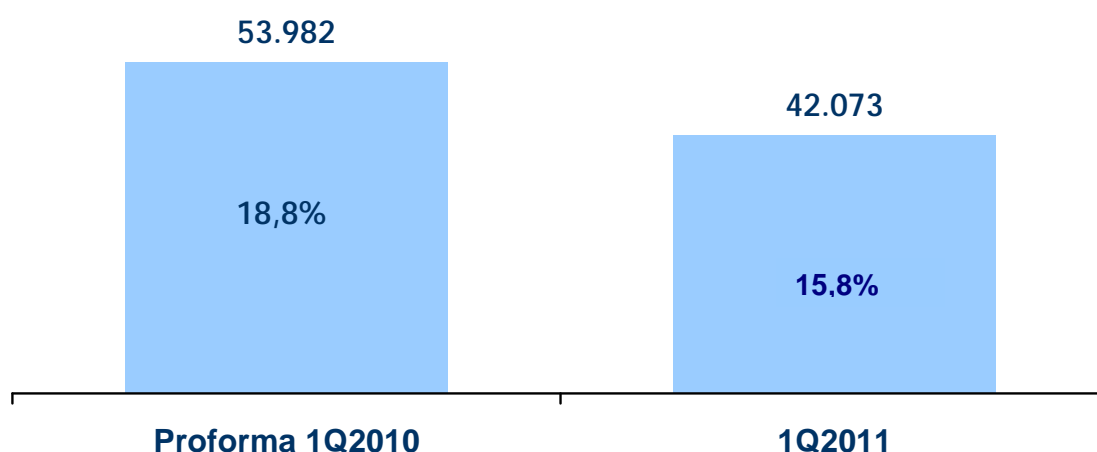
Pre-tax profit during the first quarter of 2011 reached €50.78 million compared to €54.84 million in 2010.

Net profit after minority interests amounted to €40.07 million.

In homogeneous conditions to 2010, **adjusted net income** amounted to €42.07 million, excluding the impact of the amortization of intangibles.

This represents an adjusted net income margin of 15.8% of total net income, which demonstrates the ability of Telecinco to further develop the business in a volatile advertising market environment.

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



⁴ 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% shareholding), Producciones Mandarina S.L. (30% indirect shareholding), La Fábrica de la Tele S.L. (30% indirect shareholding), Aprop Imagen S.L. (3% indirect shareholding), Edam Acquisition Holding Coöp (33% indirect shareholding).

3. Cash flow generation

The **Operating Free Cash Flow** in the first quarter amounts to €10.32 million.

Note that the Cash Flow data from 2010 is not pro-forma, so it does not include the Sogecuatro and its participated companies' figures.

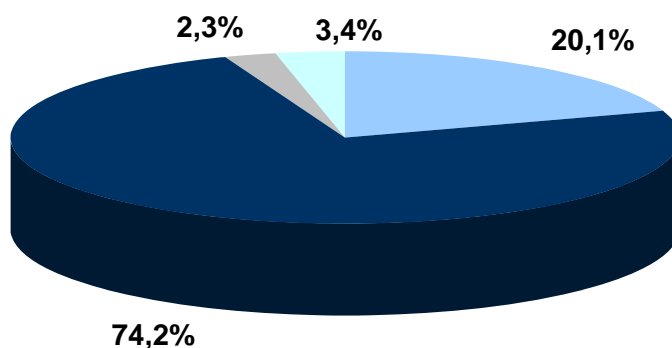
Table 5: Cash Flow

Millions of €	1Q2011	Reported 1Q2010	Change in millions of €
Net profit (without minority interests)	40,12	56,47	(16,36)
Amortisation:	54,01	37,29	16,73
- Rights	50,25	35,13	15,11
- Other	3,77	2,15	1,61
Provisions	1,04	(0,76)	1,80
Other	0,21	12,47	(12,26)
OPERATING CASH FLOW	95,38	105,47	(10,09)
Investment in rights	(94,10)	(57,44)	(36,66)
Investments, other	(2,19)	(0,37)	(1,82)
Change in working capital	11,24	27,85	(16,61)
OPERATING FREE CASH FLOW	10,32	75,50	(65,17)
Change in Equity	(0,34)	0,06	(0,40)
Financial investments	19,52	(22,63)	42,15
Dividends received	0,00	0,00	0,00
Dividend payments	0,00	(48,44)	48,44
Net Cash Change	29,50	4,49	25,02
INITIAL FINANCIAL POSITION	(28,05)	(156,01)	127,96
FINAL FINANCIAL POSITION	1,45	(151,52)	152,97

Total net investment reached €96.3 million in 2011.

During the first quarter of 2011 the investment in third party rights amounted €71.47 million, in Spanish fiction €19.32 million and in co-productions €3.31 million while investments in tangible and intangible fixed assets were €2.19 million.

Net investments 1Q2011
€96.3 million



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

4. Balance Sheet

Table 6: Summary Balance Sheet

<i>Millions of €</i>	March 2011	December 2010
Tangible assets	1.120,48	1.149,78
- Financial	1.065,90	1.094,89
- Non Financial	54,58	54,88
Audiovisual rights and Pre-payments	319,23	264,86
- Third parties	241,15	190,36
- Fiction	34,40	32,12
- Co-production / Distribution	43,68	42,38
Pre-paid taxes	151,51	154,05
TOTAL NON-CURRENT ASSETS	1.591,22	1.568,69
Current assets	249,14	295,83
Financial investments and cash	100,03	116,39
TOTAL CURRENT ASSETS	349,17	412,22
TOTAL ASSETS	1.940,39	1.980,91
Shareholders`equity	1.416,27	1.376,10
Non-current provisions	32,68	31,98
Non-current payables	7,64	0,75
Non-current financial liabilities	73,13	73,10
TOTAL NON-CURRENT LIABILITIES	113,45	105,83
Current payables	385,23	427,63
Current financial liabilities	25,44	71,34
TOTAL CURRENT LIABILITIES	410,67	498,97
TOTAL LIABILITIES	1.940,39	1.980,91

The evolution of the **library** shows 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 rights to the library for the development of new channels.

Current Assets are down mainly due to a lower trade receivables balance as a result of inherent seasonality of the business.

Current liabilities have decreased compared to the figures reached as of December 31st 2010, due to a lower trade creditor's balance from Cuatro.

The **Net financial position** reached, at the end of March 2011, was €1.45 million positive.

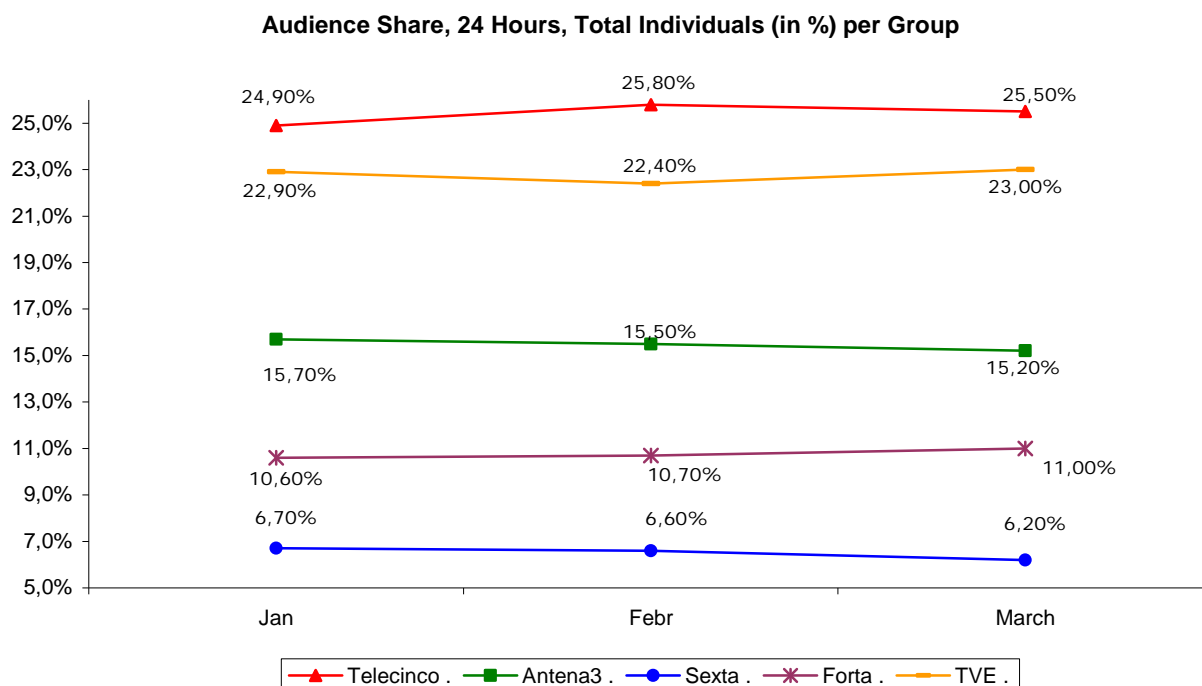
5. Audience share performance

Table 7: January-March average audience share for Mediaset España

1Q2011

Total Individuos	Total Día	25,0%
	PRIME TIME	23,6%
	DAY TIME	25,7%
Target Comercial	Total Día	27,1%
	PRIME TIME	25,1%
	DAY TIME	28,2%

The Group audience share in the first quarter of 2011 consolidates Mediaset España as the leader of the commercial TV. The audience share in total-individuals (total day) for the period, reached 25.5 (including the audience of Big Brother 24 hours channel with a contribution of 0.5 points), 8.7 points ahead of Antena3 Group (16.8%). Concerning the audience share in commercial target (total day), Mediaset España reached 27.7% (including the audience of Big Brother 24 hours channel with a contribution of 0.6 points), which represents an average 10 points ahead of Antena3 Group (17.7%).



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

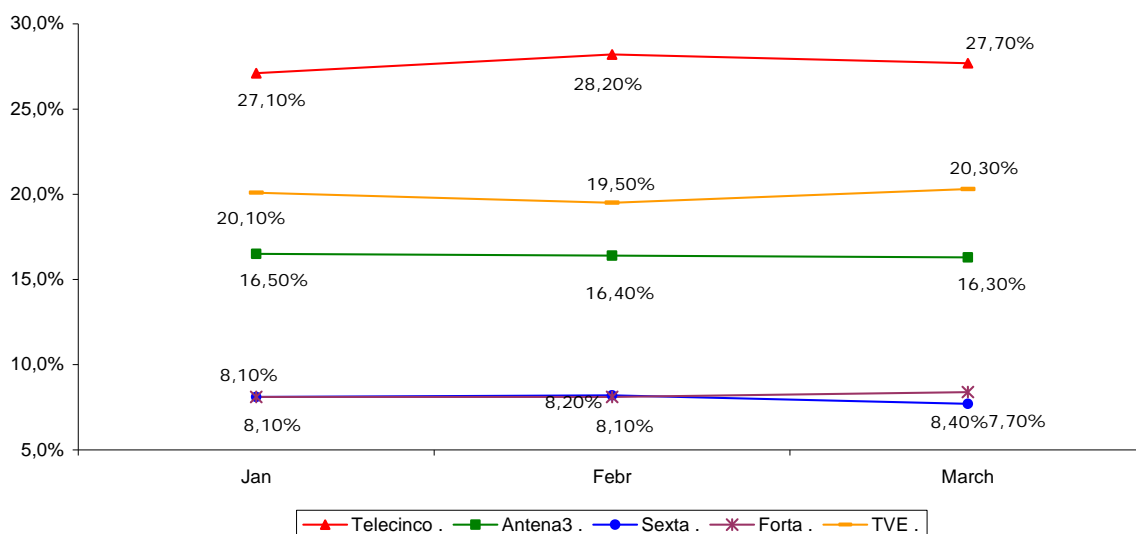


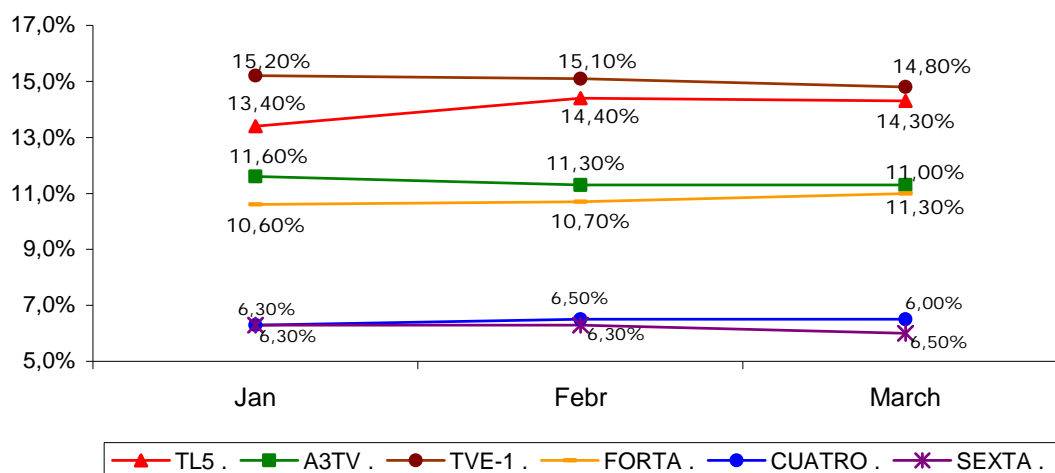
Table 8: January-March average audience share for Telecinco

		1Q2011	1Q2010
Total Individuos	Total Día	14,0%	14,9%
	PRIME TIME	12,9%	14,2%
	DAY TIME	14,6%	15,2%
Target Comercial	Total Día	14,0%	15,6%
	PRIME TIME	12,6%	14,4%
	DAY TIME	14,7%	16,3%

At the end of the first quarter of 2011, Telecinco channel reached 14.0% average audience share in total-individuals (total day). This situates Telecinco as the leading commercial network 2.6 points ahead of Antena3 (11.4%).

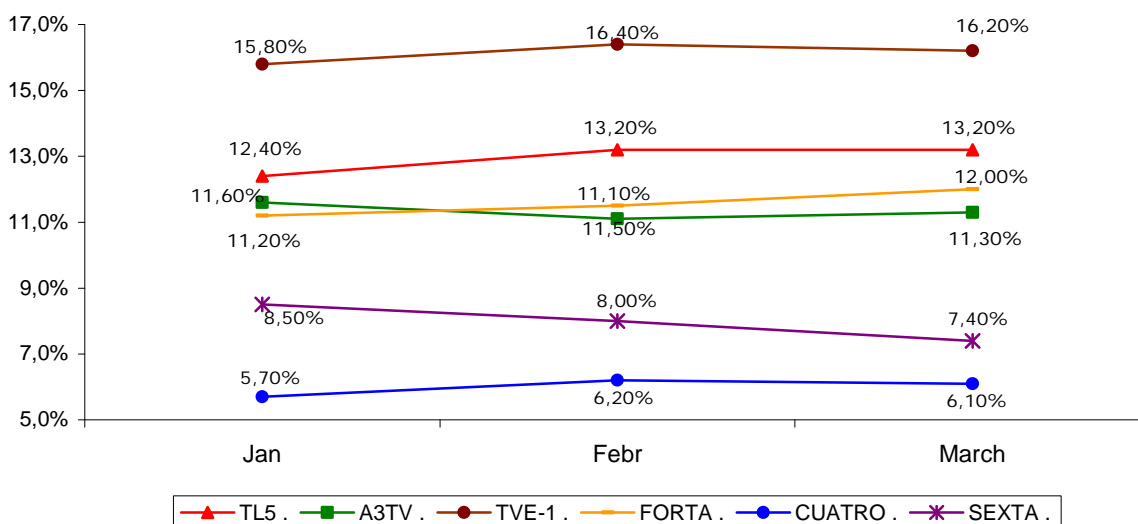
Concerning the audience share in commercial target (total day), Telecinco (14.0%) has an average of 2.4 points ahead of Antena3 (11.6%).

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



Telecinco continues lead in prime time⁵ total-individuals with an average of 12.9% in the period, 1.6 points ahead of Antena3.

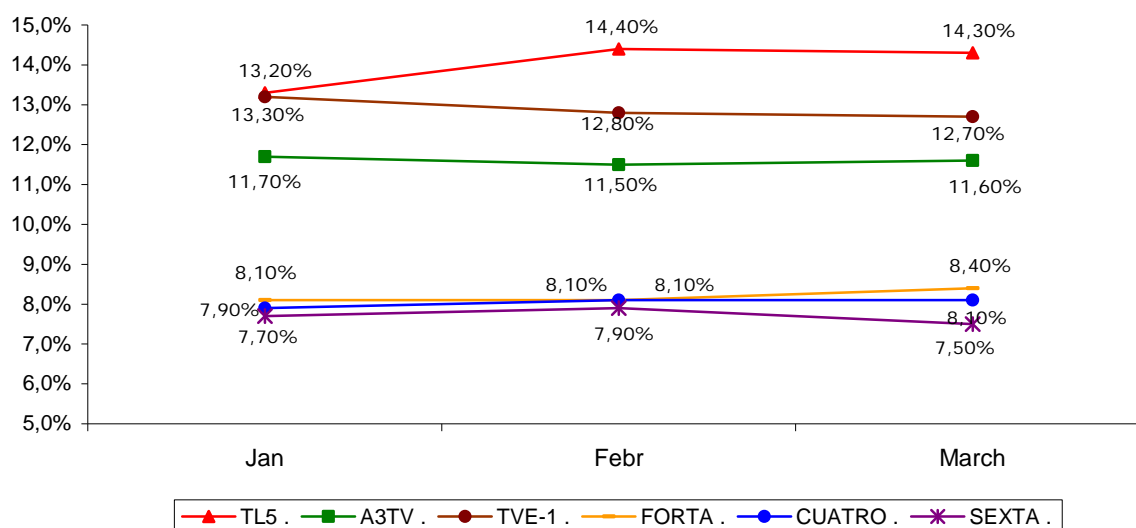
Audience Share, Prime Time, Total Individuals (in %)



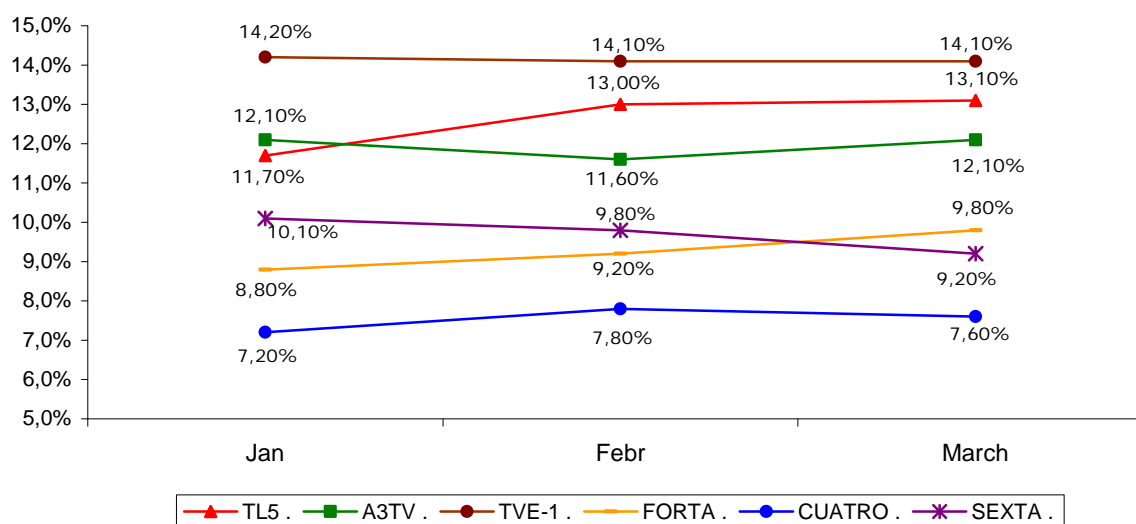
⁵ Prime time: Time slot with the highest television consumption of the day, from 20:30 to 24:00.

With regards to the commercial target audience share for 24 hours, prime time, and day time, Telecinco maintains the lead in 2011, increasing the distance from its main competitors.

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



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



In 2011 the development of the Group's channels FACTORIA DE FICCION, LA SIETE and BOING continues.

In the first quarter 2011, FACTORIA DE FICCION has reached a total audience share in total day of 2.3%, LA SIETE a share of 1.4% and BOING 0.8%, contributing with 4,5% to the group's audience share.

Audience Share, 24 hours, DTV %

