



TELECINCO

**RESULTS
FIRST HALF 2007
(January – June)**

Madrid – 26 July, 2007

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1. Financial and operating highlights

Consolidated¹ financial highlights for the year to June, include:

1. **Total Net Revenues** grew by 9.3% compared with the year ago period, amounting €571.91 million. This growth has been driven by a 7.5% increase in the gross advertising revenues of Telecinco (€550.39 million), a 42.1% growth in “non TV - advertising revenues” (€7.73 million) and by the significant increase of “other revenues” that climbed up to €38.08 million (+35.2%). The strong increase is mainly due to the income originated by the sale of film distribution rights and audio text services.

In the first half 2007 Telecinco has proved its undisputed leadership and competitive strength achieving a new record in revenues. Publiespaña’s advertising revenues have shown high growth despite a more difficult environment with increased competitive pressure coming from the new channels Cuatro and La Sexta.

The average 20.4% **audience share** during 1H07 in terms of total-individuals (total day) places Telecinco, as the leading television network ahead of Antena 3TV (17.9%) by 2.5 pp. TVE-1 maintains the third position in the ranking (17.4%). 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 share² was 20.6%. With regard to commercial target³, Telecinco's audience share was 22.7% in terms of total-day audience and 23.4% in the prime time slot.

Telecinco's **programming** continued demonstrating its strength and stability with high audience share figures across all slots. Notable audience shares were reported⁴ for the programmes “Yo Soy Bea” (35.4%), “Los Serrano” (23.7%), and “Aida” (27.9%), “La Que Se Avecina” (21.8%), the American series “CSI” (29.0%), as well as “Operación Triunfo” (28.2%), “Gala Supervivientes” (24.8%), “Camera Café” (22.8%) and “Aquí Hay Tomate” (24.9%). The Formula 1 Championship has achieved in the new season an audience share of 47.2%.

2. **Total operating costs** were €278.89 million and grew by 7.7%. This cost growth includes costs related to the integration of Jumpy and the setting-up of Mediacinco Cartera S.L. Excluding the before mentioned items, costs corresponding to the TV business grow in line with the guidance given by the Company.
3. **Adjusted EBITDA**⁵ grew by 10.6% to €295.47 million, and **EBIT** totalled €293.02 million (+10.8%). The resulting operating margins were 51.7% for EBITDA (adj.)/total net revenues and 51.2% for EBIT/total net revenues. Telecinco continues to be one of the most profitable companies in its sector.

¹ Consolidated financial accounts are presented in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

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.

⁴ January-June average audience share.

⁵ Post-rights amortisation



4. **Net profit** after taxes was €211.58 million, up 13.5% compared to the first half 2006. The net profit margin achieves 37.0%.
5. **Free cash flow** was €227.26 million, with **operating cash flow** up €31.90 million to €303.63 million.
6. **The net financial position** as of June 30th 2007, was €372.48 million and includes Mediaset's contribution of €60.00 million for the setting-up of Mediacinco Cartera S.L. (25% of total share capital). The distribution of dividends amounting to €314.25 million charged to 2006 results (pay-out 100%) took place in May 3rd.
7. Gestevisión Telecinco increased in 1Q07 from 50% up to 100% its stake in Europortal Jumpy España S.A., therefore is consolidated from 1st March by the global consolidation method.
8. On July 3rd 2007 the agreement for the acquisition of 99.7% of **Endemol Investment Holding** (from Telefónica) by a Consortium comprising Mediacinco Cartera (Telecinco 75%, Mediaset 25%), Cyrte Fund II and GS Capital Partners was finalised. The agreement was previously announced on 14th May 2007. In a first step, the Consortium acquires the 75% shareholding of Telefónica and a 6% shareholding from Cyrte Fund II for €2,813.9 million. Subsequently, on July 4th the Consortium announces the public offering for the acquisition of the remaining 19% of the share capital of Endemol NV at a price of €24.55 per share. The acceptance period ends on August 3rd 2007. Endemol will be consolidated from 1st July by the equity consolidation method.



2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

Millions of €	1H07	1H06	% change
TOTAL NET REVENUES	571.91	523.33	9.3%
Rights amortisation	(79.55)	(75.72)	5.1%
Personnel costs	(39.61)	(37.70)	5.1%
Other operating costs	(157.29)	(142.68)	10.2%
Adjusted EBITDA	295.47	267.23	10.6%
Other amortisations, provisions	(2.45)	(2.88)	(15.1%)
EBIT	293.02	264.35	10.8%
Equity consolidated results	1.20	0.23	423.3%
Financial results	7.80	4.51	72.7%
Pre-tax profits	302.02	269.09	12.2%
Income taxes	(90.86)	(82.46)	10.2%
Minority interests	0.41	(0.21)	(294.3%)
Net profit	211.58	186.42	13.5%

2.1. Revenues

Table 2: Revenues

Millions of €	1H07	1H06	% change
Gross advertising revenues	558.12	517.33	7.9%
- Telecinco	550.39	511.89	7.5%
- Others	7.73	5.44	42.1%
Discounts	(24.28)	(22.16)	9.6%
Net advertising revenues	533.84	495.17	7.8%
Other revenues	38.08	28.16	35.2%
TOTAL NET REVENUES	571.91	523.33	9.3%

Total gross advertising revenues for the first half 2007 grew by 7.9% reaching €558.12 million.

Telecinco's channel **gross advertising revenues** grew by 7.5% to €550.39 million. **Other advertising revenues** reach €7.73 million and include advertising revenues from other TV activities (thematic channels and DTT), as well as Internet and teletext.

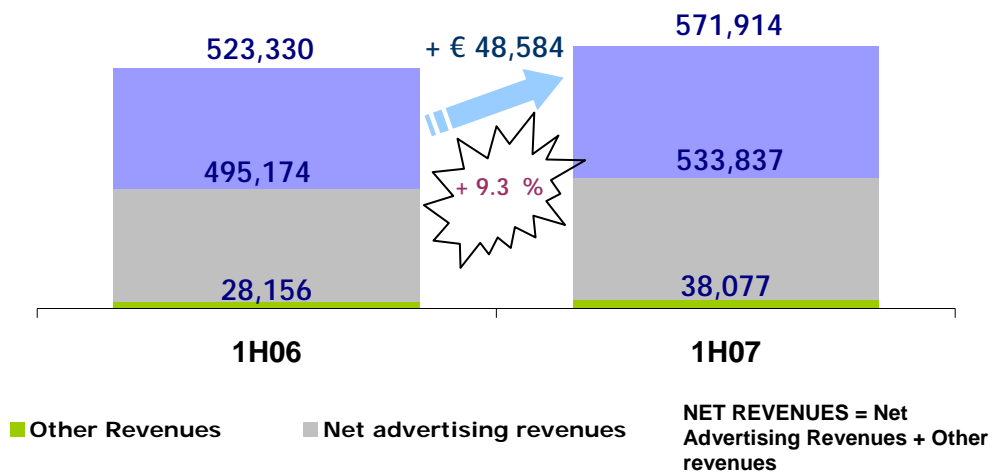


Net advertising revenues after commissions and allowances climbed by 7.8% to €533.84 million.

“**Other revenues**” amounted to €38.08 million benefiting from an increase in the distribution of film rights and audio text services.

Finally, **total net revenues** grew by €48.58 million (+9.3%) to €571.91 million compared to the first half of 2006.

Total Net Revenues, Advertising and Other Revenues





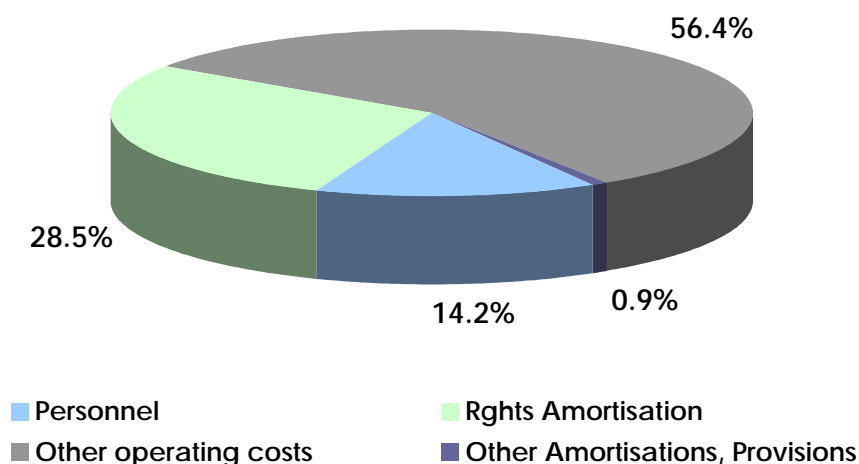
2.2. Operating costs

Total operating costs, which totalled €278.89 million and include amortisation of audiovisual rights and fixed assets, direct programming costs, DTT, costs related to the film co-production, the integration of Jumpy and the setting-up of Mediacinco, grew by 7.7% in the first half of 2007.

Table 3: Operating costs

Millions of €	1H07	1H06	% change
Personnel costs	39.61	37.70	5.1%
Rights amortisation	79.55	75.72	5.1%
Other operating costs	157.29	142.68	10.2%
Other amortisation and provisions	2.45	2.88	(15.1%)
TOTAL OPERATING COSTS	278.89	258.98	7.7%

Operating Costs



Operating Costs for the TV business in 1H07 have grown in line with the target set for the year 2007 (growth between 5% and 6%). The additional growth comes from integration of Jumpy, the setting-up of Mediacinco Cartera S.L. and increased film rights amortisation.

In terms of broadcasting hours, the weight of Telecinco's in-house production exceeds external production in the network's programming. In the first half 2007 84.9% of programmes were in-house production and the remaining 15.1% was external production (compared with a 82.3-17.7 ratio in 1H06).



2.3 Operating profit and operating margins

Adjusted EBITDA (EBITDA post-rights amortisation) reached €295.47 million, up 10.6% by €28.24 million vs. 1H06.

Net operating profit (EBIT) was €293.02 million, representing an increase of 10.8% or €28.67 million compared to 1H06.

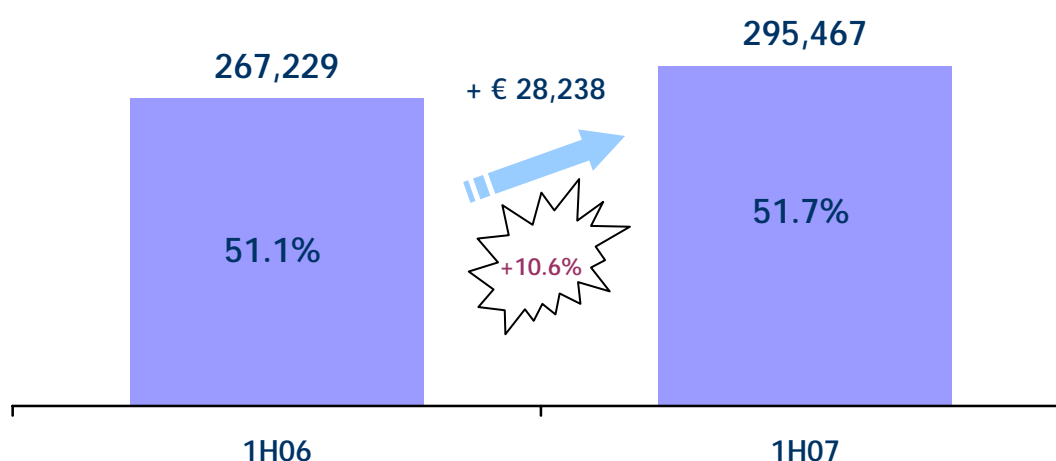
The resulting operating margins are as follows:

Table 4: Operating margins

Millions of €	1H07	1H06	% change
Total net revenues	571.91	523.33	9.3%
Adjusted EBITDA	295.47	267.23	10.6%
EBIT	293.02	264.35	10.8%
Net profit	211.58	186.42	13.5%
Adj.EBITDA / Total net revenues	51.7%	51.1%	
EBIT/ Total net revenues	51.2%	50.5%	
Net profit / Total net revenues	37.0%	35.6%	

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

Given the almost absence of financial debt, **financial income** grew by 72.7% up to €7.80 million, most of which are returns obtained through cash investments benefiting from both the increase in the cash position and the Euribor.

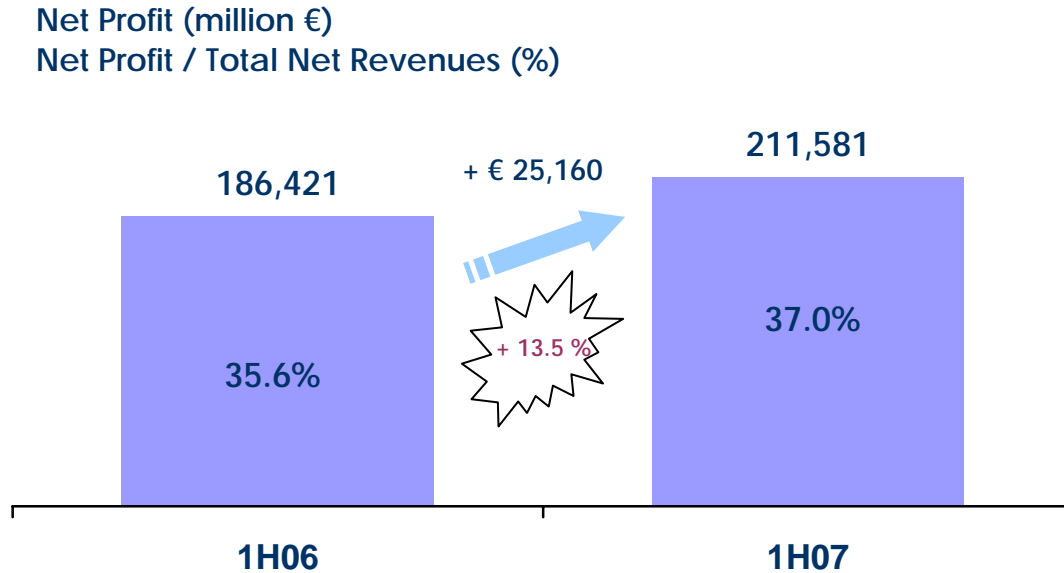
A positive result was recorded from **equity consolidated companies**⁶ totalling €1.20 million.

Gestevisión Telecinco has increased from 50% up to 100% its stake in Europortal Jumpy España S.A., therefore is consolidated from 1st March by the global consolidation method.

2.5. Profit for the First Half 2007

Pre-tax profit for the first half 2007 was €302.02 million, up by €32.93 million compared with €269.09 million in 1H06 (+12.2%).

After recording €90.86 million for the corporate income tax expense, compared with €82.46 million in 1H06, the **net profit after minority interests** for 1H07 was €211.58 million, an increase of €25.16 million or 13.5% over 1H06.



⁶ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Canal Factoría Ficción S.A. (40%), Aprop Imagen S.L. (40% indirect shareholding) and Publici Televisión S.A. (50% indirect shareholding), Producciones Mandarina S.L. (30%), La Fábrica de la Tele S.L. (30%).
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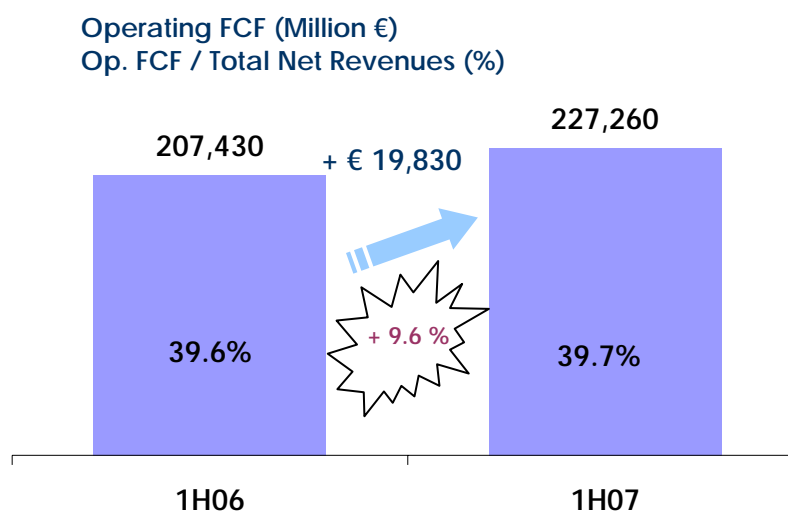
3. Cash flow generation

Cash flow generation was boosted, once again, by the strong operating performance. **Operating free cash flow** amounts to €227.26 million, increasing by €19.83 million compared to 1H06.

Table 5: Cash Flow

Millions of €	1H07	1H06	Change in millions of €
Net profit	211.58	186.42	25.16
Amortisation:	81.89	78.61	3.28
- Rights	79.55	75.72	3.83
- Other	2.34	2.89	-0.55
Provisions	0.11	-0.01	0.12
Other	10.05	6.71	3.34
OPERATING CASH FLOW	303.63	271.73	31.90
Investment in rights	-87.95	-78.84	-9.11
Investments, other	-2.70	-2.17	-0.53
Change in working capital	14.28	16.71	-2.43
OPERATING FREE CASH FLOW	227.26	207.43	19.83
Change in Equity	60.65	3.83	56.82
Financial investments	1.47	-11.26	12.73
Dividends received	1.21	1.15	0.06
Dividend payments	-314.25	-290.31	-23.94
Net cash increase	-23.66	-89.17	65.51
INITIAL FINANCIAL POSITION	396.14	355.82	40.32
FINAL FINANCIAL POSITION	372.48	266.65	105.83

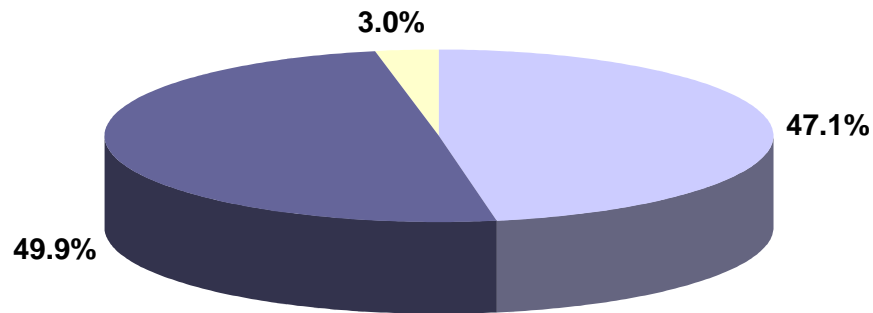
As a result of the strong generation of **operating free cash flow**, the free cash flow conversion ratio (Free Cash Flow as a % of total net revenues) has reached 39.7%.





Total net investment increased by 11.9% in 1H07 mainly due to an increase in both, in-house and third party rights. Net investment is made, primarily, of investment in rights which in 1H07 reached €87.95 million (+11.5%). This includes investment in Spanish fiction of €42.70 million (+19.8%) and third-party rights acquisitions of €45.25 (+17.9%).

**Net investments 1H07:
€90.65 millions**



■ TV Rights Fiction ■ TV Rights Non Fiction ■ Fixed Assets



4. Balance Sheet

Table 6: Summary Balance Sheet

<i>Millions of €</i>	<i>June 2007</i>	<i>December 2006</i>
Tangible assets	71.41	74.95
Audiovisual rights and Pre-payments	209.38	201.78
- Third parties	149.56	133.91
- Fiction	21.30	20.67
- Co-production / Distribution	38.52	47.21
Pre-paid taxes	15.10	17.95
TOTAL NON-CURRENT ASSETS	295.89	294.68
Current assets	281.45	237.68
Financial investments and cash	409.52	399.18
TOTAL CURRENT ASSETS	690.97	636.87
TOTAL ASSETS	986.87	931.55
Shareholders` equity	556.95	598.98
Non-current provisions	87.12	79.07
Non-current payables	0.87	1.40
Non-current financial liabilities	35.91	1.98
TOTAL NON-CURRENT LIABILITIES	123.90	82.46
Current payables	304.88	249.05
Current financial liabilities	1.13	1.06
TOTAL CURRENT LIABILITIES	306.01	250.12
TOTAL LIABILITIES	986.87	931.55

The evolution of the **library** shows a slight increase in third party rights and Spanish fiction rights (in-house production) increase.

As for **current assets**, the increase is mainly due to higher financial investments and cash. **Current liabilities** increase due to higher provisions for corporate tax.

The **net financial position** amounts to €372.48 million at the end of first half of 2007, before the distribution (on May 3rd 2007) of the dividend of €314.25 million charged to 2006 results. The net financial position includes €60.00 million contribution of Mediaset for the setting-up of Mediacinco Cartera S.L. (75% Telecinco, 25% Mediaset).



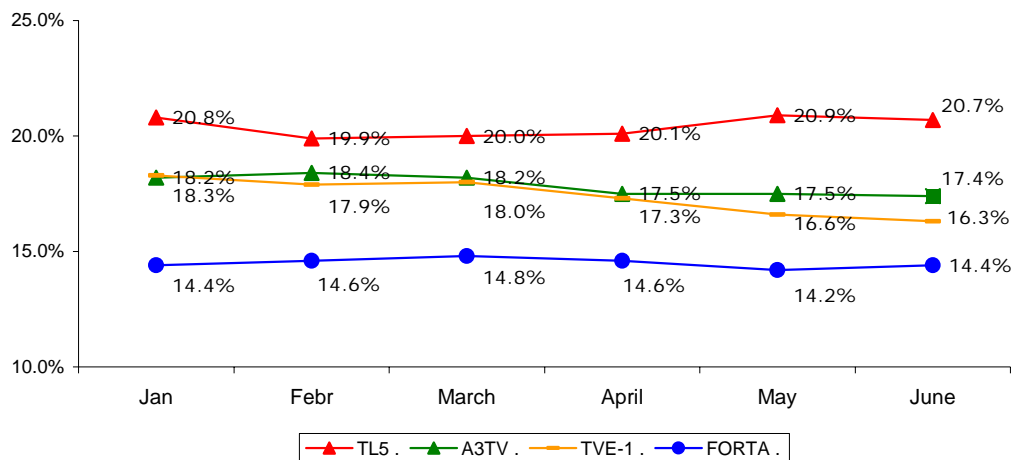
5. Audience share performance

Table 7: January-June average audience share

<i>Indicadores</i>		<i>1H07</i>	<i>1H06</i>
Totals Individuals	Total Day	20.4%	21.3%
	PRIME TIME	20.5%	21,7%
	DAY TIME	20.3%	21.2%
Commercial Target	Total Day	22.7%	23.2%
	PRIME TIME	23.4%	24.1%
	DAY TIME	22.3%	22.7%

Telecinco has reached an average audience share of 20.4% in the first half of 2007, well ahead of Antena 3TV (17.9%) and TVE1 (17.4%). Telecinco has progressively improved its audience share since the beginning of 2007 consolidating its leadership along the year. In June 2007 the audience share reached 20.7% widening its distance with competitors.

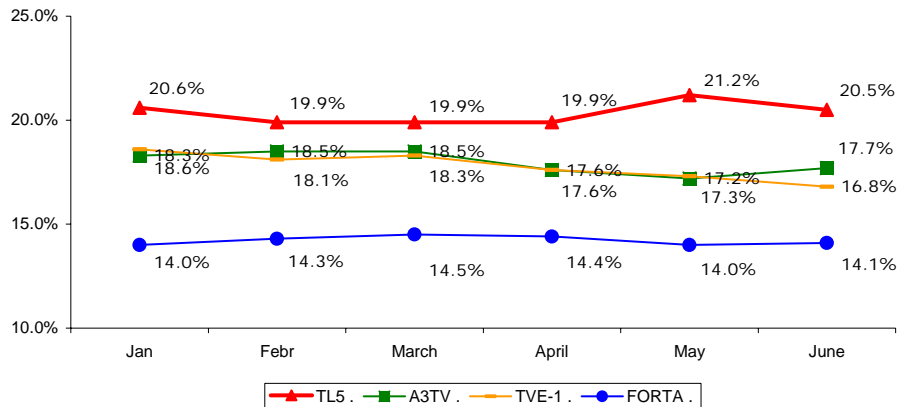
Audiencia Share, 24 Hours, Total Individuals (in%)



With regard to “day time” audience share, Telecinco has consolidated its leadership at a 20% share since the beginning of 2007 and reaches in the month of June 2007 20.5% improving its competitive advantage versus other TVs.

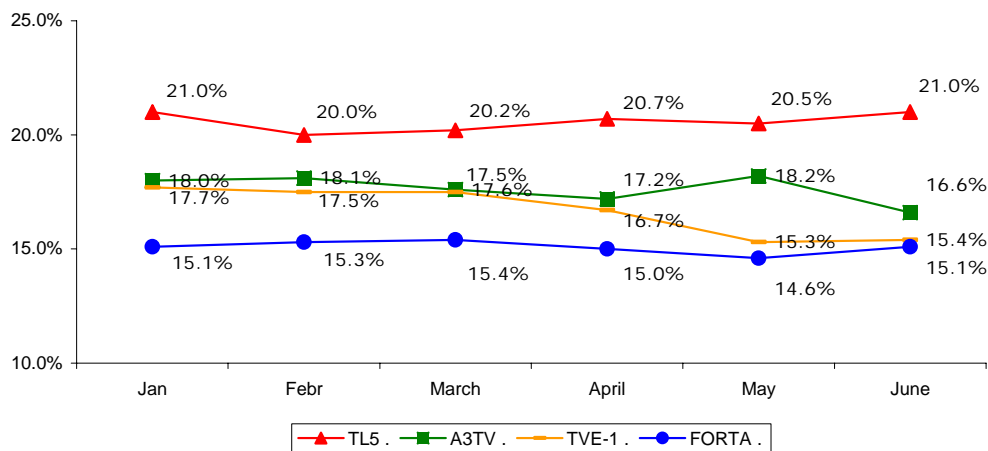


Audiencie Share, Day Time, Total Individuals (in%)



Telecinco's prime time total-individuals audience share also beats TVE-1 and Antena 3TV, consolidating the leadership far ahead of its competitors. In June 2007 the distance with its immediate competitor has widened in 4.4 points.

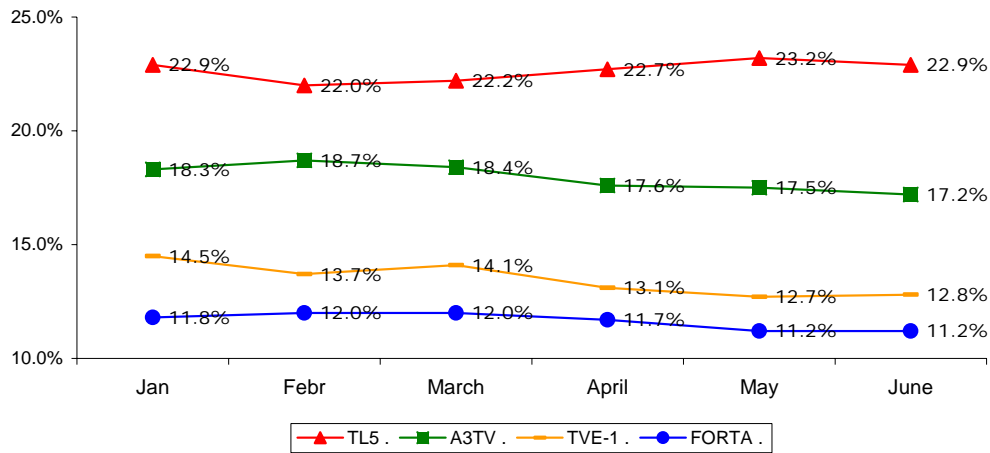
Audiencie Share, Prime Time, Total Individuals (in%)



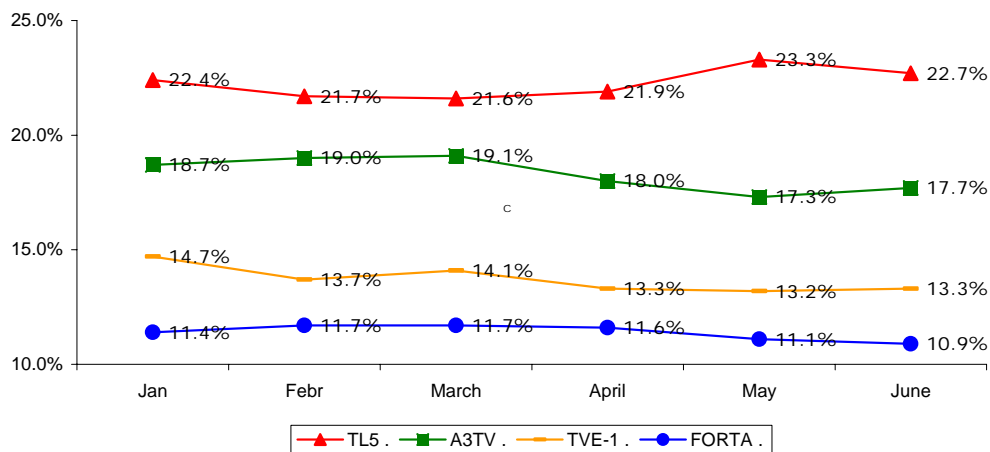
As for commercial target audience share for 24 hours, day time and prime time, Telecinco maintains its leadership, which is also reinforced by audiences growing month by month since the beginning of the year 2007.



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



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



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

