



TELECINCO

RESULTS 2008 (January – December)

Madrid – February 26th, 2009

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1. Financial and operating highlights

Consolidated financial highlights for the year 2008, include:

1. During the year 2008 we've witnessed a deep crisis whose magnitude is uncertain at the moment. The kickoff can be situated at mid 2007 in the North American real-estate market and the evolution of the situation attained in 2008 the financial markets; starting from the "subprime" mortgages spreading to any kind of financial asset. This produced a situation of uncertainty and distrust between all players. The direct impact of the crisis was a contraction in consumption whose consequence was the decline in advertising expenditure. In Spain, as per information published by Infoadex, the advertising market in 2008 experienced a decline of 11.1%.

The evolution of the TV advertising market is negative since last May and worsened towards the last months of the year so that the decline of the advertising TV market in 2008 was 11%. **Total Net Revenues** in the year have reached €981.85 million whereas in the same period last year they were €1,081.65 million, -9.2% versus the same period of 2007. The "Gross Advertising Revenues of Television" in this period amount to €916.93 million compared to €1,036.86 million that were reached last year, while the "Advertising Revenues of Other Media" reached €17.92 million with an important increase (+19.8%) compared to last year; the "Total gross advertising revenues" amount to €934.84 million, this is down 11.1% versus 2007 in line with the decline of the TV advertising market in the same period. Finally, the "Other Revenues" amount to €89.29 million with an increase of +18.2% versus last year (€75.53million).

2. The 18.1% average **audience share** in 2008, total-individuals (total day), corroborate Telecinco as the leading television network ahead of TVE-1 (16.9%) by 1.2pp; Antena 3 (16.0%) is ranked in third position, 2.1pp from Telecinco. At the end of 2008 Telecinco is the Spanish leader in audience, this for fifth year in a row; it's the first time that a private channel attains such a record.

With regard to total-individuals Telecinco reaches a remarkable prime time¹ audience share of 20.0% distancing themselves from TVE-1 by 3.8pp and leaving Antena 3 in third position at a distance of 4.8pps. Telecinco's figures are close to last year's results (20.9%). Considering the fragmentation of audiences and the weight of "Prime Time" in the total advertising revenues the number is of great relevance. Telecinco achieved a total individual audience in "Commercial Target"² of 19.6% for the total day and 21.5% in Prime Time, at a distance of 5.8pp and 8.4pp respectively from Antena 3 and TVE-1. Telecinco consolidated its leadership across all segments of audience share, month by month since 1998.

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



Telecinco's **programming** continued to demonstrate its strength across all slots, especially in Prime Time. Notable audience share³ was obtained for the programs "Yo Soy Bea" (22.4%), "Aída" (29.9%) and the fiction "Sin tetas no hay paraíso" (23.7%). As well as the American series "CSI Las Vegas" (25.4%), the music reality show "Operación Triunfo" (26.8%), the reality show "Supervivientes" (27.0%), as well as the comedy programs "Camera Café" (19.4%) and "Escenas de Matrimonio" (19.5%).

Telecinco is the first European channel to broadcast the tenth edition of the reality program "Big Brother" obtaining outstanding results in audience share. The prime time program achieves 25.6% audience while the weekly debate realizes an average of 22.0% share.

The sports programs broadcasted by Telecinco achieved remarkable audience shares: The Formula 1 Championship attained a share of 42.5%, the Spanish King's football cup achieved 37.1% and the Spanish football League matches achieved 29.1% and the Supercup matches 32.4%.

3. During the year the Group reduced its **Total Operating Costs** by 0.2% reaching €594.95 million opposed to €596.39 million last year. This **decrease** is mainly due to the cost control policy of the company although it's worth recall, as mentioned at the end of the first half of the year, that part of this reduction is due to the reversal of a provision related to a legal action brought by a rights association and on which a favourable out of-court agreement has been reached. On a percentage basis, in spite of the aforementioned decline of the advertising market, Telecinco maintains its extraordinary operating margins at 40.2% in terms of **adjusted EBITDA**⁵ margin (45.4% in the same period last year) and 39.4% (from 44.9% in 2007) in terms of **EBIT**. This result confirms that Telecinco is one of the most profitable TV companies in Europe.
Given the weak condition of the advertising market, which does not seem to change in the next few months, the reliability of operating margins and strict cost control policy are two of the most important elements to ensure the natural development of the business through an economic environment in crisis. Telecinco relies on a privileged position thanks to its traditional cost management and control, as well as the strength of its margins.
4. **Net profit**, after tax, was €211.28 million while last year's figure stood at €353.06 million; the net profit margin reached 21.5%. 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 €71.29 million, reaching €282.57 million, that is 22.0% lower than 2007 (€362.1 million) with a margin over Net Revenues of 28.8% compared to 33.5% of 2007.
5. **Free cash flow** was €315.08 million, decreasing by €51.72 million versus last year; this was mainly due to the lesser clients' encashments as a result of a decrease in the advertising market that worsened in the second half of the year 2008.
6. **The net financial position** as of December 31st 2008 was €-25.85 million, this figure is after the distribution of the 2007 dividend for an amount of €317.56 million. This represented €1.30 per circulating share and a 90% pay-out ratio, made on May 7th 2008, and also post investment of €21.5 million in the Spanish speaking American TV company "CaribeVision".

³ January-December average audience share.

⁵ (EBITDA post-rights amortisation)

2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

<i>Millions of €</i>	2008	2007	% change
TOTAL NET REVENUES	981,85	1.081,65	(9,2%)
Rights Amortisation	(180,83)	(188,08)	(3,9%)
Personnel	(89,22)	(84,85)	5,1%
Other operating costs	(316,96)	(318,07)	(0,3%)
Adjusted EBITDA	394,85	490,64	19,5%
Other amortisations, provisions	(7,94)	(5,39)	47,5%
EBIT	386,90	485,25	(20,3%)
Equity consolidated results	(175,85)	(3,14)	-
Financial results	(3,41)	5,33	-
Pre-tax profits	207,65	487,44	(57,3%)
Income taxes	(23,12)	(137,42)	(83,2%)
Minority interests	26,75	3,04	-
Net profit	211,28	353,06	(40,2%)
Adjusted Net profit	282,57	362,10	(22,0%)

As previously mentioned, compared to the same period last year and under consistent conditions, the Adjusted Net Profit amounted to €282.57 million (-22.0% versus last full year result).

The difference of €71.29 million is between the Net Profit and the Net Profit adjusted is due to the impact of the impairment test done within the Endemol Group in application of the international accounting standards and which is included under the "Results of equity consolidated companies". All this constitutes an accounting convention that does not affect the value or the cash flow of the Endemol Group, the operational results of which are satisfactory.

2.1. Revenues

Table 2: Revenues

	2008	2007	% change
Gross advertising revenues	934,84	1.051,81	-11,1%
- Television	916,93	1.036,86	-11,6%
- Others	17,92	14,95	19,8%
Discounts	(42,28)	(45,70)	-7,5%
Net advertising revenues	892,56	1.006,12	-11,3%
Other revenues	89,29	75,53	18,2%
TOTAL NET REVENUES	981,85	1.081,65	-9,2%

Gross advertising revenues in the year 2008 reached €934.84 million 11.1% lower than last year (€1,051.81 million).

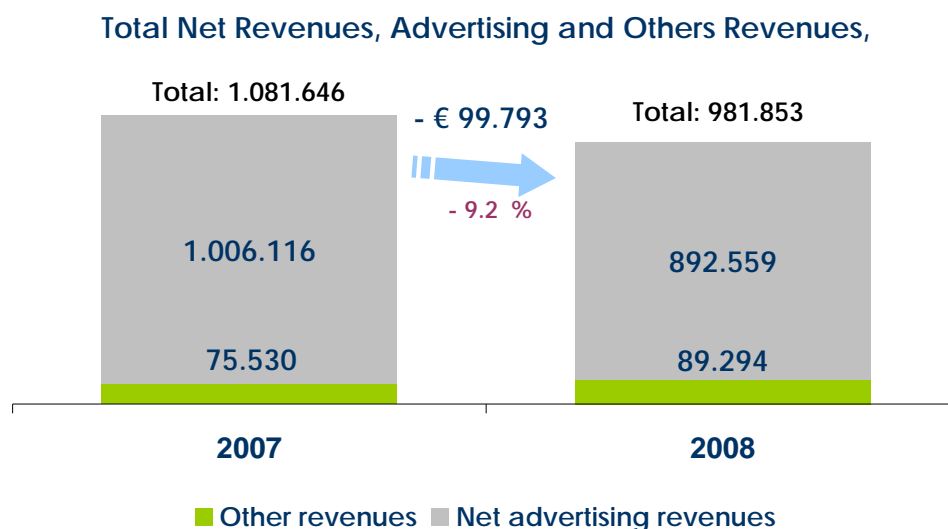
Television's Gross advertising revenues reached €916.93 million versus €1,036.86 million in 2007 down by 11.6%.

The **Other advertising revenues** attain €17.92 million increasing by 19.8% compared to 2007 and include advertising revenues from other platforms such as the Internet, thematic and digital channels and teletext, etc.

Net advertising revenues after commissions and allowances reached €892.56 million with a reduction of 11.3% compared with last year (€1,006.12 million).

“**Other revenues**”, which mainly include the sale of coproduction film rights, merchandising rights, SMS and audio text services amounted to €89.29 million with an important increase of 18.2% versus last year. The increase is mainly due to the coproduction film rights and the sale of accessory services.

Finally, **Total Net Revenues** amounted to €981.85 million, showing a decline of -9.2% compared with last year (€1,081.65 million).



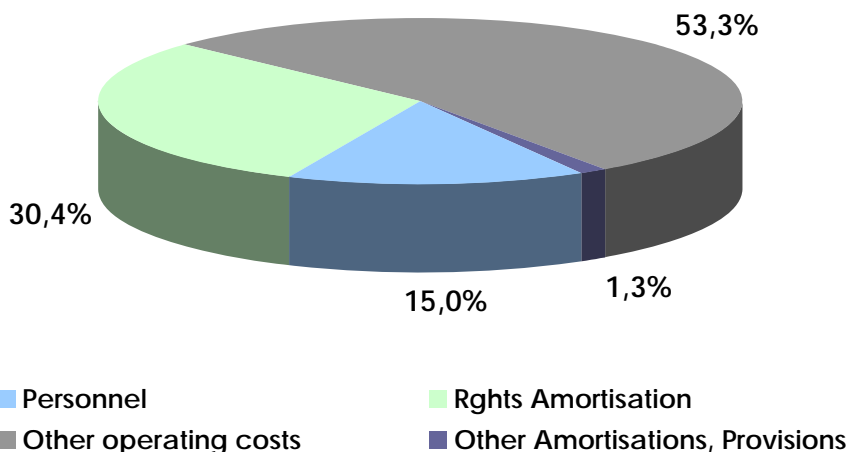
2.2. Operating costs

Total operating costs, which amounted to €594.95 million, decreased by 0.2% compared to last year, this result is due once more to our long-established cost control policy and in-house production intensive business model, very much focused on programming cost. We have also to underline that during the period we reverted a specific provision related to a legal action brought by a rights association. In any case, excluding the exceptional impact of undoing the aforementioned reserve, the operating costs would have increased by just 0.7%.

Table 3: Operating costs

	2008	2007	% change
<i>Millions of €</i>			
Personnel costs	89,22	84,85	5,1%
Rights amortisation	180,83	188,08	(3,9%)
Other operating costs	316,96	318,07	(0,3%)
Other amortisation and provisions	7,94	5,39	47,5%
TOTAL OPERATING COSTS	594,95	596,39	(0,2%)

Operating Costs



Telecinco's in-house production continues to dominate the network's programming in terms of broadcasting hours. In the first full year of 2008, 85.8% of broadcasted programmes were produced in-house and the remaining 14.2% were external productions (compared with an 83.6% and 16.4% in 2007).

2.3 Operating profit and margins

Adjusted EBITDA reached €394.85 million, down by €95.79 million or -19.5% vs. 2007.

Net operating profit (EBIT) was €386.90 million down by 20.3% versus last year.

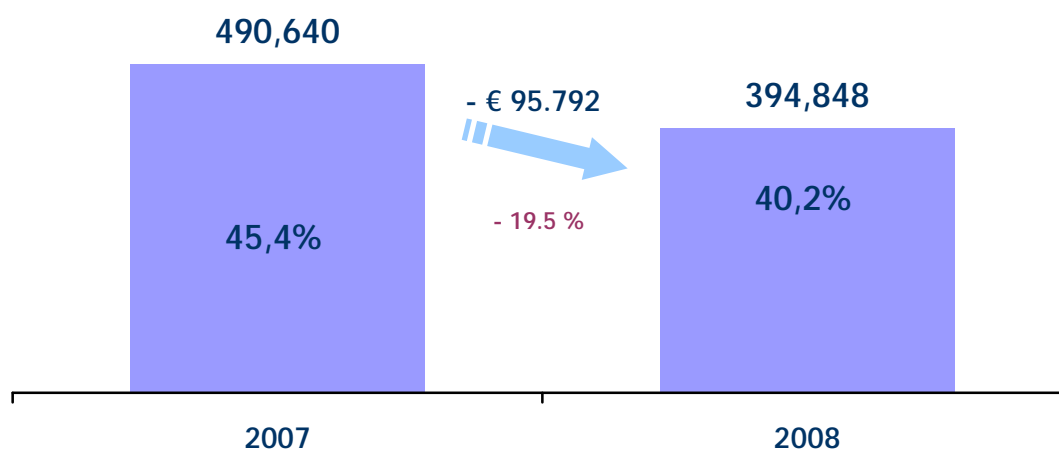
It's important to highlight that the operating margins of the company are in line with last year in spite of the deterioration of the advertising market. As mentioned before, the advertising market sharply declined in 2008 starting on May and worsening since September. The **adjusted EBITDA** margin in the full year 2008 reaches 40.2% and the **EBIT** margin is 39.4%.

Table 4: Margins

	2008	2007	% change
<i>Millions of €</i>			
Total net revenues	981,85	1.081,65	(9,2%)
Adjusted EBITDA	394,85	490,64	(19,5%)
EBIT	386,90	485,25	(20,3%)
Net profit	211,28	353,06	(40,2%)
Adjusted Net profit	282,57	362,10	(22,0%)
Adj.EBITDA / Total net revenues	40,2%	45,4%	
EBIT/ Total net revenues	39,4%	44,9%	
Net profit / Total net revenues	21,5%	32,6%	
Adj. Net Profit / Total Net Revenues	28,8%	33,5%	

Although, as explained before, the net revenues were down in the year, the operating margins (**EBITDA and EBIT**) have remained, on a percentage basis, in the region of 40%, demonstrating the efficiency of the business model in the context of an advertising market which is clearly deteriorating.

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



2.4. Financial result and equity consolidated companies

Financial income totalled €-3.41 million compared to the previous year (€5.33 million). This reduction is explained by the strong comparison with 2007 in which the surplus cash previous to the acquisition of Endemol, in the third quarter of the year, was quite sizeable.

A negative result is shown from **equity consolidated companies**⁵ totalling €175.85 million. This negative figure is almost exclusively related to the losses of the participated company Edam Adcquisition Holding Coop. which includes the result of the impairment test. This test, in application of the international accounting standards, was done at the level of each cash generating unit of the Group.

2.5. Profit for the period January-December 2008

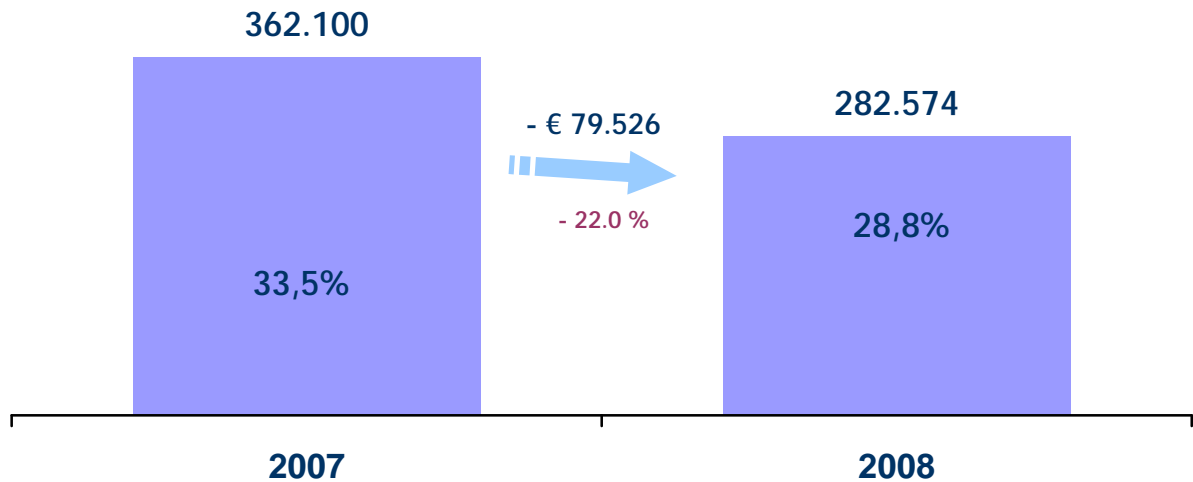
Pre-tax profit corresponding to the year 2008 reached €207.65 million versus €487.44 million for the same period in 2007, down by €279.79 million (-57.3%). This is basically due to the above mentioned accounting impact of the results of the participated companies and the flexion of the advertising market.

After a €23.12 million corporate income tax expense (compared with €137.42 million in 2007) calculated on the basis of the official rate in place, the **net profit after minority interests** reached €211.28 million, decreasing by €141.78 million or -40.2% over 2007.

The impact of the impairment test and the amortization of intangibles following the “PPA” of participated companies (mainly Endemol), have no effect on their operational margins. This impact amounts to €71.29 million so that the Adjusted Net Profit reaches €282.57 million a reduction of 22.0% compared to last year. The above mentioned Adjusted Net Result means a margin of 28.8% (33.5% in 2007) this is a clear indication of the capacity of Telecinco’s model to resist and react to the adverse market situation.

⁵ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Pegaso Television Inc. (35%), 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% indirect shareholding), Edam Acquisition Holding Coöp (33% indirect shareholding).
www.inversores.telecinco.es

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



3. Cash flow generation

The **Operating Free Cash Flow** in the first full year of 2008 amounts to €315.08 million, compared to €366.79 million in 2007. The difference of €51.72 million is explained by lesser monies received from clients on the back of the decline in the advertising market beginning in the second half of the year.

Table 5: Cash Flow

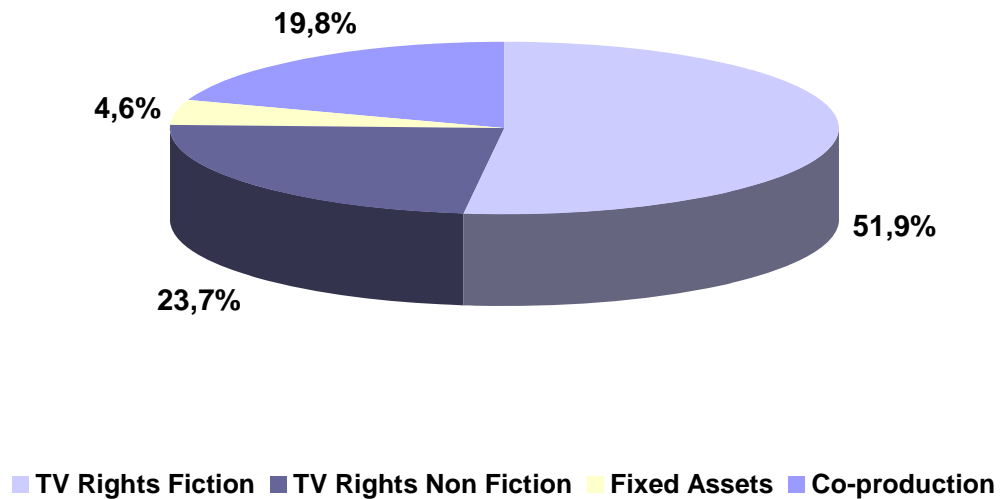
Millions of €	2008	2007	Change in millions of €
Net profit (without minority interests)	184,52	350,02	(165,50)
Amortisation:	186,87	192,78	(5,91)
- Rights	180,83	188,08	(7,26)
- Other	6,05	4,70	1,35
Provisions	1,90	0,69	1,21
Other	135,32	23,16	112,16
OPERATING CASH FLOW	508,61	566,65	(58,04)
Investment in rights	(186,80)	(173,72)	(13,08)
Investments, other	(9,02)	(11,53)	2,51
Change in working capital	2,28	(14,61)	16,89
OPERATING FREE CASH FLOW	315,08	366,79	(51,72)
Change in Equity	(1,34)	27,74	(29,08)
Financial investments	(36,82)	(464,49)	427,67
Dividends received	1,64	1,21	0,43
Dividend payments	(317,56)	(314,25)	(3,31)
Net Cash Change	(39,00)	(382,99)	343,99
INITIAL FINANCIAL POSITION	13,15	396,14	(382,99)
FINAL FINANCIAL POSITION	(25,85)	13,15	(39,00)



The cash flow includes the payment of a dividend for €317.56 million made at the beginning of May 2008 and the financial investment in CaribeVision of €21.5 million.

Total net investment increased by €10.5 million in 2008 compared to last year, reaching €195.8 million. This is mainly due to co-production (+€13.2 million) as per legal obligation of the company, and to investments in Spanish fiction (+€2.1 million). The latter is confronted by a decrease in investment in third party rights (-€2.3 million) in line with the business strategy of the Group, as explained by the following chart:

**Net investments 9M08:
€195.82 millions**



4. Balance Sheet

Table 6: Summary Balance Sheet

	2008	2007
<i>Millions of €</i>		
Tangible assets	323,61	510,68
- Financial	264,49	450,12
- Non Financial	59,12	60,55
Audiovisual rights and Pre-payments	190,74	186,12
- Third parties	96,57	104,67
- Fiction	27,26	29,34
- Co-production / Distribution	66,90	52,11
Pre-paid taxes	26,31	19,56
TOTAL NON-CURRENT ASSETS	540,66	716,35
Current assets	251,79	269,14
Financial investments and cash	35,11	74,84
TOTAL CURRENT ASSETS	286,90	343,98
TOTAL ASSETS	827,56	1.060,33
Shareholders` equity	461,47	640,81
Non-current provisions	43,80	90,09
Non-current payables	0,22	0,23
Non-current financial liabilities	59,81	60,59
TOTAL NON-CURRENT LIABILITIES	103,83	150,91
Current payables	261,10	267,51
Current financial liabilities	1,15	1,10
TOTAL CURRENT LIABILITIES	262,25	268,61
TOTAL LIABILITIES	827,56	1.060,33

The **financial tangible assets** declined by €185.63 millions as a result of the impact of the losses of the participated company Edam Acquisition, whose value in our books is consequently reduced.

The evolution of the **library** in this period is in line with the business' strategy and the investment policy of the company. It shows an increase in movie co-production rights originating from the legal obligation to invest in Spanish and European movies; the disbursements relating to this obligation are highly volatile.

Current Assets are down due to lower cash position and to a lower balance of commercial clients as a result of lower revenues during the last months of the year.

Non current liabilities decline due the reclassification of a provision from long term to short. **Current liabilities**, which in turn are lower than last year on the back of lower income tax due as result of a reduced profit.

The **Net financial position** reached, at the end of December 2008, was €-25.85 million. This was after the payment of €317.56 million in dividends and the above mentioned acquisition with a share in CaribeVision.

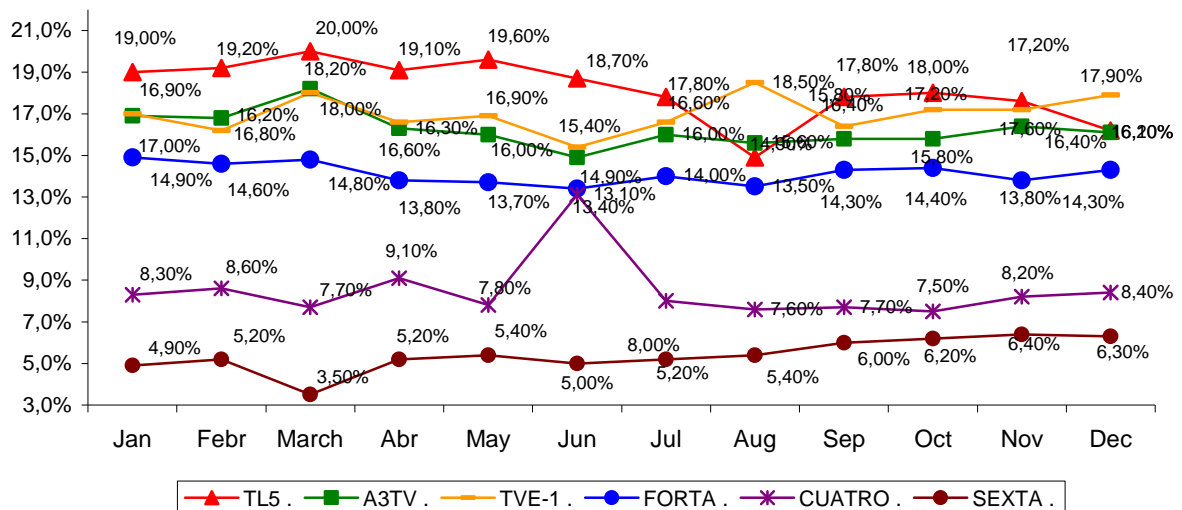
5. Audience share performance

Table 7: January-December average audience share

		2008	2007
Totals Individuals	Total Day	18,1%	20,3%
	PRIME TIME	20,0%	20,9%
	DAY TIME	17,2%	20,0%
Commercial Target	Total Day	19,6%	22,5%
	PRIME TIME	21,5%	23,5%
	DAY TIME	18,6%	22,0%

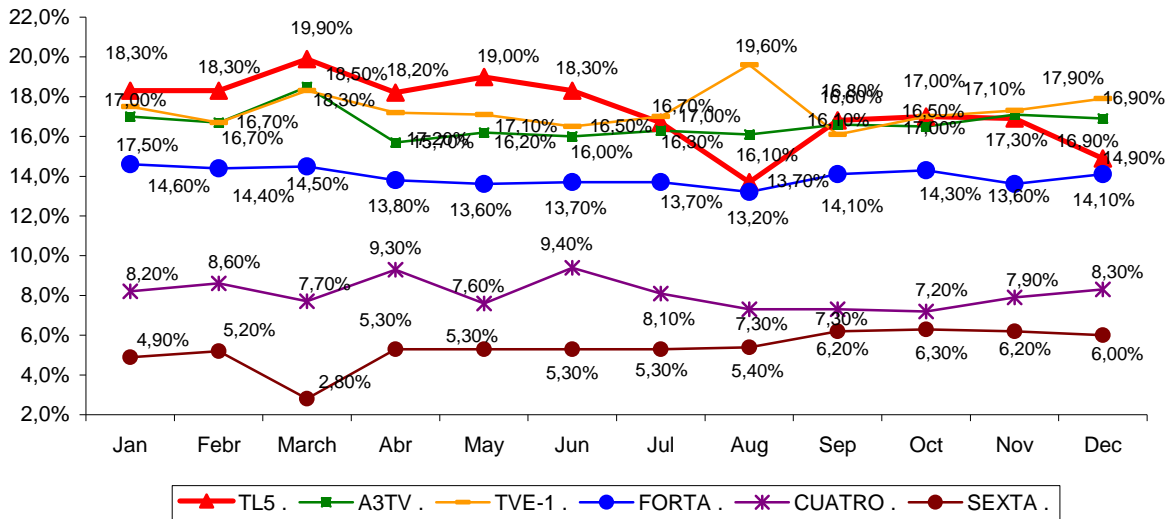
Telecinco has a leading audience share of 18.1% at the close of the year with a significant advantage well ahead of TVE1 (16.9%) and Antena 3 (16.0%). During 2008 Telecinco has achieved its fifth year in a row of leadership and maintains the gap with its main competitors. It's important to highlight the result of the State Television TVE during the month of August both in 24hours and Day Time thanks to the broadcasting of the Olympic Games. Telecinco returned to the leading position once they had finished. On December, due to the change of the mix of audience viewers during the holiday's period, TVE1 was the leading channel.

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



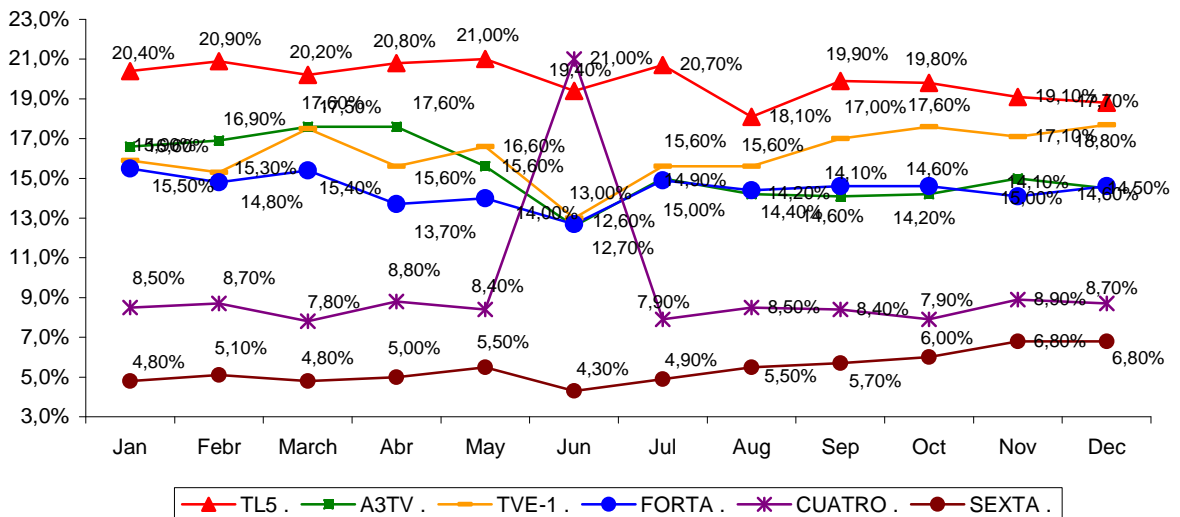
With regards to “day time” audience share, Telecinco consolidated its leadership and managed to keep the audience above 17%, reaching an average of 17.2% in 2008, maintaining its competitive advantage versus other TV stations.

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



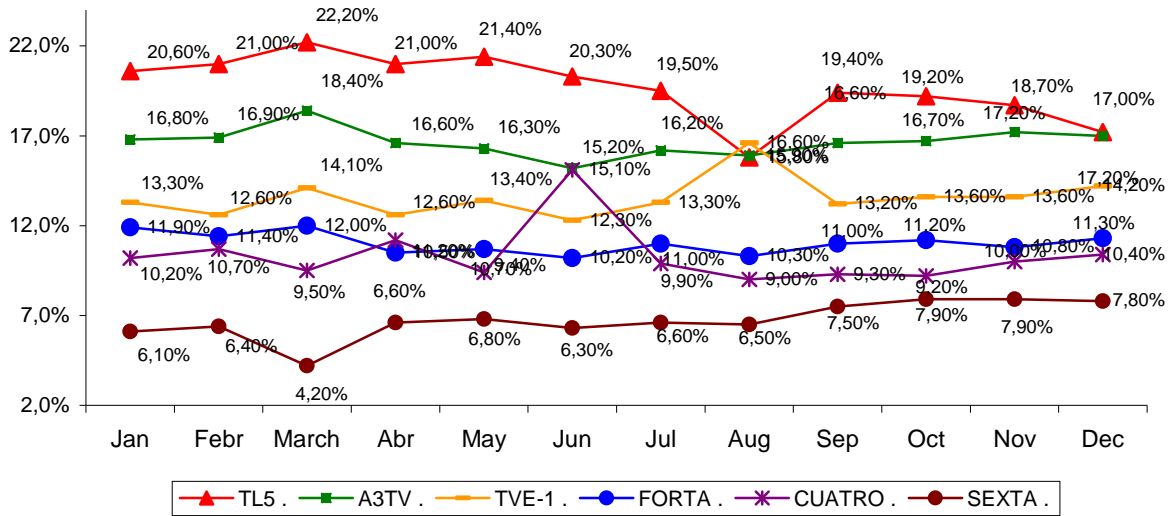
Telecinco's prime time total-individuals audience share also beats TVE-1 and Antena 3, consolidating the leadership far ahead of its competitors, being the only channel to achieve a 20% audience. In 2008 the distance with its immediate competitor, TVE1, grew to 3.8 points and the distance with the third channel, Antenna3, was 4.8 points. It is important to highlight the performance of Cuatro during the month of June when the channel broadcasted the football matches for EURO2008, which, by the way, was won by Spain.

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

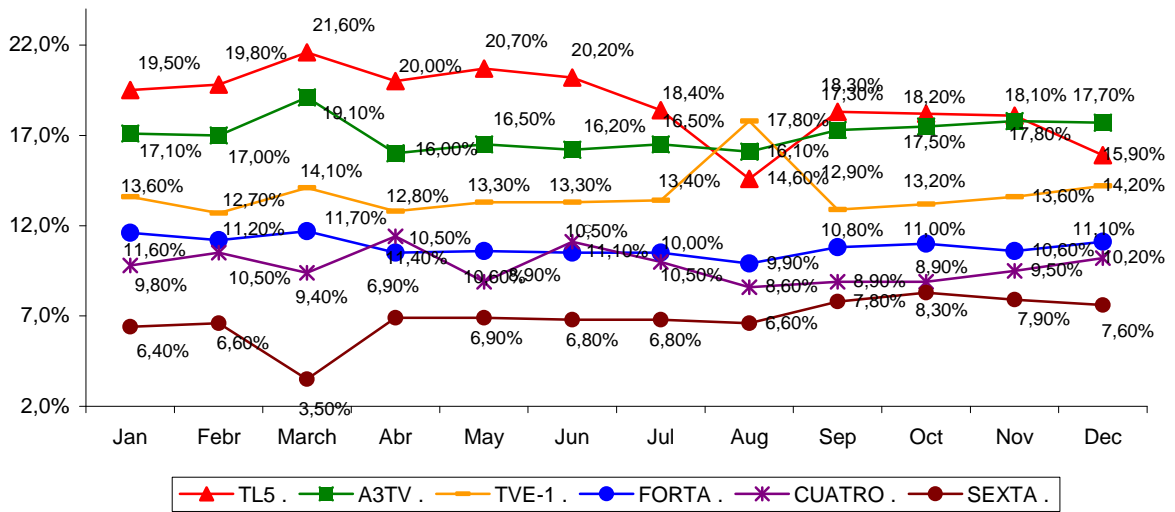


With regards to the commercial target audience share for 24 hours, day time and prime time, Telecinco maintains the lead in the year 2008.

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



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



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

