

MEDIASET *españa.*



FIRST HALF RESULTS January – June 2012

Madrid – July 26th, 2012

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1. Financial and operating highlights

- **Mediaset España consolidates its leadership with a 45.4% share of the TV advertising market and records an adjusted EBITDA¹ of €41.3 million and an adjusted Net Profit of €45.2 million.**

From consolidated results as of 30 June 2012, we highlight:

1. The first half of 2012 is driven by the deterioration in global economic outlook and the intensification of the European sovereign debt crisis. The weakness in the labour market and housing and the strong government measures of public spending cuts and tax increases have a clear impact on private consumption and on the advertising market in Spain.

According to the latest Infoadex report, advertising investment, in the first half of 2012 fell by -15.6% compared with the same period of 2011, with a decrease of -16.5% in ad spending on television, which is €200.4 million less than TV ad spending over the first half of 2011.

In this environment, Mediaset España has managed to increase its market leadership with a market share of 45.4% in the six month period.

Total Net Revenues in the first half of 2012, reached €474.01 million. The Gross Advertising Revenues of Mediaset España's two Multiplex amount to €459.05 million and the advertising Revenues of Other Media totalled €19.42 million. Finally, the "Other Revenues" amount to €23.87 million.

2. In the semester, Mediaset España increased **Total Operating Costs** by 3.8% compared to 2011 recurring costs, reaching €441.98 million. The strong cost control carried out by the group partly offset the increase in costs relating to the "UEFA EURO 2012" and increased investment for the launch of new channel Energy.
3. **Net profit**, after tax, as of June 30th, 2012, reached €37.64 million. If we isolate the accounting impact of the amortisation of intangibles, then the adjusted result would improve reaching €45.24 million of net adjusted profit, with a margin close to 10% over Net Revenues.
4. **Free cash flow** in the first half of 2012 was minus €12.83 million, mainly due to a combination of a weak advertising market and the impact of the expenditure for the acquisition of content.

¹ EBITDA post-rights amortisation

5. **The net financial position** as of June 30th, 2012 was positive €19.55 million. The distribution of the 2011 ordinary dividend, for a total amount of €55.26 million, has been deducted, representing €0.14 per circulating share. Given the current macroeconomic situation in Europe and especially in Spain and the weak advertising market, Mediaset España decided to hold the prudential decision to distribute 50% of the reported net profit of 2011, allowing the company to strengthen the balance sheet, with no debt and a positive net cash position, which is a valuable asset for the group, especially in the current economic environment.

6. In the first six months of 2012, Mediaset España consolidates its **audience** leadership in absolute terms amongst the commercial channels thanks to the broadcast of the “UEFA EURO 2012”, and particularly those of the Spanish team, that places Telecinco as the undisputed leader in audience in June.

The average audience share of Mediaset España in the first half of 2012 total-individuals (total day), reaches 28.0%, with a +10.2pp lead on Antena3 Group (17.8%). The audience share of the main channel, Telecinco, was 14.2%. This figure confirms Telecinco as the first commercial television network 2pp ahead of Antena3 (12.2%). Cuatro reached 6.1% compared to 4.7% of its main competitor La Sexta.

In “Commercial Target²” (total day), Mediaset España’s audience share was 30.6%, 12pp ahead of Antena3 Group (18.6%). The Telecinco channel audience share reaches 14.0%, 1.6pp ahead of Antena3 channel (12.4%).

The average audience share of Cuatro reached 7.6% versus 5.6% of La Sexta.

As per the audience of FACTORIA DE FICCION, LA SIETE, BOING, DIVINITY and ENERGY, the trend in audience share continues to set records, the sum of the channels has reached 7.7% in the first half of 2012, in total day, total-individuals and 9.0% in total day, commercial target.

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

The results of the first half of 2011 have been adjusted to reflect the impact of the amortization of intangibles in Digital+, amounting to €3.60 million booked under equity consolidated results, reducing pre-tax profit and Net Profit.

Table 1: Consolidated Profit and Loss Account

<i>Millions of €</i>	1H2012	1H2011	% change
TOTAL NET REVENUES	474,01	540,92	(12,4%)
Rights Amortisation	(95,14)	(111,41)	(14,6%)
Personnel	(53,08)	(54,20)	(2,1%)
Other operating costs	(284,51)	(251,32)	13,2%
Recurring Adjusted EBITDA	41,28	123,99	(66,7%)
Non recurring costs	0,00	(12,65)	-
Adjusted EBITDA	41,28	111,34	(62,9%)
Other amortisations, provisions	(5,25)	(4,93)	6,5%
Amortisation PPA	(4,00)	(4,00)	0,0%
EBIT	32,03	102,41	(68,7%)
Equity Cons. Results and Depr. Fin. Assets	3,47	(5,24)	-
Financial results	1,84	2,49	(25,9%)
Pre-tax profits	37,34	99,66	(62,5%)
Income taxes	0,00	(18,07)	-
Minority interests	0,31	(0,04)	-
Net profit	37,64	81,55	(53,8%)
Adjusted Net profit	45,24	89,15	(49,2%)

The Adjusted Net Profit in the first half of 2012 amounted to €45.24 million, a 9.5% margin over Net Revenues.

The €7.60 million difference between the Net Profit and the adjusted Net Profit is due to the impact of the amortisation of intangibles in Cuatro (€4.00 million) and Digital+ (€3.60 million), as a result of the final purchase price allocation to the Balance Sheet of the respective companies, which is known as "Purchase Price Allocation" (PPA).

2.1. Revenues

Table 2: Revenues

	1H2012	1H2011	% change
Gross advertising revenues	478,47	540,00	(11,4%)
- <i>Multiplex</i>	459,05	522,56	(12,2%)
- <i>Others</i>	19,42	17,44	11,4%
Discounts	(28,34)	(31,42)	(9,8%)
Net advertising revenues	450,13	508,58	(11,5%)
Other revenues	23,87	32,34	(26,2%)
TOTAL NET REVENUES	474,01	540,92	(12,4%)

Gross advertising revenues as of June 30th, 2012 reached €478.47 million.

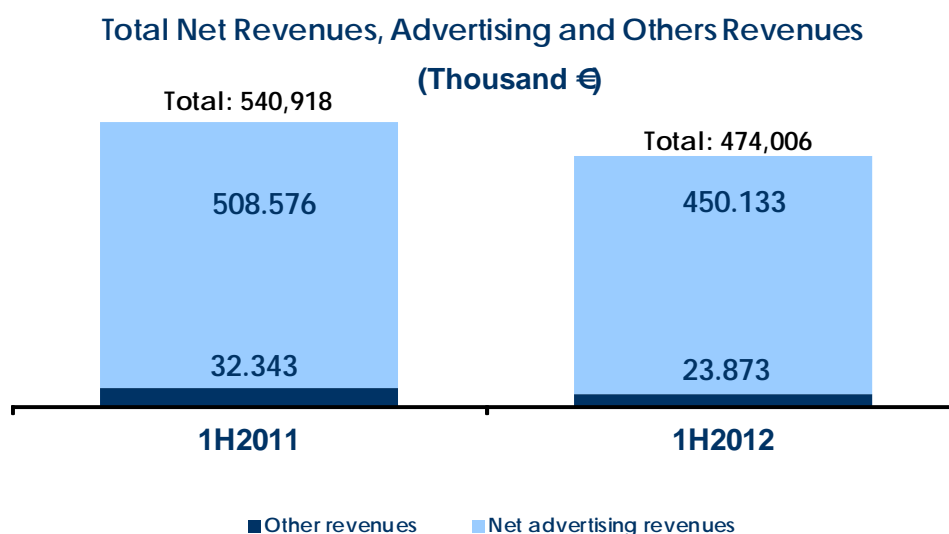
Mediaset España's Multiplex Gross advertising revenues, which include advertising revenues from TELECINCO, CUATRO, FACTORIA DE FICCION, LA SIETE, BOING, DIVINITY and ENERGY, reached €459.05 million.

The **Other advertising revenues** reached €19.42 million. This figure includes advertising revenues from other platforms such as pay-TV (Digital+), the thematic channels, Internet and teletext.

Net advertising revenues after commissions reached €450.13 million.

"**Other revenues**", which mainly include the sale of coproduction film rights, merchandising rights, SMS, Call TV and audiotex services amounted to €23.87 million, which is lower than the amount reached in the same period last year, mainly due to 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 €474.01 million.



2.2. Operating costs

Total operating costs, as of June 30th 2012 amounted to €441.98 million, representing an important cost control taking into account the extra investments in the “UEFA EURO 2012” and the new channel Energy compared to the total costs of the same period in 2011. If we isolate the impact of non-recurring costs in 2011, operating costs have been increased in the first half of 2012 by €16.12 million (3.8%) over the same period of 2011.

Table 3: Operating costs

<i>Millions of €</i>	1H2012	1H2011	% change
Personnel costs	53,08	54,20	(2,1%)
Rights amortisation	95,14	111,41	(14,6%)
Other operating costs	284,51	251,32	13,2%
Other amortisation and provisions	5,25	4,93	6,5%
Amortisation PPA	4,00	4,00	0,0%
<u>Total recurring costs</u>	441,98	425,86	3,8%
Non recurrings costs	0,00	12,65	-
TOTAL OPERATING COSTS	441,98	438,51	0,8%

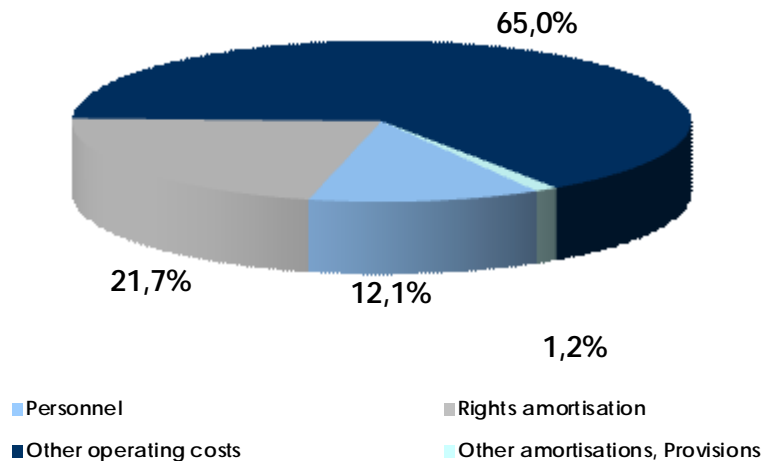
The Group's in-house production continues to dominate the network's programming in terms of broadcasting hours. At a group level, 55.7% was produced in-house versus 44.3% of external production.

In the first half of 2012, 94.7% of broadcasted programmes on the main channel (Telecinco) were produced in-house and the remaining 5.3% were external productions (compared with a 91.4% and 8.6% in the first half of 2011).

The proportion for the Cuatro channel is 50.2% of in-house and 49.8% by third parties.

As per the other channels, LA SIETE, 95.5% of production is in-house and 4.5% third parties rights, FACTORIA DE FICCION has 61.1% of in-house versus 38.9% of third parties, DIVINITY 35.4% of production is in-house and 64.6% third parties rights, ENERGY 54.1% of production is in-house and 45.9% third parties rights and BOING is mainly third party rights (96.7%).

Operating Costs



2.3 Operating profit and margins

Adjusted EBITDA reached €41.28 million, representing an 8.7% margin over net revenues.

Net operating profit (EBIT) reached €32.03 million with a margin of 6.8% over net revenues.

Economic uncertainty in Spain and a weak advertising market during the first half led to a contraction in the Group's turnover. However, Mediaset España has partially offset the increase in sports rights costs.

Table 4: Margins

<i>Millions of €</i>	1H2012	1H2011	% change
Total net revenues	474,01	540,92	(12,4%)
Recurring Adjusted EBITDA	41,28	123,99	(66,7%)
Adjusted EBITDA	41,28	111,34	(62,9%)
EBIT	32,03	102,41	(68,7%)
Net profit	37,64	81,55	(53,8%)
Ajusted Net profit	45,24	89,15	(49,2%)
Rec. Adj.EBITDA / Total net revenues	8,7%	22,9%	
Adj.EBITDA / Total net revenues	8,7%	20,6%	
EBIT/ Total net revenues	6,8%	18,9%	
Net profit / Total net revenues	7,9%	15,1%	
Adj. Net Profit / Total Net Revenues	9,5%	16,5%	

2.4. Financial result and equity consolidated companies

Financial income totalled €1.84 million, after reporting, in the first quarter, the profit from the sale of "Senior" debt of Endemol.

On the other hand, the result from the **equity consolidated companies**³ amounted to a €3.47 million, including the negative impact of €3.60 million of the amortization of intangibles resulting from the purchase price allocation of Digital +.

The results of the first half of 2011 have been adjusted to reflect the impact of the amortization of intangibles in Digital+, amounting to -€3.60 million booked under equity consolidated results.

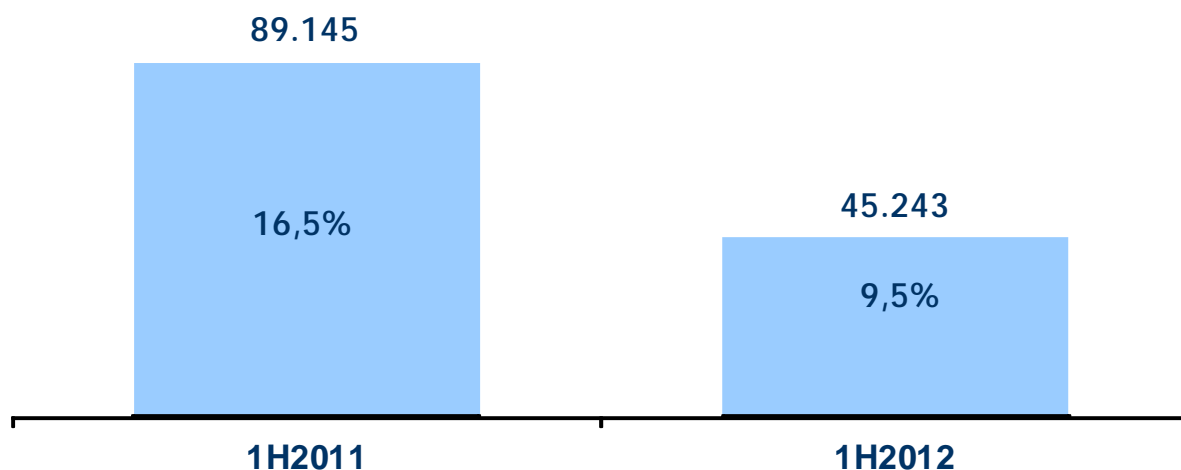
2.5. Profit for the period January – June 2012

Pre-tax profit during the first half of 2012 reached €37.34 million and **net profit after minority interests**, €37.64 million (a margin of 7.9% over total net revenues).

Adjusted net income amounted to €45.24 million, excluding the net impact of the amortisation of intangibles arising from the purchase price allocation of Cuatro and Digital+. This represents an adjusted net income margin of 9.5% of total net income.

Adjusted Net Profit (Thousand €)

Adjusted Net Profit / Total Net Revenues (%)



³ Companies consolidated by the equity method are: Pegaso Television Inc. (43.7%), DTS Distribuidora de Televisión Digital, S.A. (22%), A.I.E. (Furia de titanes 2) (34%), Big Bang Media S.L. (30% shareholding), Producciones Mandarina S.L. (30% shareholding), La Fábrica de la Tele S.L. (30% shareholding), Aprox Imagen S.L. (3% shareholding).

3. Cash flow generation

The **Operating Free Cash Flow** in the first half of 2012 amounts to minus €12.83 million, mainly due to a combination of a weak advertising market and the impact of the expenditure for the acquisition of content.

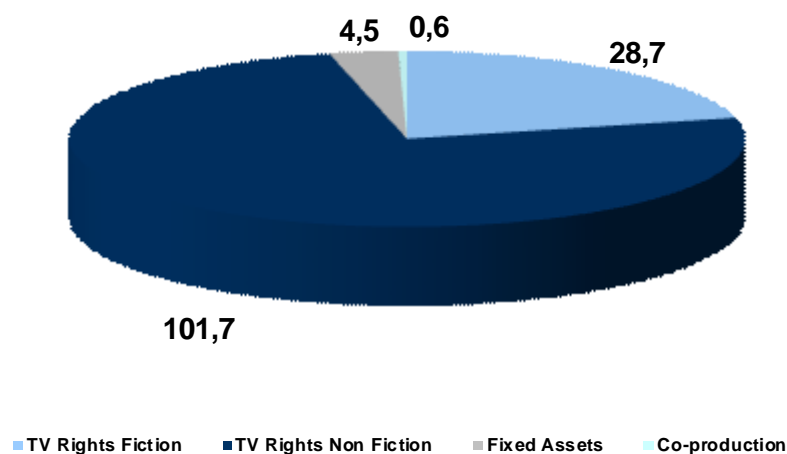
Table 5: Cash Flow

Millions of €	1H2012	1H2011	Change in millions of €
Net profit (without minority interests)	37,34	85,19	(47,85)
Amortisation:	103,19	118,52	(15,33)
- Rights	95,14	111,41	(16,27)
- Other	8,05	7,11	0,94
Provisions	1,20	1,82	(0,62)
Other	(4,83)	6,73	(11,55)
OPERATING CASH FLOW	136,90	212,25	(75,35)
Investment in rights	(131,01)	(145,21)	14,20
Investments, other	(4,46)	(6,43)	1,97
Change in working capital	(14,27)	(0,22)	(14,05)
OPERATING FREE CASH FLOW	(12,83)	60,39	(73,23)
Change in Equity	0,28	0,36	(0,08)
Financial investments	47,73	19,87	27,86
Dividends received	13,18	1,94	11,24
Dividend payments	(55,26)	(140,16)	84,90
Net Cash Change	(6,90)	(57,60)	50,70
INITIAL FINANCIAL POSITION	26,45	(28,05)	54,50
FINAL FINANCIAL POSITION	19,55	(85,65)	105,20

Total net investment in the first half 2012 reached €135.47 million.

During the first six months, the investment in third party rights amounted to €101.72 million, in Spanish fiction €28.72 million and in co-productions €0.57 million while investments in tangible and intangible fixed assets were €4.46 million.

Net investments 1H2012
€135.5 million



4. Balance Sheet

Table 6: Summary Balance Sheet

<i>Millions of €</i>	June 2012	December 2011
Tangible assets	1.053,01	1.123,08
- Financial	760,41	825,91
- Non Financial	292,60	297,18
Audiovisual rights and Pre-payments	296,60	260,96
- Third parties	221,93	186,50
- Fiction	30,50	29,34
- Co-production / Distribution	44,17	45,11
Pre-paid taxes	177,60	158,13
TOTAL NON-CURRENT ASSETS	1.527,21	1.542,17
Current assets	248,70	302,89
Financial investments and cash	63,61	114,36
TOTAL CURRENT ASSETS	312,31	417,25
TOTAL ASSETS	1.839,52	1.959,42
Shareholders` equity	1.408,20	1.425,84
Non-current provisions	27,60	29,31
Non-current payables	9,82	5,49
Non-current financial liabilities	16,22	0,10
TOTAL NON-CURRENT LIABILITIES	53,64	34,89
Current payables	349,83	410,87
Current financial liabilities	27,85	87,82
TOTAL CURRENT LIABILITIES	377,69	498,69
TOTAL LIABILITIES	1.839,52	1.959,42

The evolution of the **library** shows adaptability within the different categories and is in line with the business' strategy, with an increase in third parties rights due to the incorporation of rights to the library for the development of new channels.

The **current assets and liabilities** reflect the solvency of the overall financial position of Mediaset España for its business operations.

The **Net financial position** reached at the end of June 2012 was €19.55 million, after the distribution of the 2011 ordinary dividend, for a total amount of €55.26 million (50% pay-out), representing an absence of debt which is certainly a very positive factor considering the difficulties in the financial markets.

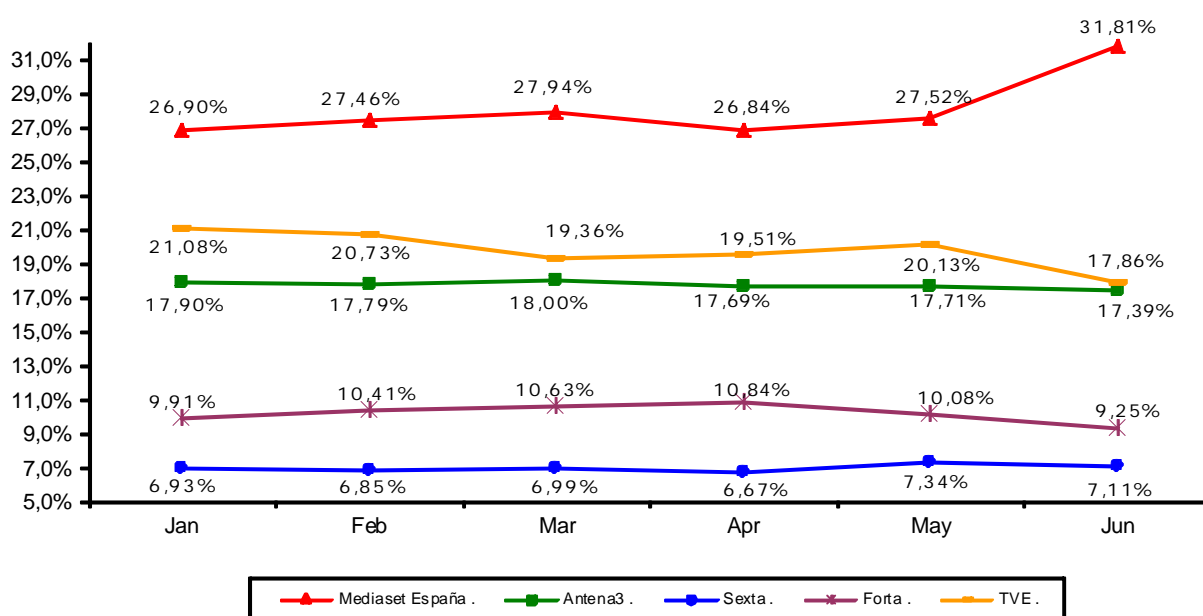
5. Audience share performance

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

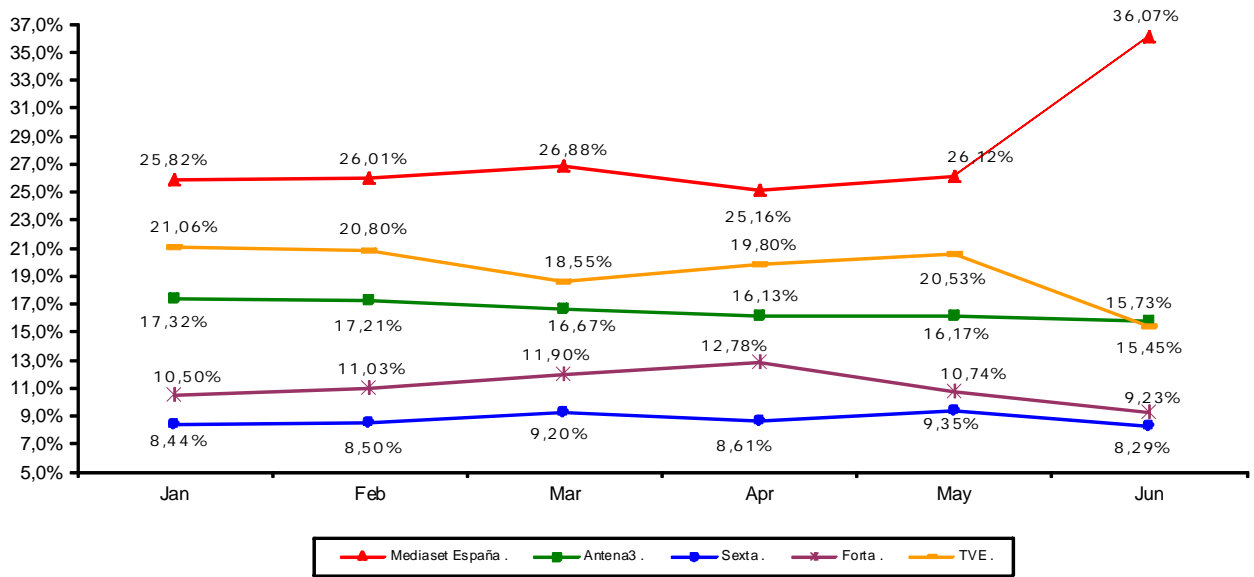
		1H2012	1H2011
Total Individuals	Total Day	28,0%	25,9%
	PRIME TIME	27,5%	24,2%
	DAY TIME	28,3%	26,7%
Commercial Target	Total Day	30,6%	28,3%
	PRIME TIME	29,5%	26,0%
	DAY TIME	31,1%	29,3%

The Group audience share in the first half 2012 consolidates Mediaset España as the leader of TVs in Spain. The audience share in total-individuals (total day) for the period, reached 28.0%, 10.2 points ahead of Antena3 Group (17.8%). Concerning the audience share in commercial target (total day), Mediaset España reached 30.6%, which represents an average 12.0 points ahead of Antena3 Group (18.6%).

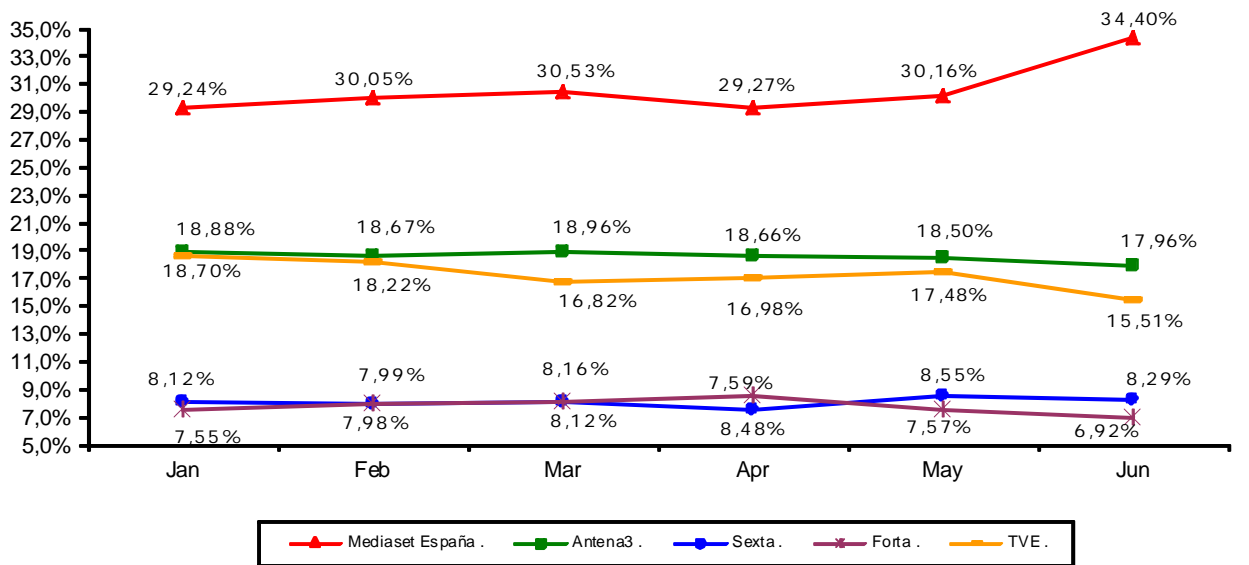
Audience Share, 24 Hours, Total Individuals (in %) per Group



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



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



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

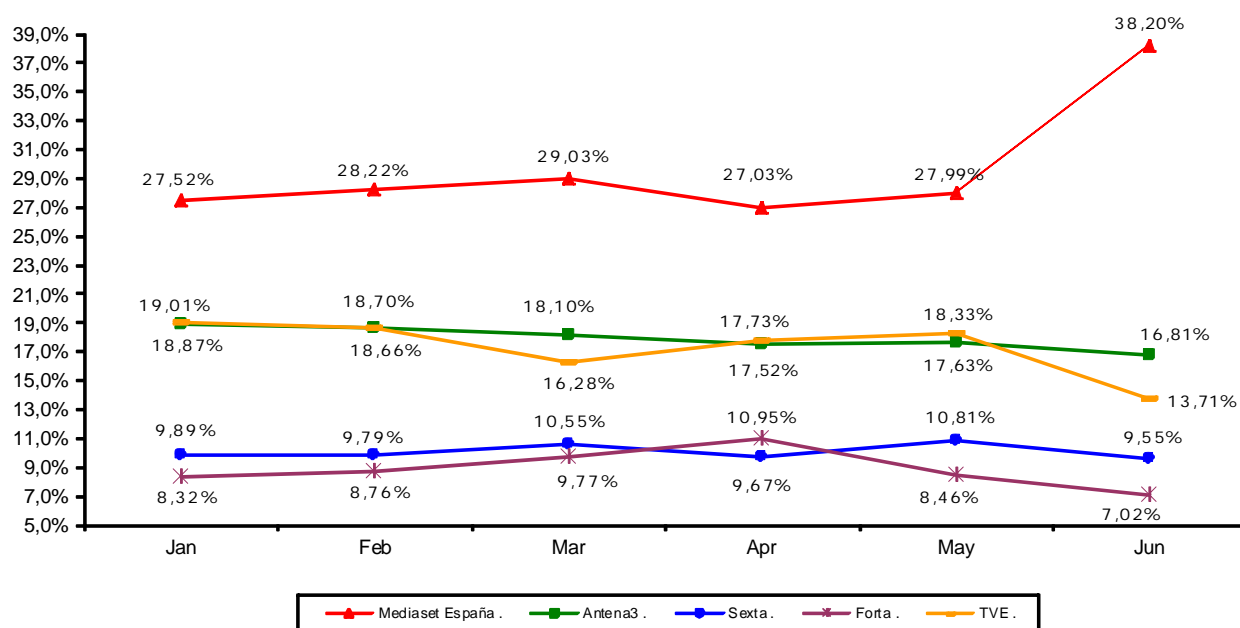


Table 8: January-June average audience share for Telecinco and Cuatro

	TELECINCO		CUATRO	
	1H2012	1H2011	1H2012	1H2011
Total Individuals				
Total Day	14,2%	14,1%	6,1%	6,4%
PRIME TIME	14,9%	12,8%	5,7%	6,2%
DAY TIME	13,8%	14,7%	6,4%	6,5%
Commercial Target				
Total Day	14,0%	14,0%	7,6%	8,0%
PRIME TIME	14,7%	12,5%	7,0%	7,8%
DAY TIME	13,7%	14,8%	7,9%	8,1%

The broadcast of the "UEFA EURO 2012" in June, especially those of Spanish team, places Telecinco as the leader in 24h. and in prime time total-individuals.

At the end of the first half of 2012, the Telecinco channel reached 14.2% average audience share in total-individuals (total day), placing Telecinco as the leading network 2.0 points ahead of Antena3 (12.2%).

Regarding the audience share in commercial target (total day), Telecinco (14.0%) is an average of 1.6 points ahead of Antena3 (12.4%).

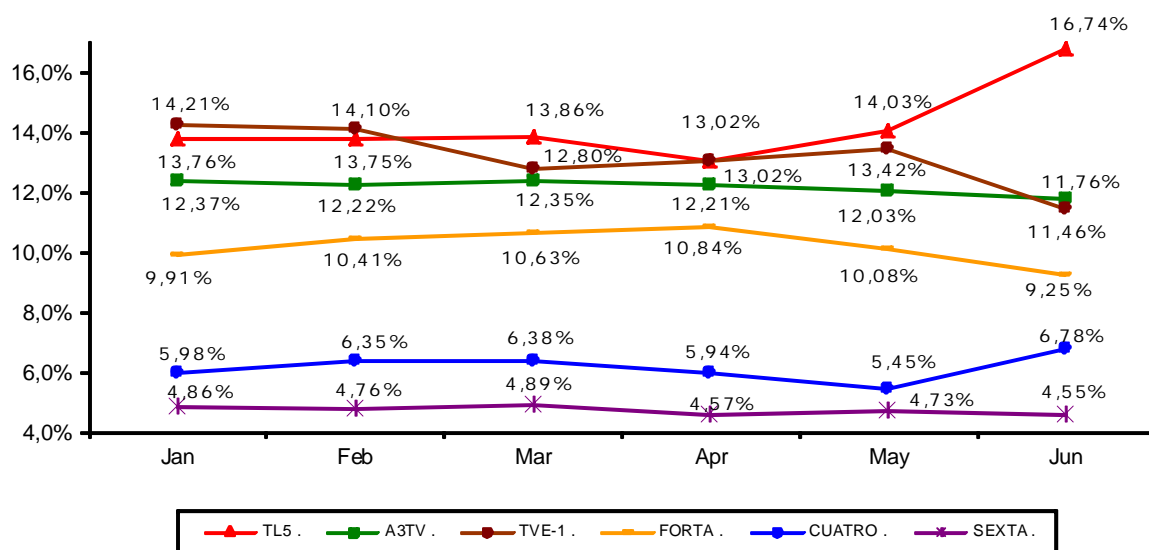
Cuatro reaches an audience share of 6.1% total-individuals (total day) and 7.6% in commercial target, 1.4 points and 2.0 points respectively ahead of its main competitor La Sexta.

Telecinco continues to lead in prime time⁴ total-individuals with an average of 14.9% in the period, 3.9 points ahead of Antena3 (11.0%).

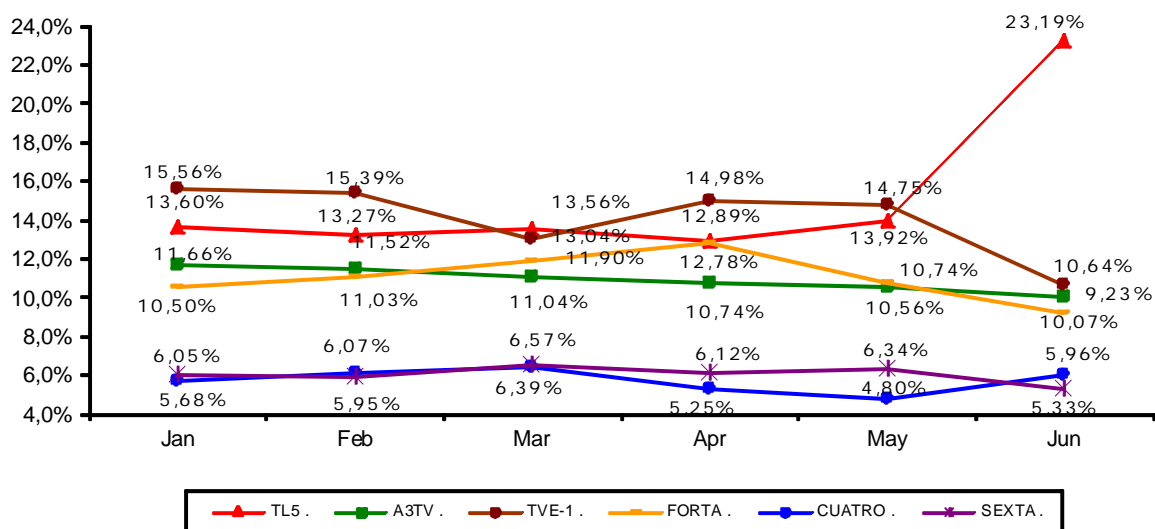
Cuatro reaches a share of 5.7% in prime time total-individuals in the first half of 2012.

With regards to the commercial target audience share for 24 hours, prime time, and day time, Telecinco and Cuatro maintain the lead in the first half of 2012, increasing the distance from its main competitors.

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

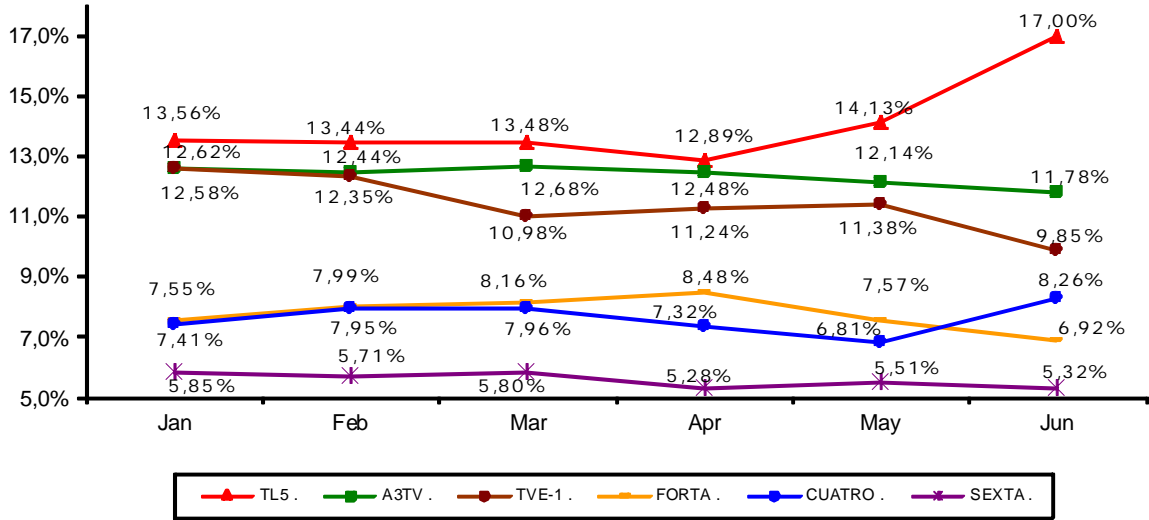


Audience Share, Prime Time, Total Individuals (in %)

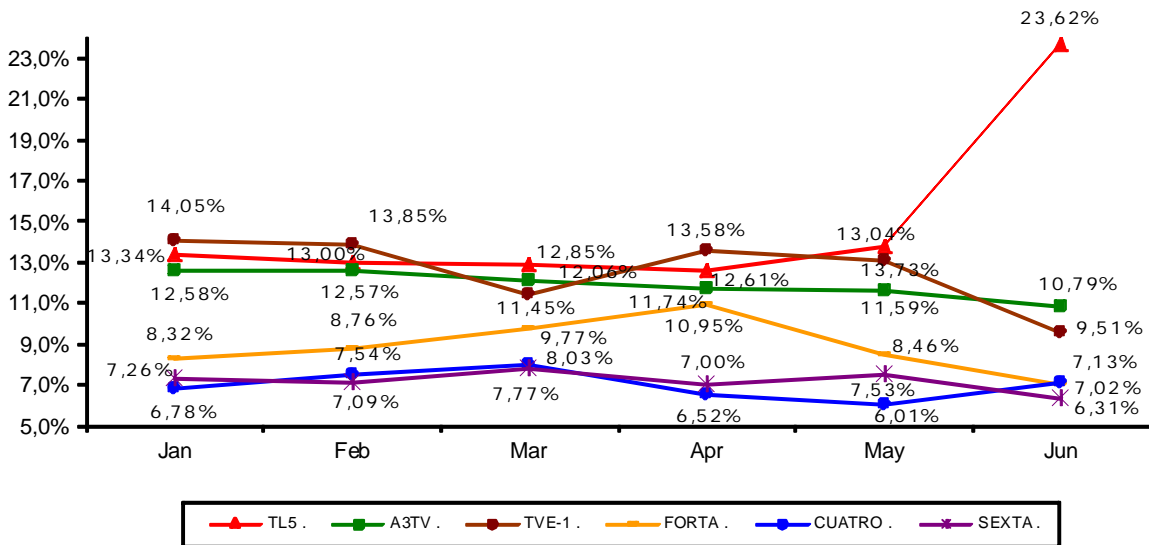


⁴ Prime time: Time slot with the highest television consumption of the day, from 20:30 to 24:00.

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



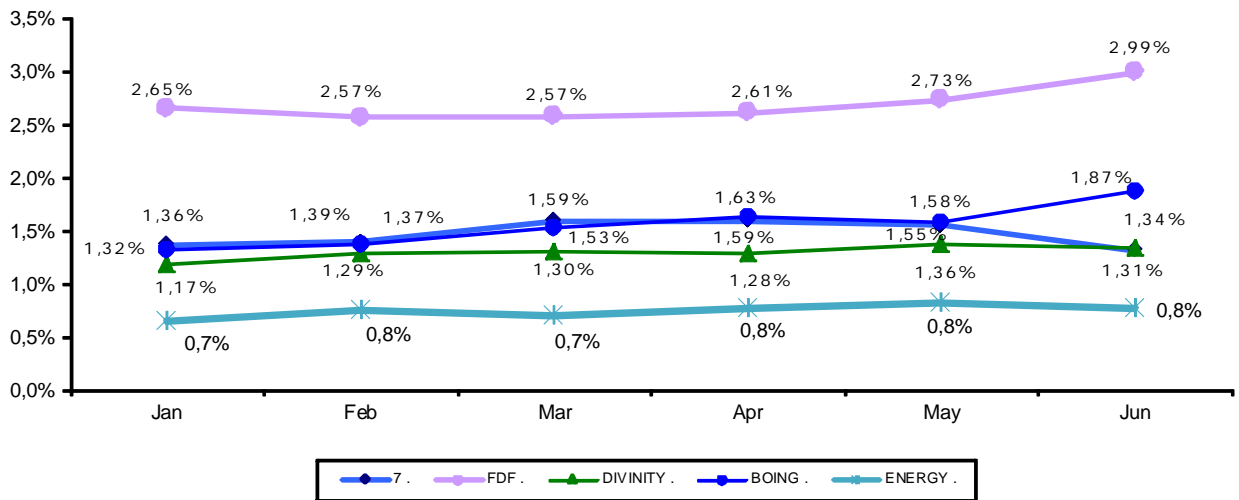
Audience Share, Prime Time, Commercial Target (in %)



In the first six months of 2012, Mediaset España continues with the consolidation of the Group's channels FACTORIA DE FICCION, LA SIETE, BOING, DIVINITY and the new channel ENERGY, targeted to male, following the multi-channel strategy, and is focused on developing the personality of each channel, by gender or by product.

In the first half of 2012, FACTORIA DE FICCION has reached a total audience share in total day of 2.7%, LA SIETE a share of 1.5%, BOING 1.5%, DIVINITY 1.3% and the new channel ENERGY, launched earlier this year, contributes with 0.7% to the audience of the group. Overall, these channels, add up to a total share of 7.7%.

Audience Share, 24 hours, DTV %



Audience Share, Prime Time, DTV %

