

MEDIASET *españa.*

FIRST NINE MONTHS RESULTS January – September 2011

Madrid – October 27th, 2011

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1. Financial and operating highlights

- ***In the first nine months of 2011, Mediaset España recorded a recurring adjusted EBITDA of 144.3 million Euros, reaching a margin of 19.7% (+2.2pp versus 2010 pro-forma), also improving the Adjusted Net Profit/Total Net Revenues margin to 15.5%.***

Consolidated results as of 30 September 2011, include:

1. According to the latest Infoadex report, advertising investments, in the first nine months of 2011, have decreased by -6.7%, versus the same period of 2010, a reflection of the weak economic environment, reaching €3,440.3 million; the TV advertising market during the same period totalled €1,635.0 million, with a reduction of -7.5% compared to € 1,767.3 million of 2010, which represents a share of 47.5% of total advertising spend.

Mediaset España is again the TV market leader, with a share of 43.5% in the first nine months of 2011.

Total Net Revenues as of 30 September 2011, reached €731.62 million. The Gross Advertising Revenues of Mediaset España's two Multiplex amount to €706.65 million and the advertising Revenues of Other Media totalled €23.71 million. Total gross advertising revenues amount to €730.37 million. Finally, the "Other Revenues" amount to €43.79 million.

2. **Total Recurring Operating Costs** of Mediaset España reached €592.86 million in the first nine months of 2011, representing costs savings of €117.79 million (-16.6%) versus 2010 pro-forma. This decrease is mainly due to lower programming costs and fewer costs of sales related to less cinema exploitation. Also during the first nine months of the year the Group continues to effectively achieve the costs synergies generated from the integration of Cuatro. These cost savings have enabled the group to offset the negative impact on the revenue line due to lower advertising investment, improving operating margins.

On a percentage basis, Mediaset España has increased its recurring operating margin, thanks to the cost savings and cost synergies obtained during the first nine months of 2011, following the acquisition of Cuatro. The **Recurring Adjusted EBITDA**¹ margin reached 19.7%, +2.2pp ahead of the 17.5% pro-forma in the same period of 2010. This result continues to place Mediaset España among the most profitable commercial TV companies.

The strength of the traditional operating margins and strict cost management are very important elements to try and offset the fall in advertising revenues helping to develop business in a weak advertising market.

¹ EBITDA post-rights amortisation, excluding one-off costs

3. **Net profit**, after tax, as of September 30th, 2011, reached €107.65 million representing a Total Net Income margin of 14.7% which is an improvement on the pro-forma figure for the same period of 2011. If we isolate the accounting impact (after taxes) of the amortisation of intangibles, then the adjusted result would improve reaching €113.65 million of net adjusted profit, with a margin of 15.5% over Net Revenues.
4. **Free cash flow** in the first nine months of 2011 was €56.89 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 September 30th 2011 was negative €83.75 million. The distribution of the 2010 dividend (ordinary and extraordinary), for a total amount of €140.16 million, has been deducted, representing €0.35 per circulating share, paid on May 4th 2011. It also includes the Intercompany loan of Mediaset S.p.A. to the Group to acquire Endemol.
6. The average **audience share** of Mediaset España in the first nine months of 2011 total-individuals (total day), reaches 26.3%, with a +9.5pp lead on Antena3 Group (16.8%). The audience share total-individuals (total day) of the main channel, Telecinco, was 14.2%. This figure confirms Telecinco as the first commercial television network 3.0 ahead of Antena3 (11.2%).
In "Commercial Target²" (total day), the audience of Mediaset España was 28.7%, 11.0pp ahead of Antena3 Group (17.7%). The Telecinco channel audience share reaches 14.2%, 2.8pp ahead of Antena3 channel (11.4%).
The average audience share of Cuatro reached 6.2% total-individuals (total day) and 7.8% in commercial target, compared to 5.9% and 7.3% respectively of its main competitor La Sexta.
As per the audience of second generation channels, FACTORIA DE FICCION, LA SIETE, BOING and DIVINITY the trend in the audience share continues to set records, the sum of the channels has reached 5.9% in the first nine months, in total day, total-individuals and 6.6% in total day, commercial target.

Mediaset España consolidates its leadership in 2011 amongst the commercial channels.

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>	9M2011	Proforma 9M2010	% change	Reported 9M2010
TOTAL NET REVENUES	731,62	851,27	(14,1%)	622,42
Rights Amortisation	(160,02)	(158,73)	0,8%	(101,43)
Personnel	(76,55)	(83,71)	(8,6%)	(58,75)
Other operating costs	(350,77)	(460,12)	(23,8%)	(293,10)
Recurring Adjusted EBITDA	144,27	148,71	(3,0%)	169,13
Non recurring costs	(12,69)	5,02	-	5,02
Adjusted EBITDA	131,58	153,73	(14,4%)	174,15
Other amortisations, provisions	(5,51)	(8,10)	(31,9%)	(7,28)
Amortisation PPA (provisional)	(6,00)	0,00	-	-
EBIT	120,07	145,64	(17,6%)	166,88
Equity Cons. Results and Depr. Fin. Assets	5,85	(168,79)	-	(168,79)
Financial results	4,50	2,76	63,0%	3,26
Pre-tax profits	130,43	(20,39)	-	1,35
Income taxes	(22,82)	6,45	-	(0,06)
Minority interests	0,05	30,88	-	30,88
Net profit	107,65	16,94	-	32,16
Adjusted Net profit	113,65	105,93	7,3%	121,16

The Adjusted Net Profit in the first nine months of 2011 amounted to €113.65 million, a 15.5% margin over Net Revenues, improving by 3.1pp the margin pro-forma for the same period in 2010.

The €6 million difference between the Net Profit and the adjusted Net Profit is due to the impact of the amortisation of intangibles following the "PPA" (Purchase Price Allocation) of Cuatro.

It should be noted that such allocation is preliminary and non-definitive, and 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

	9M2011	Proforma 9M2010	% change	Reported 9M2010
Gross advertising revenues	730,37	835,76	(12,6%)	601,87
- <i>Multiplex</i>	706,65	796,24	(11,3%)	572,89
- <i>Others</i>	23,71	39,52	(40,0%)	28,98
Discounts	(42,54)	(42,03)	1,2%	(28,00)
Net advertising revenues	687,82	793,72	(13,3%)	573,87
Other revenues	43,79	57,54	(23,9%)	48,55
TOTAL NET REVENUES	731,62	851,27	(14,1%)	622,42

Gross advertising revenues in the first nine months 2011 reached €730.37 million.

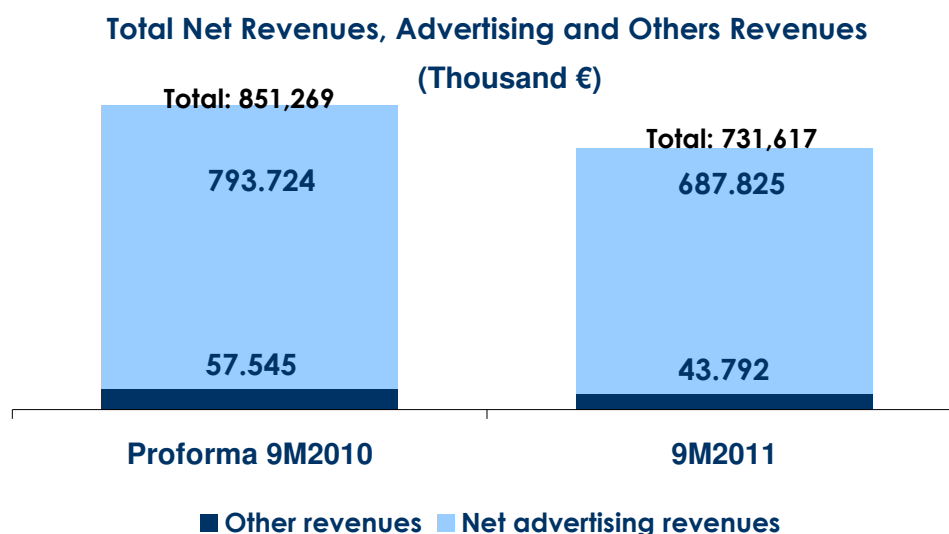
Multiplex Mediaset España's Gross advertising revenues, which include advertising revenues from TELECINCO, CUATRO, FACTORIA DE FICCION, LA SIETE, BOING and DIVINITY, reached €706.65 million.

The **Other advertising revenues** reached €23.71 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 €687.82 million.

“**Other revenues**”, which mainly include the sale of coproduction film rights, merchandising rights, SMS, Call TV and audiotex services amounted to €43.79 million, lower versus the amount reached in the same period last year, mainly due to less cinema exploitation during the first nine months 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 €731.62 million.



2.2. Operating costs

Total operating costs, as of September 30th 2011 amounted to €611.54 million, which is a decrease of €94.09 million (-13.3%) when compared to last year pro-forma. This decrease is mainly due to lower programming costs and lesser costs of sales related to less cinema exploitation. Also, during the first nine months of the year the Group has effectively achieved costs synergies arising from the integration of Cuatro.

Recurring operating costs have fallen, in the first nine months, by €117.79 million (-16.6%); these costs exclude, the impact of non-recurring restructuring costs (€12.69 million), the PPA amortisation (€6.00 million) relating to 2011, as well as the impact of the reversal of a provision in 2010 (€5.02 million). This large cost reduction demonstrates the potential of the new group and the ability to manage costs to maximize margins, within an uncertain economic environment.

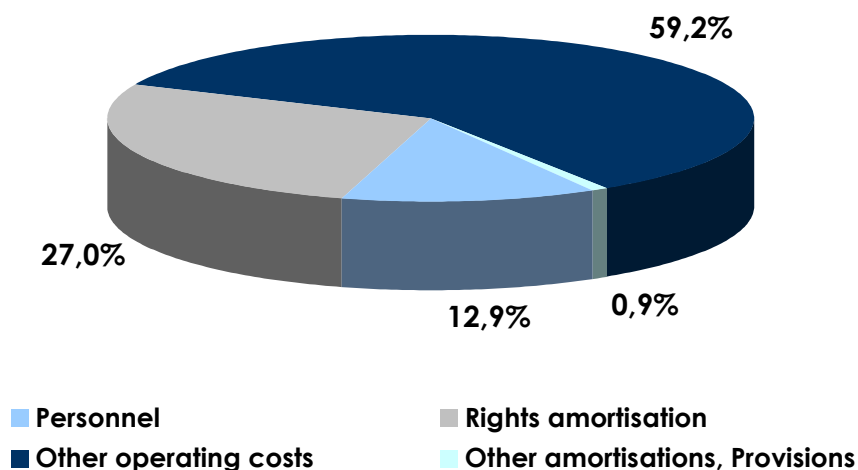
Table 3: Operating costs

Millions of €	9M2011	Proforma 9M2010	% change	Reported 9M2010
Personnel costs	76,55	83,71	(8,6%)	58,75
Rights amortisation	160,02	158,73	0,8%	101,43
Other operating costs	350,77	460,12	(23,8%)	293,10
Other amortisation and provisions	5,51	8,10	(31,9%)	7,28
<u>Total recurring costs</u>	592,86	710,65	(16,6%)	460,56
Non recurrings costs	12,69	(5,02)	-	(5,02)
Amortisation PPA (provisional)	6,00	-	-	-
TOTAL OPERATING COSTS	611,54	705,63	(13,3%)	455,54

The Group's in-house production continues to dominate the network's programming in terms of broadcasting hours. In 2011, 90.9% of broadcasted programmes on the main channel (Telecinco) were produced in-house and the remaining 9.1% were external productions (compared with an 87.9% and 12.1% in 2010).

The proportion of the Cuatro channel is 57.7% of in-house and 42.3% of third parties. As per the second generation channels, LA SIETE, 93.1% of production is in-house and 6.9% third parties rights, FACTORIA DE FICCION has a proportion of 43.7% of in-house versus 56.3% of third parties and BOING and DIVINITY are mainly third party rights.

Operating Costs



2.3 Operating profit and margins

Recurring Adjusted EBITDA reached €144.27 million, representing a 19.7% margin over revenues, +2.2pp ahead of the 17.5% pro-forma in the same period of 2010.

Net operating profit (EBIT) reached €120.07 million with a margin of 16.4% over revenues. For a consistent comparison with previous year results, if we isolate the impact of non-recurring costs and PPA amortization, **recurring adjusted EBIT** reaches €138.76 million, improving the margin up to 19.0% versus 16.5% of 2010 pro-forma.

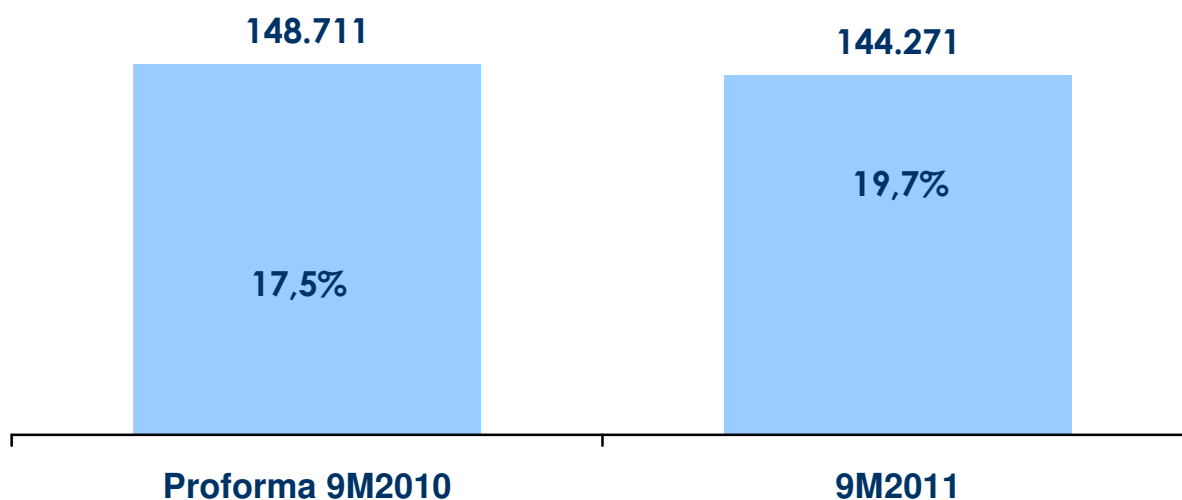
Despite a sharp contraction in the Group's turnover, due to the drop of the advertising market and the weak economic environment in Spain, Mediaset España has efficiently managed costs, almost entirely offsetting the negative effects and improving most of the operating margins on a percentage basis.

Table 4: Margins

<i>Millions of €</i>	9M2011	Proforma 9M2010	% change	Reported 9M2010
Total net revenues	731,62	851,27	(14,1%)	622,42
Recurring Adjusted EBITDA	144,27	148,71	(3,0%)	169,13
Adjusted EBITDA	131,58	153,73	(14,4%)	174,15
EBIT	120,07	145,64	(17,6%)	166,88
Net profit	107,65	16,94	-	32,16
Ajusted Net profit	113,65	105,93	7,3%	121,16
Rec. Adj.EBITDA / Total net revenues	19,7%	17,5%		27,2%
Adj.EBITDA / Total net revenues	18,0%	18,1%		28,0%
EBIT/ Total net revenues	16,4%	17,1%		26,8%
Net profit / Total net revenues	14,7%	2,0%		5,2%
Adj. Net Profit / Total Net Revenues	15,5%	12,4%		19,5%

On a percentage basis, operating margins (**Recurring Adj.EBITDA and EBIT**) are, 19.7% and 16.4% respectively, demonstrating the efficiency of the business model in terms of capability to sustain margins in a weak market environment, as well as the management's ability to control costs, which allows the company to partially absorb the impact of most 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 €4.50 million.

On the other hand, the result from the **equity consolidated companies**³ amounted €5.85 million positive.

2.5. Profit for the period January – September 2011

Pre-tax profit during the first nine months of 2011 reached €130.43.

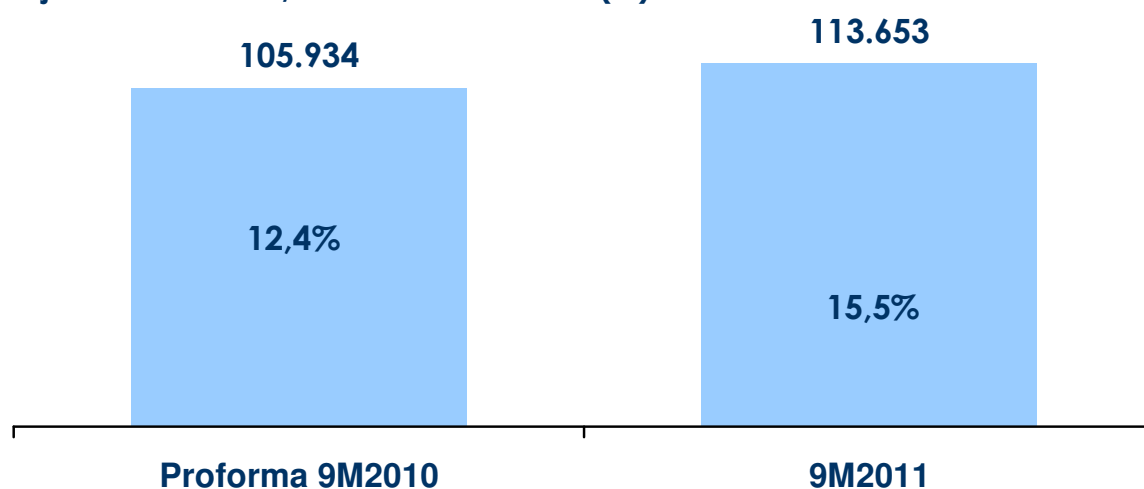
After a €22.82 million corporate income tax expense calculated on the basis of the official rate in place, the **net profit after minority interests** amounted to €107.65 million (a margin of 14.7% over total net revenues).

In similar conditions to 2010, **adjusted net income** amounted to €113.65 million, excluding the impact of the amortisation of intangibles arising from the purchase price allocation of Cuatro.

This represents an adjusted net income margin of 15.5% of total net income.

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

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



3. Cash flow generation

The **Operating Free Cash Flow** in the first nine months amounts to €56.89 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.

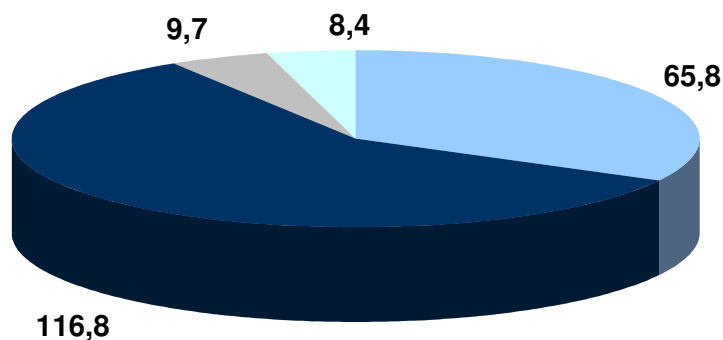
Table 5: Cash Flow

Millions of €	9M2011	Reported 9M2010
Net profit (without minority interests)	107,60	1,29
Amortisation:	171,03	107,69
- Rights	160,02	101,43
- Other	11,01	6,25
Provisions	0,50	1,03
Other	6,30	169,56
OPERATING CASH FLOW	285,43	279,55
Investment in rights	(190,94)	(117,02)
Investments, other	(9,69)	(4,02)
Change in working capital	(27,92)	26,85
OPERATING FREE CASH FLOW	56,89	185,36
Change in Equity	0,68	1,35
Financial investments	24,95	(65,76)
Dividends received	1,94	1,01
Dividend payments	(140,16)	(48,44)
Net Cash Change	(55,70)	73,53
INITIAL FINANCIAL POSITION	(28,05)	(156,01)
FINAL FINANCIAL POSITION	(83,75)	(82,47)

Total net investment reached €200.63 million in 2011.

During the first nine months of 2011 the investment in third party rights amounted to €116.77 million, in Spanish fiction €65.81 million and in co-productions €8.36 million while investments in tangible and intangible fixed assets were €9.69 million.

Net investments 9M2011
€ 200.6 million



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

4. Balance Sheet

Table 6: Summary Balance Sheet

<i>Millions of €</i>	September 2011	December 2010
Tangible assets	1.116,44	1.149,78
- Financial	1.059,72	1.094,89
- Non Financial	56,73	54,88
Audiovisual rights and Pre-payments	297,01	264,86
- Third parties	220,05	190,36
- Fiction	30,77	32,12
- Co-production / Distribution	46,19	42,38
Pre-paid taxes	152,06	154,05
TOTAL NON-CURRENT ASSETS	1.565,51	1.568,69
Current assets	218,62	295,83
Financial investments and cash	84,95	116,39
TOTAL CURRENT ASSETS	303,58	412,22
TOTAL ASSETS	1.869,09	1.980,91
Shareholders` equity	1.343,84	1.376,10
Non-current provisions	33,33	31,98
Non-current payables	3,95	0,75
Non-current financial liabilities	73,37	73,10
TOTAL NON-CURRENT LIABILITIES	110,65	105,83
Current payables	319,25	427,63
Current financial liabilities	95,34	71,34
TOTAL CURRENT LIABILITIES	414,59	498,97
TOTAL LIABILITIES	1.869,09	1.980,91

The evolution of the **library** shows adaptability 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 lower revenues as well as the seasonality of the business.

Current liabilities decreased compared to the figures reached as of December 31st 2010, due to Cuatro's decreased trade creditors' balance.

The **Net financial position** at the end of September 2011 was a negative €83.75 million, after the distribution of the dividend amounted to €140.16 million, made on May 4th 2011 from the available reserves.

5. Audience share performance

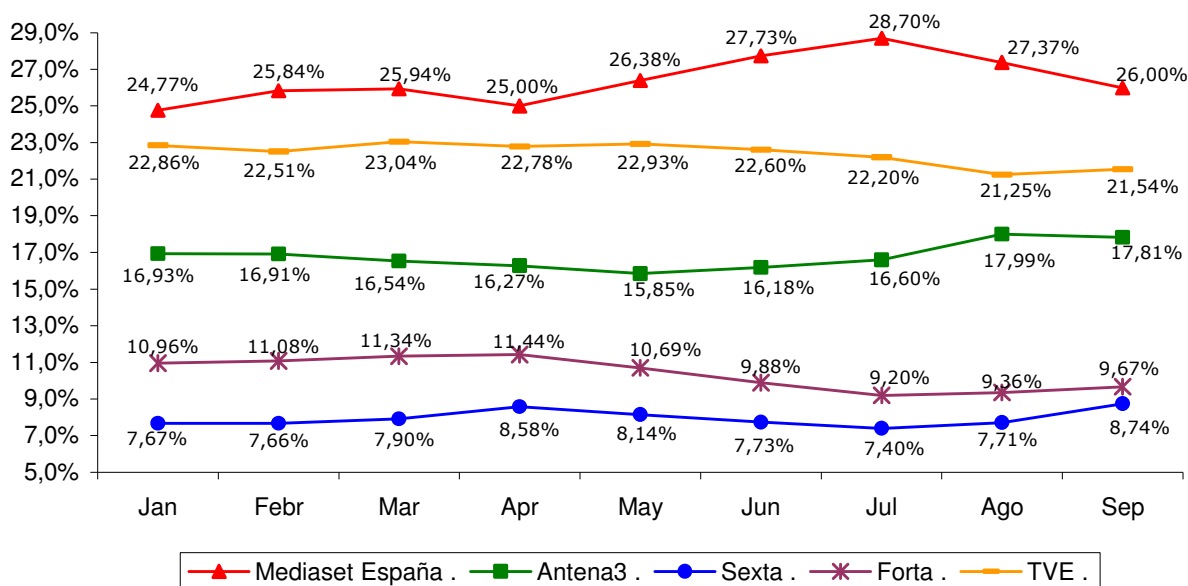
Table 7: January-September average audience share for Mediaset España

9M2011

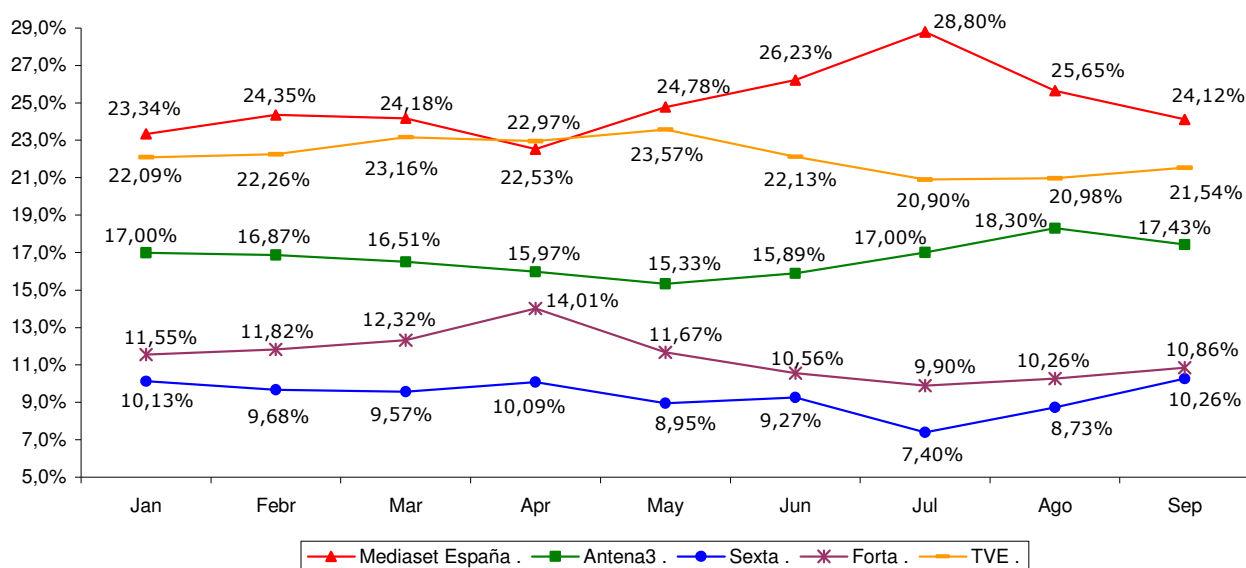
Total Individuals	Total Day	26,3%
	PRIME TIME	24,7%
	DAY TIME	27,1%
Target Comercial	Total Day	28,7%
	PRIME TIME	26,5%
	DAY TIME	29,6%

The Group audience share in the first nine months of 2011 consolidates Mediaset España as the leader of TVs in Spain. The audience share in total-individuals (total day) for the period, reached 26.3%, 9.5 points ahead of Antena3 Group (16.8%). Concerning the audience share in commercial target (total day), Mediaset España reached 28.7%, which represents an average 11.0 points ahead of Antena3 Group (17.7%).

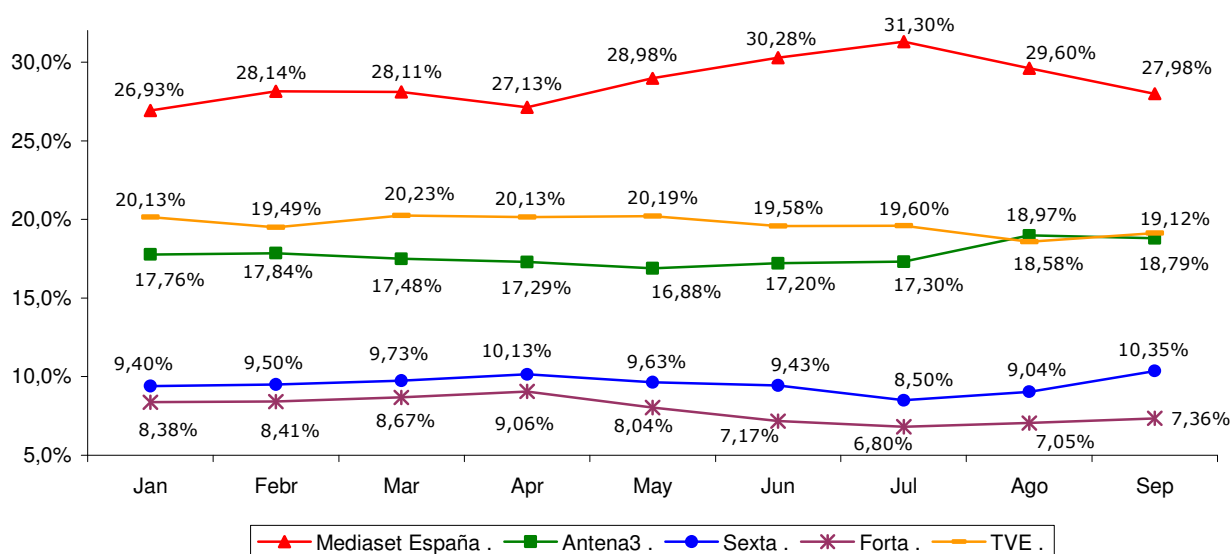
Audience Share, 24 Hours, Total Individuals (in %) per Group



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

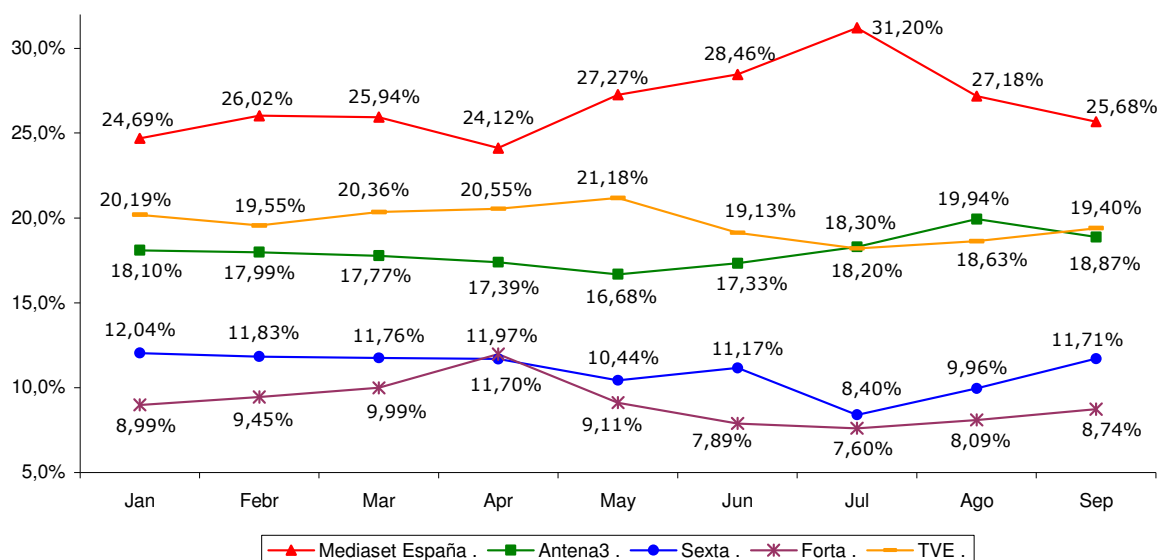


Table 8: January-September average audience share for Telecinco

	9M2011	9M2010
Total Individuals		
Total Day	14,2%	14,7%
PRIME TIME	13,1%	14,7%
DAY TIME	14,7%	14,7%
Target Comercial		
Total Day	14,2%	15,2%
PRIME TIME	12,8%	14,8%
DAY TIME	14,9%	15,4%

At the end of the first nine months of 2011, Telecinco channel reached 14.2% average audience share in total-individuals (total day), placing Telecinco as the leading commercial network 3.0 points ahead of Antena3 (11.2%).

Regarding the audience share in commercial target (total day), Telecinco (14.2%) is an average of 2.8 points ahead of Antena3 (11.4%).

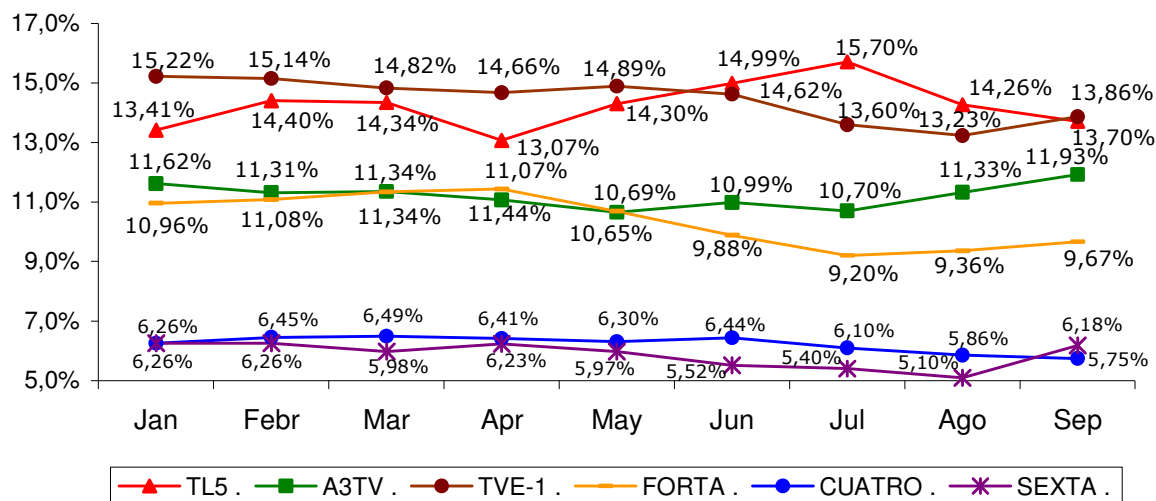
Cuatro reaches an audience share of 6.2% total-individuals (total day) and 7.8% in commercial target, 0.3 points and 0.5 points respectively ahead of its main competitor La Sexta.

Telecinco continues to lead in prime time⁴ total-individuals with an average of 13.1% in the period, 2.1 points ahead of Antena3 (11.0%).

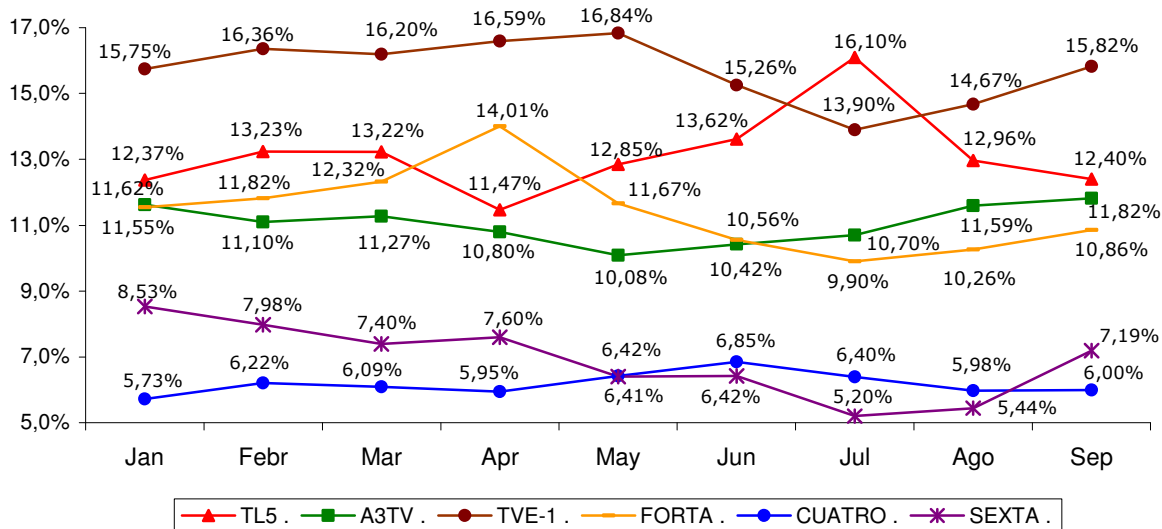
With regards to the commercial target audience share for 24 hours, prime time, and day time, Telecinco maintains the lead in 2011, increasing the distance from its main competitors.

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

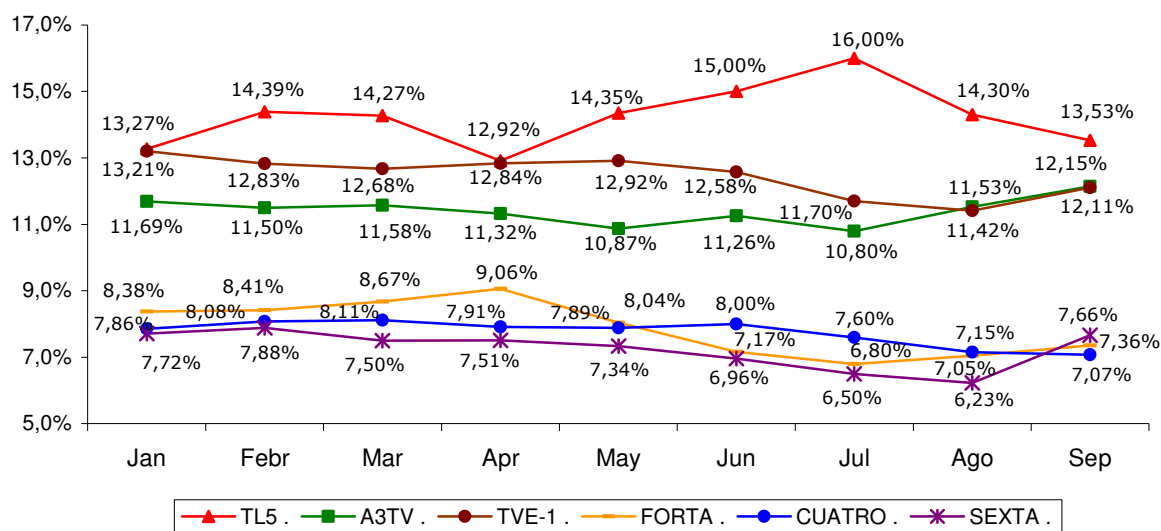
Audience Share, 24 Hours, Total Individuals (in %)



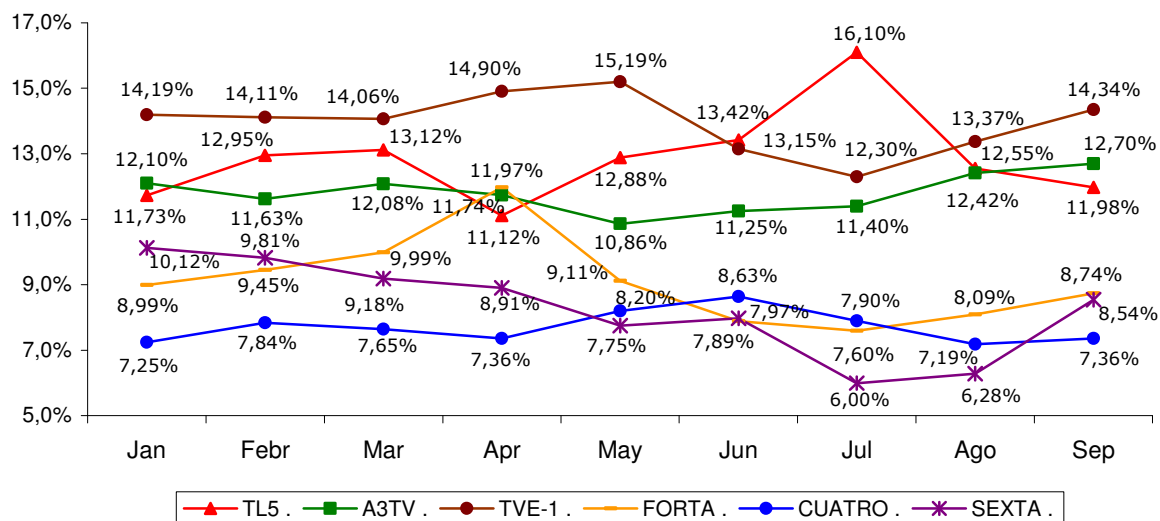
Audience Share, Prime Time, Total Individuals (in %)



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



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

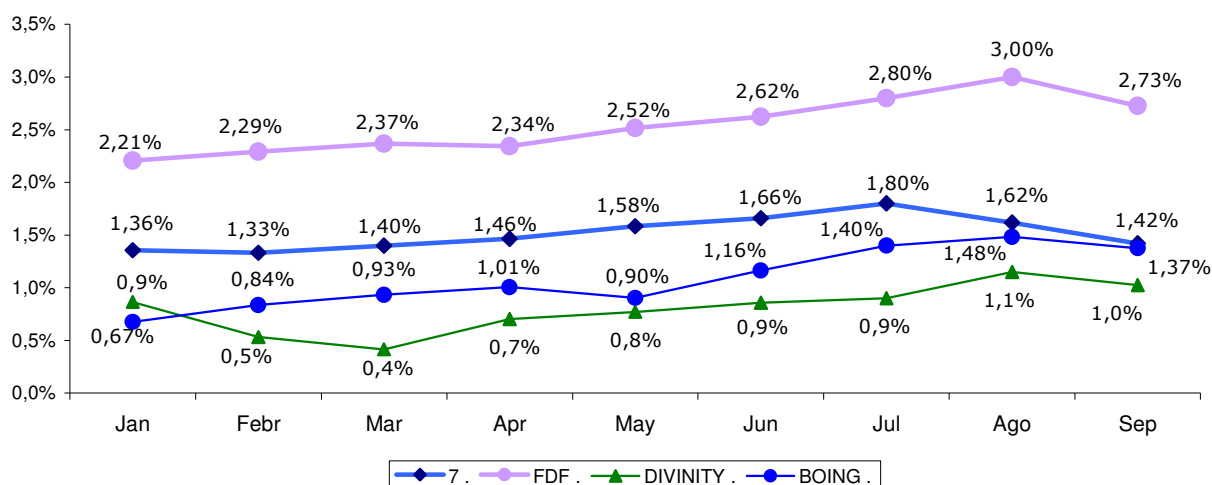


In 2011, Mediaset España continues with the development of the Group's channels FACTORIA DE FICCION, LA SIETE, BOING and DIVINITY.

In the first nine months 2011, FACTORIA DE FICCION has reached a total audience share in total day of 2.5%, LA SIETE a share of 1.5%, BOING 1.1% and DIVINITY 0.8%, contributing with 5.9% to the group's audience share.

With regards to the commercial target audience share, FACTORIA DE FICCION has reached a share of 3.2%, LA SIETE 1.7%, BOING 0.7% and DIVINITY 1.0%, bringing together an audience of 6.6%.

Audience Share, 24 hours, DTV %



Audience Share, Prime Time, DTV %

