

MEDIASET *españa.*



QUARTERLY RESULTS¹ January – March 2012

Madrid – May 3rd, 2012

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¹ Accounts not audited

Financial and operating highlights

- **Mediaset España consolidates its leadership with a market share of 44.1% and records an adjusted EBITDA² of €24.4 million, reaching 11.2% EBITDA margin and an adjusted Net Profit of €25.0 million.**

Consolidated results as of 31 March 2012, include:

1. The beginning of 2012 is still driven by the crisis in debt markets of the Eurozone and the pressures in global financial markets. 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 on TV, in the first quarter of 2012 fell by -15% compared with the same period of 2011, with a decrease of -17.7% in ad spending on television, which is €104.7 million less than TV ad spending over the first quarter of 2011.

In this environment, Mediaset España has managed to consolidate its market leadership with a market share of 44.1% in the quarter.

Total Net Revenues in the first quarter of 2012, reached €218.01 million. The Gross Advertising Revenues of Mediaset España's two Multiplex amount to €211.95 million and the advertising Revenues of Other Media totalled €9.32 million. Total gross advertising revenues amount to €221.28 million. Finally, the "Other Revenues" amount to €9.72 million.

2. In the quarter, Mediaset España reduced **Total Operating Costs** by €9.42 million, -4.5% compared to 2011 recurring costs, reaching €197.60 million. This decrease is mainly due to lower programming costs, reflecting the Group's ability and flexibility to adapt the business operations and to adjust costs to the advertising market situation.

On a percentage basis, the **Adjusted EBITDA** margin reached 11.2% and an **EBIT** margin of 9.4%.

3. **Net profit**, after tax, as of March 31st, 2012, reached €21.20 million representing a Total Net Income margin of 9.7%. If we isolate the accounting impact (after taxes) of the amortisation of intangibles, then the adjusted result would improve reaching €25.00 million of net adjusted profit, with a margin of 11.5% over Net Revenues.

² EBITDA post-rights amortisation

4. **Free cash flow** in the first quarter of 2012 was minus €24.90 million, mainly due to a combination of a weak advertising market and the impact of the expenditure for the acquisition of content.
5. **The net financial position** as of March 31st, 2012 was positive €0.35 million.
6. In the first three months of 2012, Mediaset España consolidates its **audience leadership** amongst the commercial channels.

The average audience share of Mediaset España in the first quarter of 2012 total-individuals (total day), reaches 27.4%, with a +9.5pp lead on Antena3 Group (17.9%). The audience share total-individuals (total day) of the main channel, Telecinco, was 13.8%. This figure confirms Telecinco as the first commercial television network 1.5 ahead of Antena3 (12.3%).

In "Commercial Target"³ (total day), Mediaset España's audience share was 29.9%, 11.1pp ahead of Antena3 Group (18.8%). The Telecinco channel audience share reaches 13.5%, 0.9pp ahead of Antena3 channel (12.6%).

The average audience share of Cuatro reached 6.2% total-individuals (total day) and 7.8% in commercial target, compared to 4.8% and 5.8% respectively of its main competitor La Sexta.

As per the audience of second generation channels (FACTORIA DE FICCION, LA SIETE, BOING, DIVINITY) joins the group, the new channel ENERGY targeted at men and has performed well since its launch on January 1st, 2012. The trend in audience share continues to set records, the sum of the channels has reached 7.4% in the first quarter of 2012, in total day, total-individuals and 8.6% in total day, commercial target.

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

1. Profit and loss account

Table 1: Consolidated Profit and Loss Account

<i>Millions of €</i>	1Q2012	1Q2011	% change
TOTAL NET REVENUES	218,01	266,11	(18,1%)
Rights Amortisation	(53,59)	(50,25)	6,7%
Personnel	(25,85)	(27,03)	(4,3%)
Other operating costs	(114,16)	(124,94)	(8,6%)
Recurring Adjusted EBITDA	24,40	63,90	(61,8%)
Non recurring costs	0,00	(12,46)	-
Adjusted EBITDA	24,40	51,44	(52,6%)
Other amortisations, provisions	(1,99)	(2,81)	(29,1%)
Amortisation PPA	(2,00)	(2,00)	0,0%
EBIT	20,41	46,63	(56,2%)
Equity Cons. Results and Depr. Fin. Assets	(1,33)	1,65	-
Financial results	1,96	2,50	(21,6%)
Pre-tax profits	21,04	50,78	(58,6%)
Income taxes	0,00	(10,66)	-
Minority interests	0,16	(0,04)	-
Net profit	21,20	40,07	(47,1%)
Adjusted Net profit	25,00	42,07	(40,6%)

The Adjusted Net Profit in the first quarter of 2012 amounted to €25.00 million, an 11.5% margin over Net Revenues.

The €3.80 million difference between the Net Profit and the adjusted Net Profit is due to the impact of the amortisation of intangibles in Cuatro (€2.00 million) and Digital+ (€1.80 million), as a result of the final allocation of the purchase price to the Balance Sheet of the respective companies, which is known as "Purchase Price Allocation" (PPA).

2.1. Revenues

Table 2: Revenues

	1Q2012	1Q2011	% change
Gross advertising revenues	221,28	267,15	(17,2%)
- <i>Multiplex</i>	211,95	258,23	(17,9%)
- <i>Others</i>	9,32	8,92	4,5%
Discounts	(12,99)	(15,44)	(15,9%)
Net advertising revenues	208,29	251,71	(17,2%)
Other revenues	9,72	14,40	(32,5%)
TOTAL NET REVENUES	218,01	266,11	(18,1%)

Gross advertising revenues as of March 31st, 2012 reached €221.28 million.

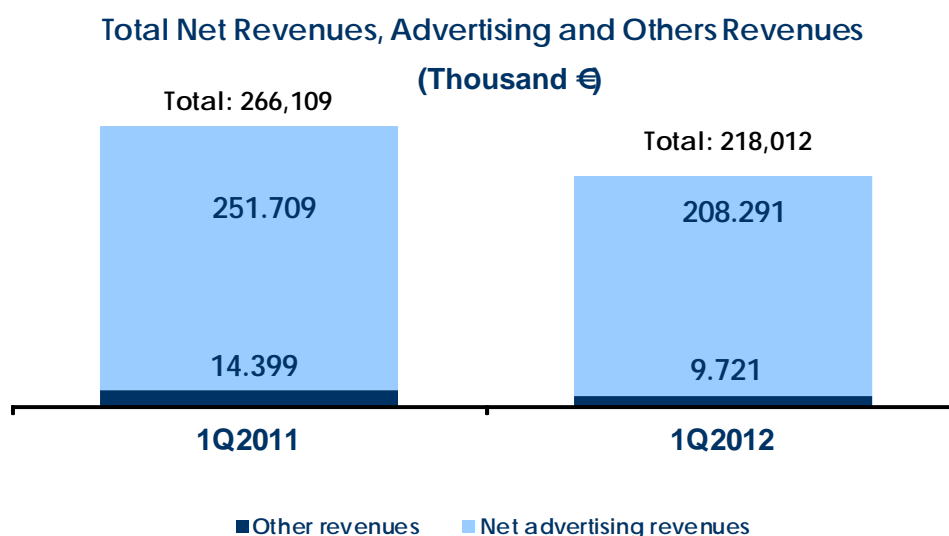
Mediaset España's Multiplex Gross advertising revenues, which include advertising revenues from TELECINCO, CUATRO, FACTORIA DE FICCION, LA SIETE, BOING, DIVINITY and ENERGY, reached €211.95 million.

The **Other advertising revenues** reached €9.32 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 €208.29 million.

"**Other revenues**", which mainly include the sale of coproduction film rights, merchandising rights, SMS, Call TV and audiotex services amounted to €9.72 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 €218.01 million.



2.2. Operating costs

Total operating costs, as of March 31st 2012 amounted to €197.60 million, which is a decrease of €21.88 million (-10%) when compared to last year. This decrease is mainly due the exceptional impact of 2011 non-recurring restructuring costs (€12.46 million). If we isolate the impact of these non-recurring costs and the impact of Cuatro's PPA amortisation (€2.00 million), operating costs have been reduced by €9.42 million (-4.5%) over the same period of 2011.

Table 3: Operating costs

<i>Millions of €</i>	1Q2012	1Q2011	% change
Personnel costs	25,85	27,03	(4,3%)
Rights amortisation	53,59	50,25	6,7%
Other operating costs	114,16	124,94	(8,6%)
Other amortisation and provisions	1,99	2,81	(29,1%)
Amortisation PPA	2,00	2,00	0,0%
<u>Total recurring costs</u>	197,60	207,02	(4,5%)
Non recurrings costs	0,00	12,46	-
TOTAL OPERATING COSTS	197,60	219,48	(10,0%)

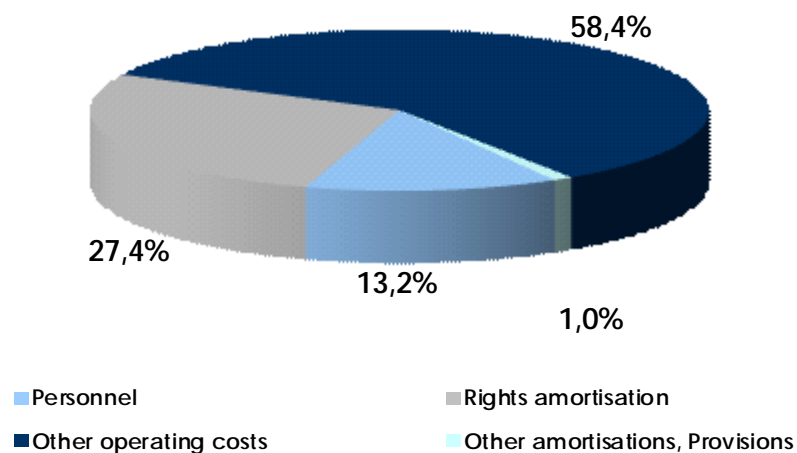
The Group's in-house production continues to dominate the network's programming in terms of broadcasting hours. At a group level, 54.8% was produced in-house versus 45.2% of external production.

In the first quarter of 2012, 93.4% of broadcasted programmes on the main channel (Telecinco) were produced in-house and the remaining 6.6% were external productions (compared with a 91.5% and 8.5% in the first quarter of 2011).

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

As per the second generation channels, LA SIETE, 95.9% of production is in-house and 4.1% third parties rights, FACTORIA DE FICCION has 51.5% of in-house versus 48.5% of third parties, DIVINITY 37.3% of production is in-house and 62.7% third parties rights, ENERGY 57.0% of production is in-house and 43.0% third parties rights and BOING is mainly third party rights (98.5%).

Operating Costs



2.3 Operating profit and margins

Adjusted EBITDA reached €24.40 million, representing an 11.2% margin over revenues.

Net operating profit (EBIT) reached €20.41 million with a margin of 9.4% over revenues.

Economic uncertainty in Spain and a weak advertising market during the first quarter led to a contraction in the Group's turnover. However, Mediaset España has managed costs effectively which partially offset the negative effects of the market.

Table 4: Margins

<i>Millions of €</i>	1Q2012	1Q2011	% change
Total net revenues	218,01	266,11	(18,1%)
Recurring Adjusted EBITDA	24,40	63,90	(61,8%)
Adjusted EBITDA	24,40	51,44	(52,6%)
EBIT	20,41	46,63	(56,2%)
Net profit	21,20	40,07	(47,1%)
Ajusted Net profit	25,00	42,07	(40,6%)
Rec. Adj.EBITDA / Total net revenues	11,2%	24,0%	
Adj.EBITDA / Total net revenues	11,2%	19,3%	
EBIT/ Total net revenues	9,4%	17,5%	
Net profit / Total net revenues	9,7%	15,1%	
Adj. Net Profit / Total Net Revenues	11,5%	15,8%	

2.4. Financial result and equity consolidated companies

Financial income totalled €1.96 million, after reporting the capital gain from the sale of "Senior" debt of Endemol.

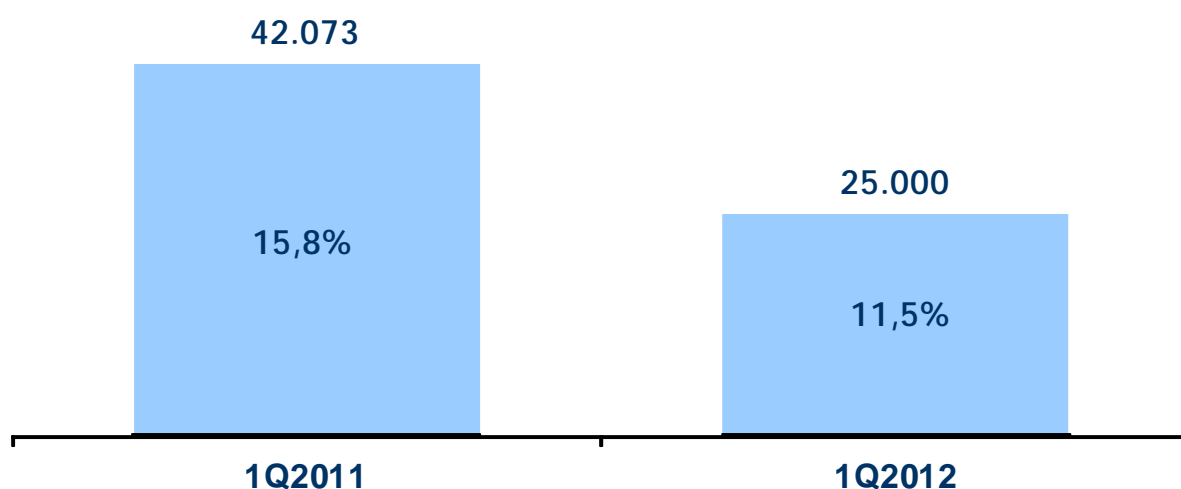
On the other hand, the result from the **equity consolidated companies**⁴ amounted to a negative €1.33 million, including the negative impact of €1.80 million of the amortization of intangibles resulting from the purchase price allocation of Digital +.

2.5. Profit for the period January – March 2012

Pre-tax profit during the first quarter of 2012 reached €21.04 million and **net profit after minority interests**, €21.20 million (a margin of 9.7% over total net revenues).

In similar conditions to 2011, **adjusted net income** amounted to €25.00 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 11.5% of total net income.

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



⁴ Companies consolidated by the equity method are: 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).

2. Cash flow generation

The **Operating Free Cash Flow** in the first quarter of 2012 amounts to minus €24.90 million, mainly due to a combination of a weak advertising market and the impact of the expenditure for the acquisition of content.

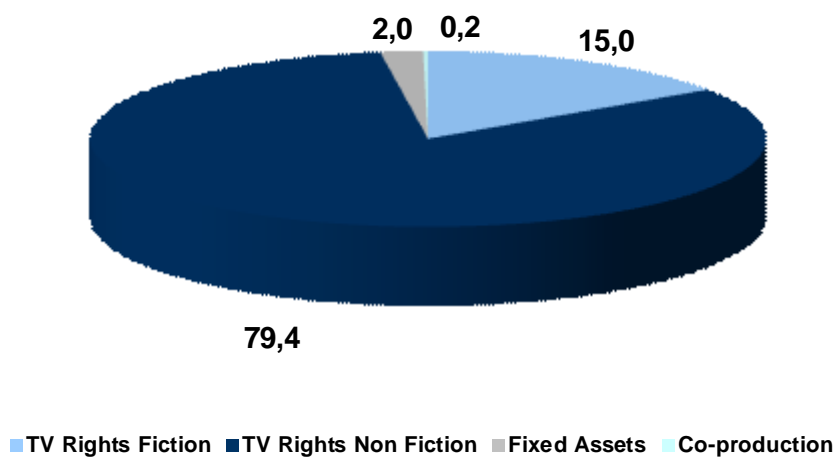
Table 5: Cash Flow

Millions of €	1Q2012	1Q2011	Change in millions of €
Net profit (without minority interests)	21,04	40,12	(19,07)
Amortisation:	57,42	54,01	3,41
- Rights	53,59	50,25	3,35
- Other	3,83	3,77	0,07
Provisions	0,16	1,04	(0,88)
Other	1,67	0,21	1,46
OPERATING CASH FLOW	80,29	95,38	(15,09)
Investment in rights	(94,58)	(94,10)	(0,48)
Investments, other	(1,97)	(2,19)	0,22
Change in working capital	(8,65)	11,24	(19,88)
OPERATING FREE CASH FLOW	(24,90)	10,32	(35,23)
Change in Equity	(0,04)	(0,34)	0,29
Financial investments	(1,15)	19,52	(20,67)
Dividends received	0,00	0,00	0,00
Dividend payments	0,00	0,00	0,00
Net Cash Change	(26,10)	29,50	(55,60)
INITIAL FINANCIAL POSITION	26,45	(28,05)	54,50
FINAL FINANCIAL POSITION	0,35	1,45	(1,10)

Total net investment in the first quarter 2012 reached €96.6 million.

During the first three months, the investment in third party rights amounted to €79.4 million, in Spanish fiction €15.0 million and in co-productions €0.2 million while investments in tangible and intangible fixed assets were €2.0 million.

Net investments 1Q2012
€96.6 million



3. Balance Sheet

Table 6: Summary Balance Sheet

	March 2012	December 2011
<i>Millions of €</i>		
Tangible assets	1.064,19	1.123,08
- Financial	769,48	825,91
- Non Financial	294,72	297,18
Audiovisual rights and Pre-payments	301,73	260,96
- Third parties	229,22	186,50
- Fiction	28,22	29,34
- Co-production / Distribution	44,29	45,11
Pre-paid taxes	161,97	158,13
TOTAL NON-CURRENT ASSETS	1.527,89	1.542,17
Current assets	302,00	302,89
Financial investments and cash	180,10	114,36
TOTAL CURRENT ASSETS	482,10	417,25
TOTAL ASSETS	2.009,99	1.959,42
Shareholders` equity	1.446,83	1.425,84
Non-current provisions	28,85	29,31
Non-current payables	12,21	5,49
Non-current financial liabilities	0,01	0,10
TOTAL NON-CURRENT LIABILITIES	41,07	34,89
Current payables	342,35	410,87
Current financial liabilities	179,75	87,82
TOTAL CURRENT LIABILITIES	522,09	498,69
TOTAL LIABILITIES	2.009,99	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 March 2012 was €0.35 million, an absence of debt which is certainly a very positive factor considering the difficulties in the financial markets.

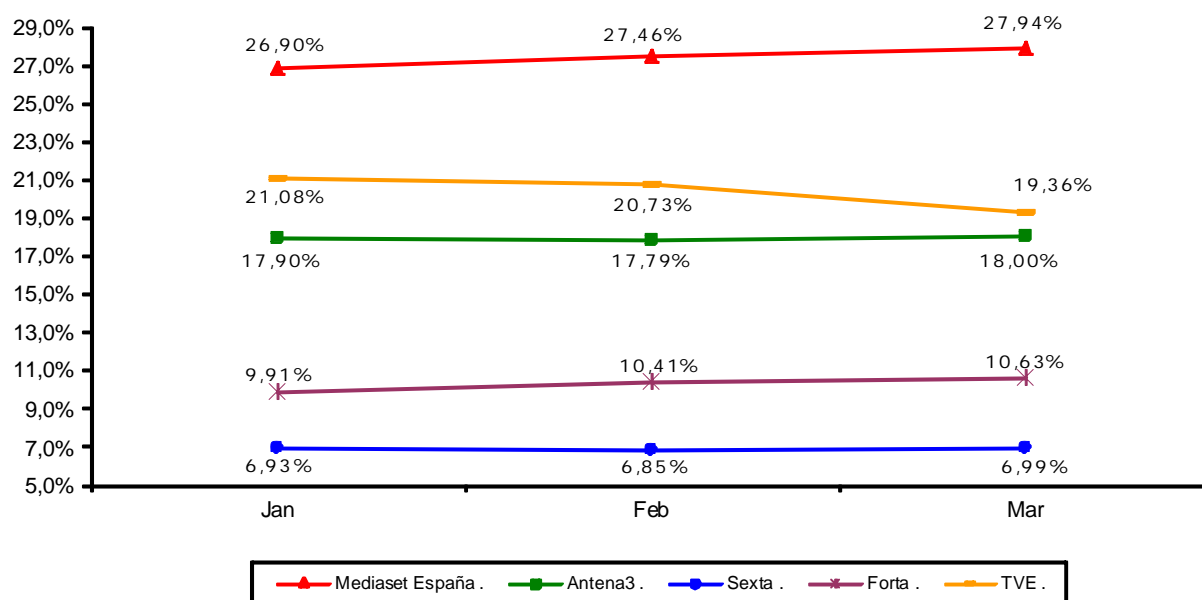
4. Audience share performance

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

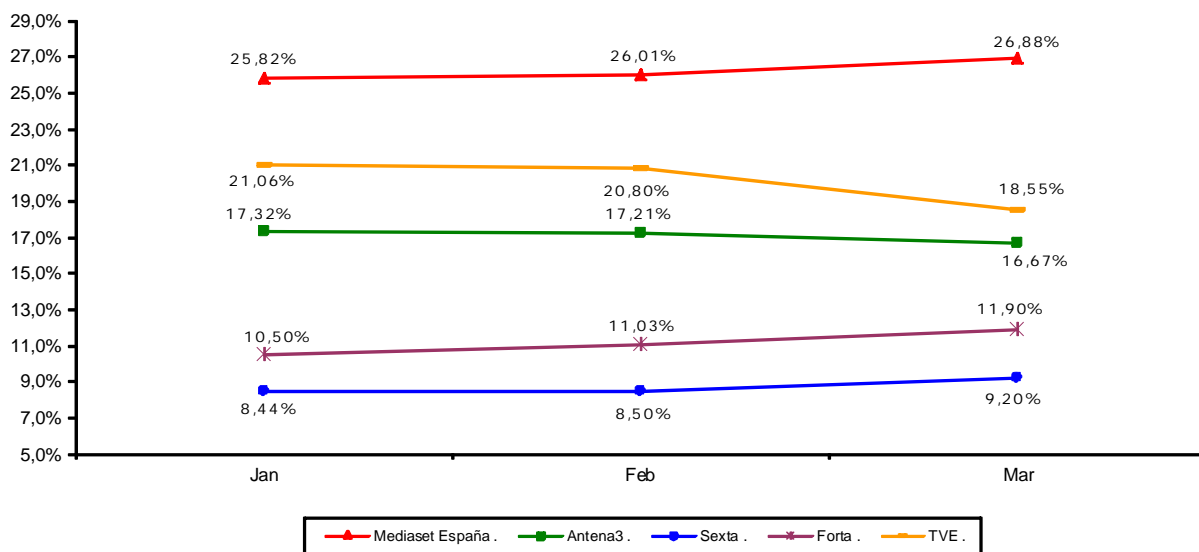
		1Q2012	1Q2011
Total Individuals	Total Day	27,4%	25,0%
	PRIME TIME	26,2%	23,6%
	DAY TIME	28,0%	25,7%
Commercial Target	Total Day	29,9%	27,1%
	PRIME TIME	28,3%	25,1%
	DAY TIME	30,8%	28,2%

The Group audience share in the first quarter 2012 consolidates Mediaset España as the leader of TVs in Spain. The audience share in total-individuals (total day) for the period, reached 27.4%, 9.5 points ahead of Antena3 Group (17.9%). Concerning the audience share in commercial target (total day), Mediaset España reached 29.9%, which represents an average 11.1 points ahead of Antena3 Group (18.8%).

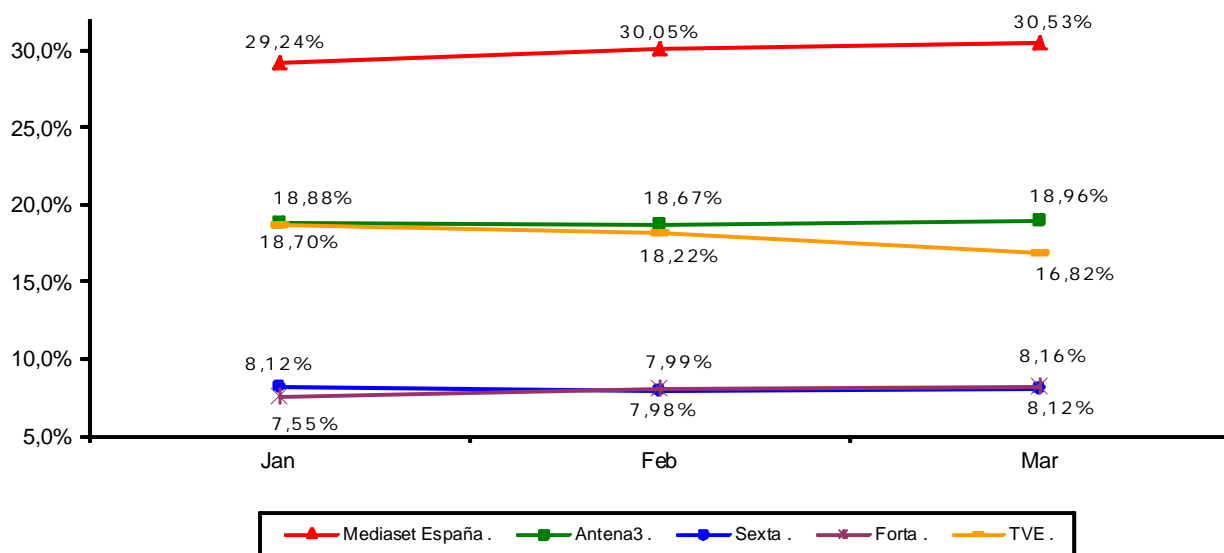
Audience Share, 24 Hours, Total Individuals (in %) per Group



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

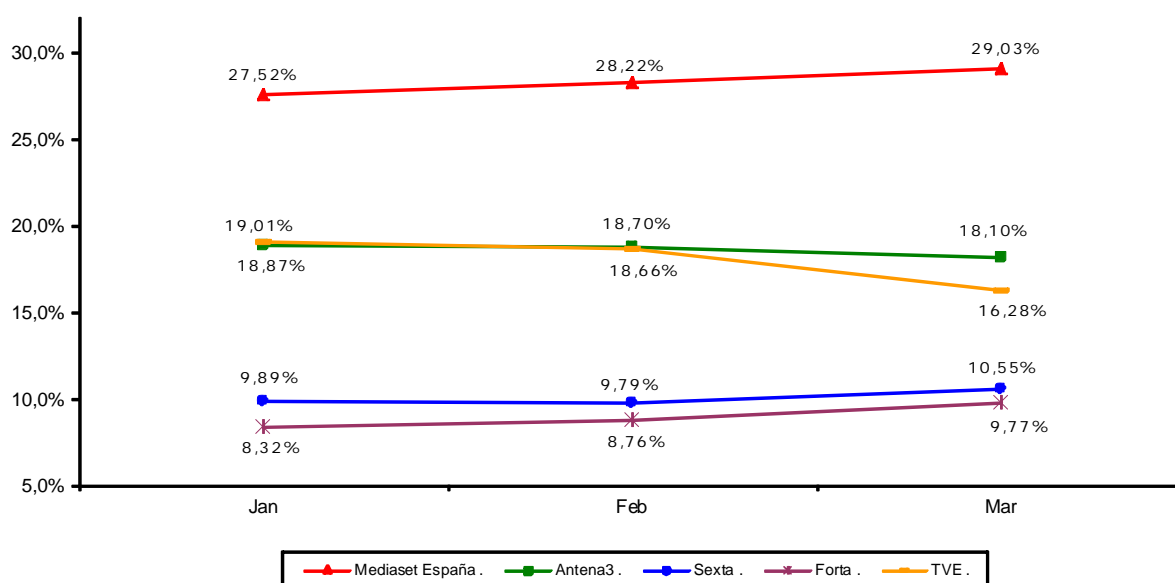


Table 8: January-March average audience share for Telecinco and Cuatro
TELECINCO & CUATRO

	TL5		CUATRO	
	1Q2012	1Q2011	1Q2012	1Q2011
Total Individuals				
Total Day	13,8%	14,0%	6,2%	6,4%
PRIME TIME	13,5%	12,9%	6,0%	6,0%
DAY TIME	13,9%	14,6%	6,3%	6,6%
Commercial Target				
Total Day	13,5%	14,0%	7,8%	8,0%
PRIME TIME	13,1%	12,6%	7,4%	7,6%
DAY TIME	13,7%	14,7%	7,9%	8,2%

At the end of the first quarter of 2012, the Telecinco channel reached 13.8% average audience share in total-individuals (total day), placing Telecinco as the leading commercial network 1.5 points ahead of Antena3 (12.3%).

Regarding the audience share in commercial target (total day), Telecinco (13.5%) is an average of 0.9 points ahead of Antena3 (12.6%).

Cuatro reaches an audience share of 6.2% total-individuals (total day) and 7.8% in commercial target, 1.4 points and 2.0 points respectively ahead of its main competitor La Sexta.

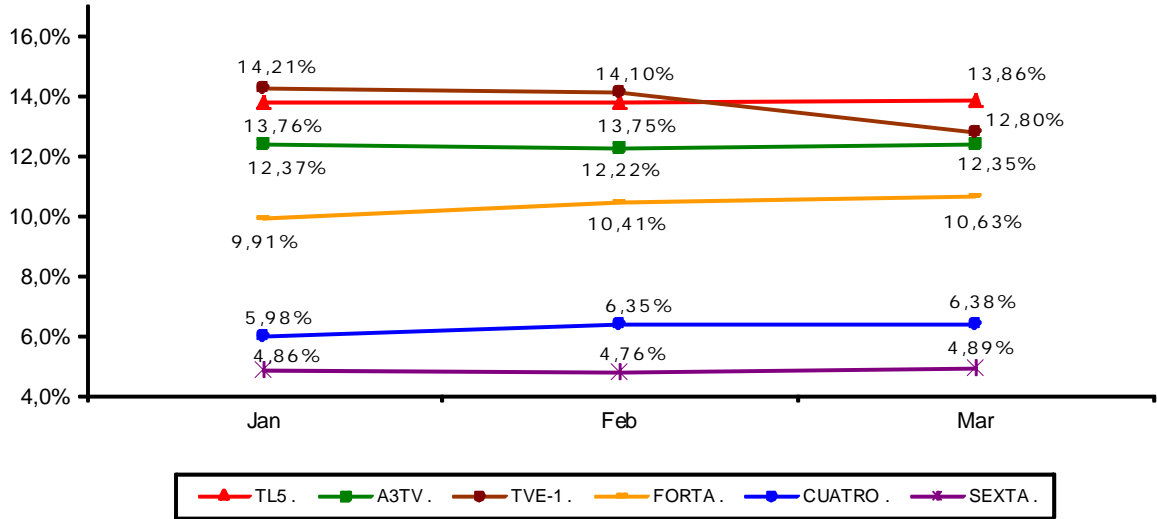
Telecinco continues to lead in prime time⁵ total-individuals with an average of 13.5% in the period, 2.1 points ahead of Antena3 (11.4%).

Cuatro reaches a share of 6.0% in prime time total-individuals in the first quarter of 2012.

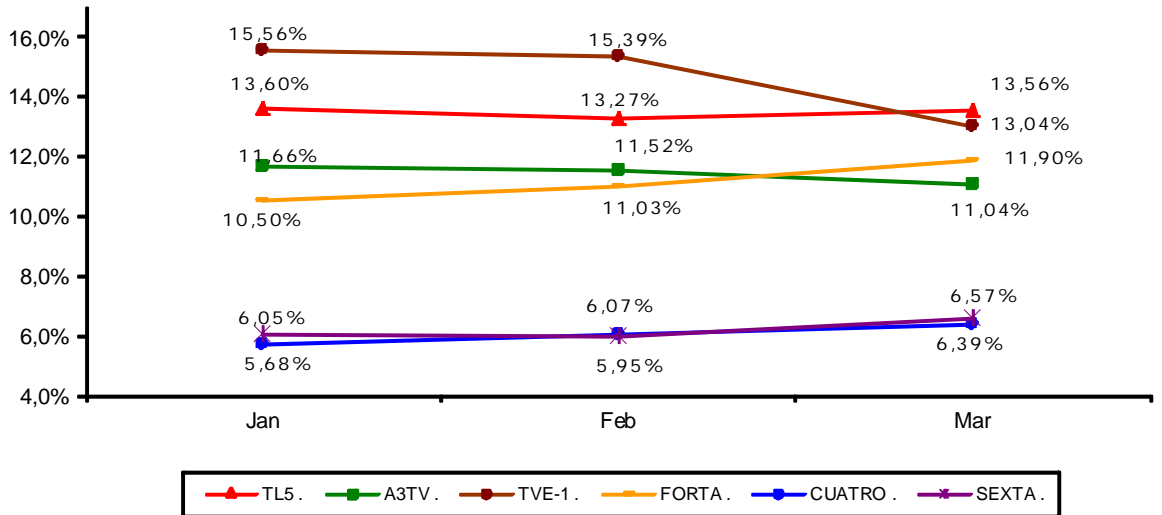
With regards to the commercial target audience share for 24 hours, prime time, and day time, Telecinco and Cuatro maintain the lead in the first quarter of 2012, increasing the distance from its main competitors.

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

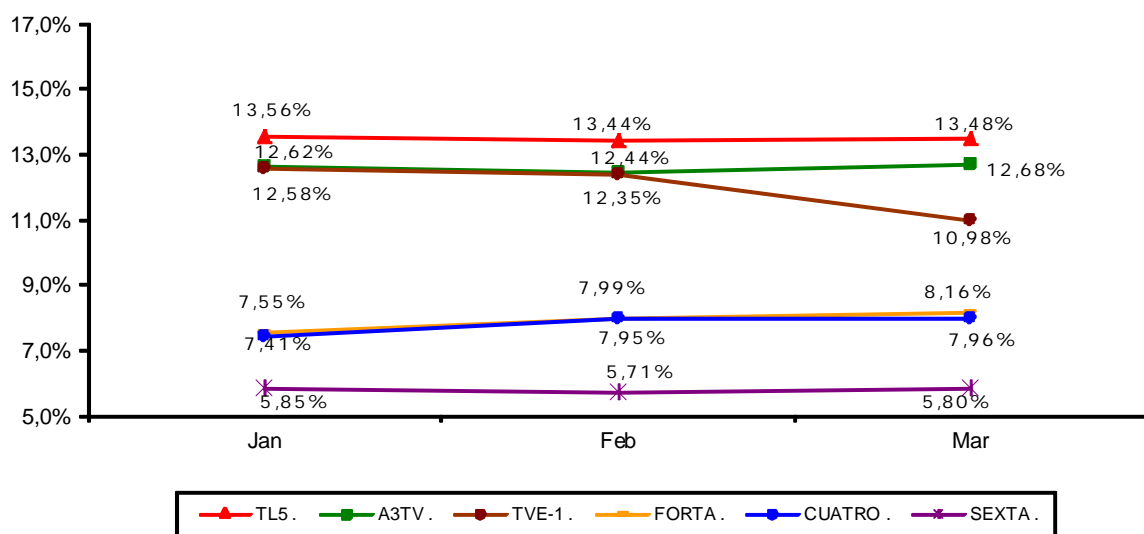
Audience Share, 24 Hours, Total Individuals (in %)



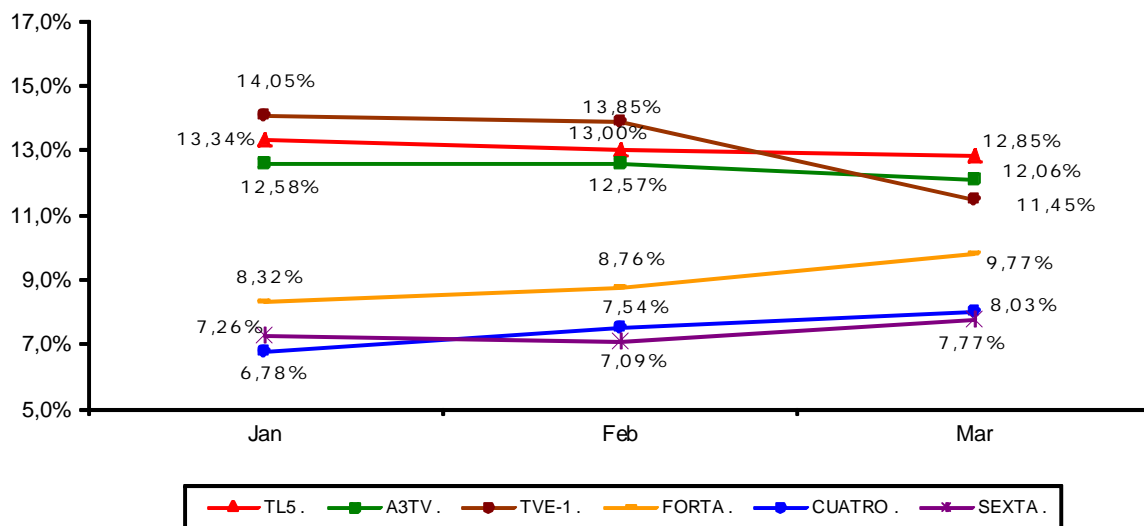
Audience Share, Prime Time, Total Individuals (in %)



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



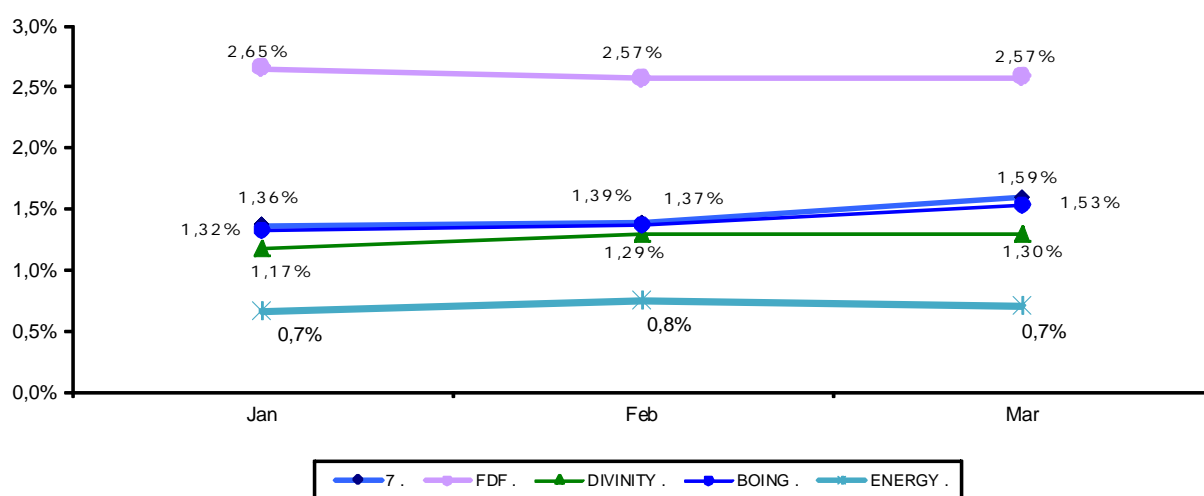
Audience Share, Prime Time, Commercial Target (in %)



In the first three 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 quarter of 2012, FACTORIA DE FICCION has reached a total audience share in total day of 2.6%, LA SIETE a share of 1.4%, BOING 1.4%, DIVINITY 1.3% and the new channel ENERGY, launched earlier this year, has achieved a good result in just three months, contributing 0.7% to the audience of the group. Overall, second generation channels, add up to a total share of 7.4%.

Audience Share, 24 hours, DTV %



Audience Share, Prime Time, DTV %

