



TELECINCO

**RESULTS
FIRST HALF 2008
(January – June)**

Madrid – 31 July, 2008

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1. Financial and operating highlights

Consolidated financial highlights for the year to June 30th 2008, include:

1. **Total Net Revenues** have reached €563.01 million whereas in the same period last year they were €571.91 million, this result (-1.6%) has been driven by the evolution of the advertising market in the last months of the semester. The “Gross Advertising Revenues of Television” in this period amount to €536.41 million while the “Advertising Revenues of Other Media” reached €8.74 million with an important increase compared to the same period last year; the “Total gross advertising revenues” amount to € 545.15 million, down 2.3% compared to the same period of 2007. Finally, the “Other Revenues” amount to €43.32 million with a “remarkable” increase compared to the results in the same period last year.

As per official figures published by INFOADEx the advertising investments in the first half 2008 in conventional medias declined by 6.5% and within them there was a reduction of 4.1% in Television. These figures show Telecinco's ability to perform better than the market, as a result of which the Group's share in the advertising total pie has increased to 31.4% (30.9% in 1H2007) and increased the gap with the main competitors: Antena 3, ranked second, is now at a distance of 7.8 points.

2. The average 19.1% **audience share** during the first six months of 2008, total-individuals (total day), confirms Telecinco as the leading television network ahead of TVE-1 (16.5%) by 2.6pp. Antena 3 (16.1%) is ranked in third position, 3pp from Telecinco.

Telecinco reaches, in total-individuals, a remarkable prime time¹ audience share of 20.5% distancing ourselves by 4.7pp from Antena 3, who are ranked second, and confirming last year's figures. Considering the fragmentation of audiences and the weight of “Prime Time” in the total advertising revenues the number is of great relevance. Telecinco consolidated its leadership across all segments of audience share, month by month since 1998 amounting to 114, and achieving a total individual audience in “commercial target²” of 20.8% for the total day and 22.4% in Prime Time, at a distance of 4.5pp and 6.5pp respectively from Antena 3.

Telecinco's **programming** continued to demonstrate its relative strength across all slots, especially in Prime Time. Notable audience shares³ were obtained for the programs “Yo Soy Bea” (25.9%), “Aída” (31.0%) and the fiction “Sin tetas no hay paraíso” (23.4%). As well as the American series “CSI Las Vegas” (24.4%), the music reality “Operacion Triunfo” (26.2%) and the reality “Survivor” (27.0%), “Camera Café” (20.1%), “Escenas de Matrimonio” (20.3%).

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

³ January-June average audience share.



The sport programs broadcasted by Telecinco achieved remarkable audience shares: The Formula 1 Championship with a share of 43.9%, the Spanish King's football cup with 37.9% and the Spanish football League with 29.1%.

3. During the first semester the Group reduced its **Total Operating Costs** by 1.1% reaching €275.80 million versus €278.89 million of last year. This reduction is mainly due to the reversal of a specific provision related to a legal action brought forward by a rights association and on which an out of-court agreement has been reached. Telecinco maintains its operating margins on a percentage basis at 51.7% (**adjusted EBITDA** margin) and 51.0% (from 51.2% in 2007 in terms of **EBIT** margin) confirming that we are one of the most profitable TV companies in Europe.
4. **Net profit**, after tax, was €198.87 million while the same time last year the figure stood at €211.58 million; the net profit margin reached 35.3%. If we isolate the accounting impact (after taxes) of the amortization of intangibles resulting from the "Purchase Price Allocation" (PPA) of Endemol which is recorded under the "Results of equity consolidated companies", then the adjusted result would improve by €11.80 million, reaching €210.67 million, that is basically the same number as in June 2007, with a margin over Net Revenues of 37.4% compared to 37.0% of 2007.
5. **Free cash flow** was €215.25million, decreasing by €12.01 million versus last year, mainly due to an increase in investments in the period and to a lower amortization which is only partially offset by an improvement in working capital.
6. **The net financial position** as of June 30th 2008 was €-117.43 million and that is after the distribution of the 2007 dividend for an amount of €317.56 million, representing €1.30 per circulating share and 90% pay-out ratio, made on May 7th 2008, and also post investment of €21.50 million in the Spanish speaking American TV company "CaribeVision".



2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

Millions of €	1H08	1H07	% change
TOTAL NET REVENUES	563,01	571,91	(1,6%)
Rights Amortisation	(65,11)	(79,55)	(18,2%)
Personnel	(42,17)	(39,61)	6,5%
Other operating costs	(164,75)	(157,29)	4,7%
Adjusted EBITDA	290,98	295,47	(1,5%)
Other amortisations, provisions	(3,78)	(2,45)	54,4%
EBIT	287,20	293,02	(2,0%)
Equity consolidated results	(20,68)	1,20	-
Financial results	(0,32)	7,80	-
Pre-tax profits	266,20	302,02	(11,9%)
Income taxes	(73,99)	(90,86)	(18,6%)
Minority interests	6,66	0,41	-
Net profit	198,87	211,58	(6,0%)
Adjusted Net profit	210,67	211,58	(0,4%)

As mentioned before, compared with the same period last year and under consistent conditions, the Adjusted Net Profit amount to €210.67 million.

The difference of €11.80 million is entirely due to the post-tax impact of the amortisation of intangibles at Edam level resulting from the difference between the price paid and the net accounting value of the Group at the time of acquisition (known as "Purchase Price Allocation" or PPA) and which is included under the "Results of equity consolidated companies". This constitutes an accounting convention that neither affects the value nor the cash flow of the Endemol Group.



2.1. Revenues

Table 2: Revenues

	1H08	1H07	% change
Gross advertising revenues	545,15	558,12	(2,3%)
- <i>Television</i>	536,41	550,39	(2,5%)
- <i>Others</i>	8,74	7,73	13,1%
Discounts	(25,46)	(24,28)	4,8%
Net advertising revenues	519,69	533,84	(2,6%)
Other revenues	43,32	38,08	13,8%
TOTAL NET REVENUES	563,01	571,91	(1,6%)

Gross advertising revenues in the first half of 2008 achieved €545.15million.

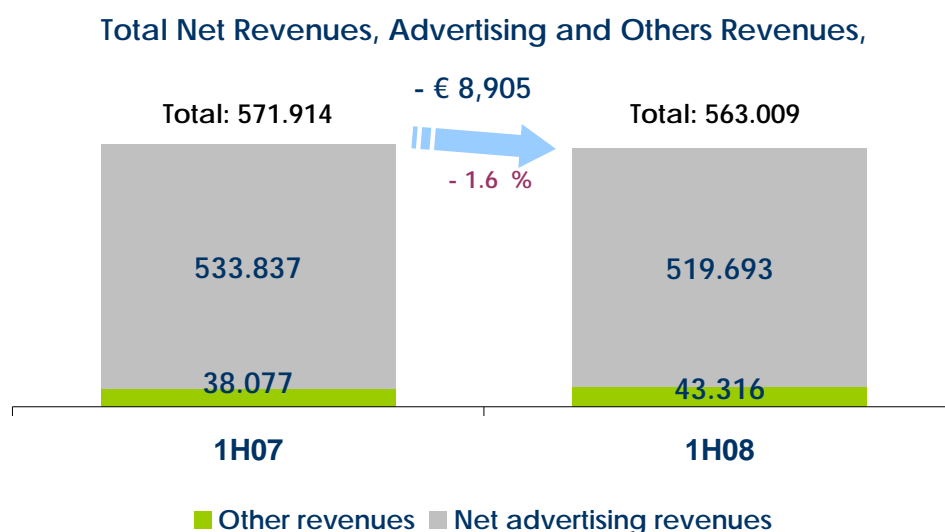
Television's Gross advertising revenues reached €536.41million versus €550.39 million for the same period 2007 with a drop of 2.5% versus 2007, that is a lower decline than the TV advertising market (-4.1%) in the period.

The **Other advertising revenues** reached €8.74 million increasing by 13.1% 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 €519.69million.

"**Other revenues**", which includes mainly the sale of coproduction film rights, merchandising rights and audio text services, etc. amounted to €43.32 million with an increase of 13.8% versus the same period last year.

Finally, **Total Net Revenues** amounted to €563.01million, showing a slight decline of -1.6% compared with the same period of the previous year.



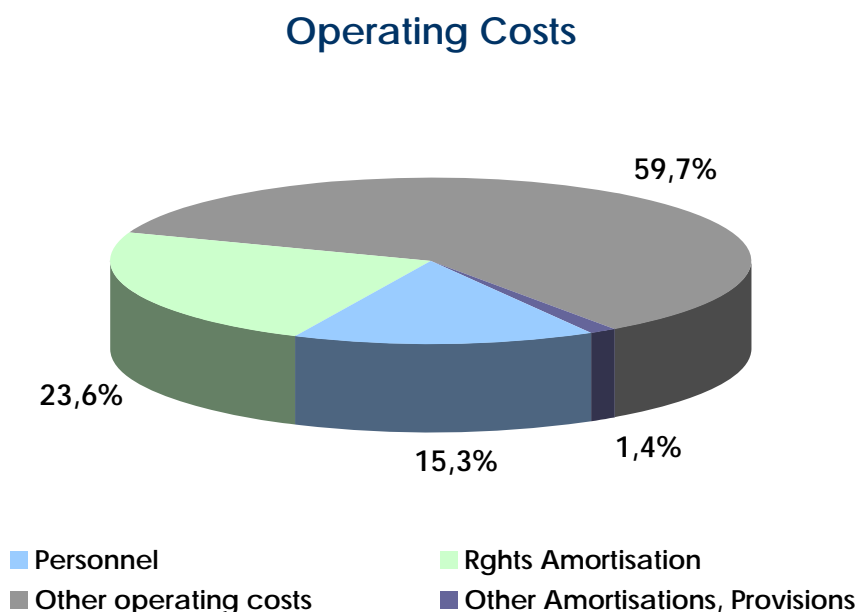


2.2. Operating costs

Total operating costs, which amounted to €275.80million, decreased by 1.1% mainly due to the reversion of a specific provision, as mentioned before, and a lower cost of sales related to non-advertising revenues. In any case, excluding the exceptional impact of undoing the aforementioned reserve, the operating costs would have increased by just 1%.

Table 3: Operating costs

<i>Millions of €</i>	1H08	1H07	% change
Personnel costs	42,17	39,61	6,5%
Rights amortisation	65,11	79,55	(18,2%)
Other operating costs	164,75	157,29	4,7%
Other amortisation and provisions	3,78	2,45	54,4%
TOTAL OPERATING COSTS	275,80	278,89	(1,1%)



Telecinco's in-house production continues to dominate the network's programming in terms of broadcasting hours. In the first half of 2008, 86.9% of broadcasted programmes were in-house produced and the remaining 13.1% were external productions (compared with an 84.9% and 15.1% for the same period of 2007).



2.3 Operating profit and margins

Adjusted EBITDA⁴ reached €290.98million, slightly down by €4.49 million or -1.5% vs. 2007.

Net operating profit (EBIT) was €287.20million down by 2.0%.

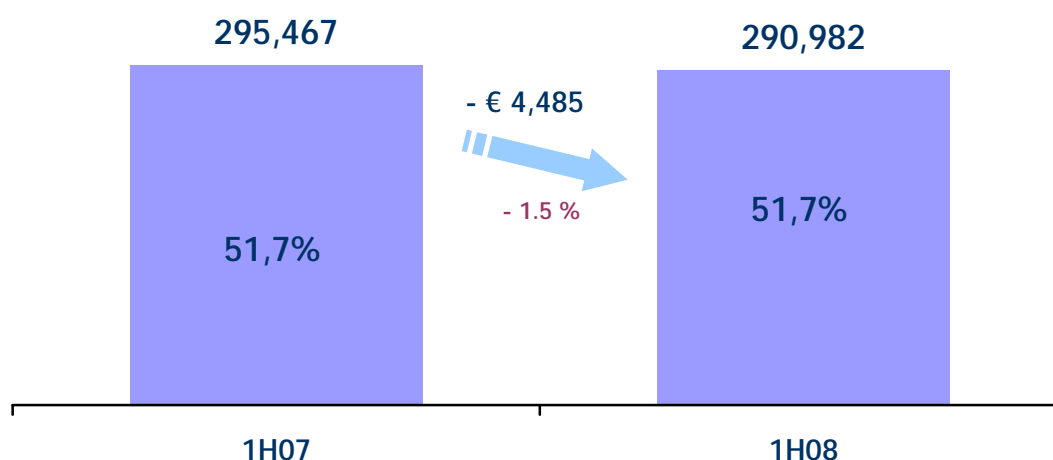
It's important to highlight that the operating margins of the company are in line with last year in spite of the advertising market deteriorating since May. The **adjusted EBITDA** margin in the first half 2008 reaches 51.7% equalling the figure recorded in the same period last year. The **EBIT** margin just falls 0.2% to a healthy 51.0% almost identical to last year's 51.2%.

Table 4: Margins

Millions of €	1H08	1H07	% change
Total Net Revenues	563,01	571,91	(1,6%)
Adjusted EBITDA	290,98	295,47	(1,5%)
EBIT	287,20	293,02	(2,0%)
Net Profit	198,87	211,58	(6,0%)
Adj. Net Profit	210,67	211,58	(0,4%)
Adj.EBITDA / Total Net Revenues	51,7%	51,7%	
EBIT/ Total Net Revenues	51,0%	51,2%	
Net Profit / Total Net Revenues	35,3%	37,0%	
Adj. Net Profit / Total Net Revenues	37,4%	37,0%	

Although, as explained before, the net revenues were slightly down in 1H08 the operating margins (**EBITDA and EBIT**) have remained practically unchanged on a percentage basis, demonstrating the efficiency of the business model under changing market conditions.

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



⁴ (EBITDA post-rights amortisation)
www.inversores.telecinco.es



2.4. Financial result and equity consolidated companies

Financial income totalled €-0.32 million decreasing, compared with the previous year (€7.8 million). This reduction is explained by a lesser excess cash as a result of the Group's investment in 2007 for the acquisition of their share in Endemol that took place in Q3 and for the 2007 dividend distribution of €317.56 million (a pay-out of 90%) paid on May 7th 2008.

A negative result is shown from **equity consolidated companies**⁵ totalling €20.68million. This loss is mainly related to Endemol and is explained almost entirely by the impact of amortization of intangibles following the Purchase Price Allocation (PPA) and, as explained above, does not affect the value or the cash flow of the Endemol Group.

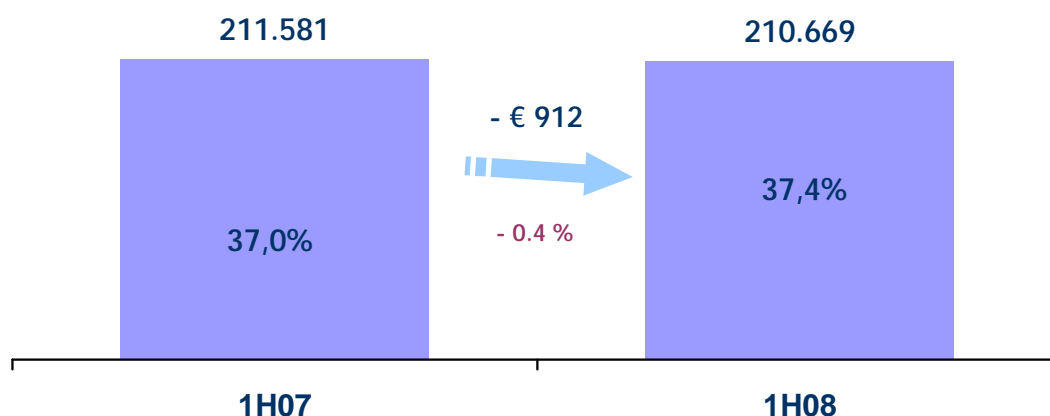
2.5. Profit for the period January-June 2008

Pre-tax profit corresponding to the first half of 2008 reached €266.20 million versus €302.02 million for the same period of 2007, down by €35.82 million (-11.9%). This is mainly due to the accounting impact of the participation in Endemol.

After a €73.99 million corporate income tax expense (compared with €90.86 million in 2007) calculated on the basis of the official rate in place, the **net profit after minority interests** reached €198.87 million, with a decrease of €12.71million or -6.0% over 2007.

Isolating the impact of the amortization of intangibles following the "PPA" of Endemol, which amounts to €1.80 million, the Adjusted Net Profit reaches €210.67 million.

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



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



3. Cash flow generation

The **Operating free cash flow** in the first half 2008 amounts to €215.25 million, compared to €227.26 in the same period of 2007. The difference of €12.01million is mainly due to a higher investment in rights (most significantly co-production of movies) and to a lower amortization of rights which are only partially offset by an improvement in working capital. This improvement is based on lesser amounts due from clients on the back of reduced advertising revenues in May and June and also on the conversion of a long term provision into short term commitment.

Table 5: Cash Flow

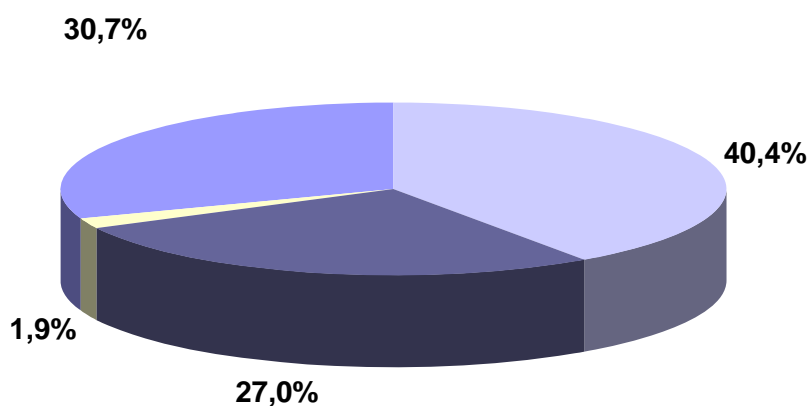
<i>Millions of €</i>	<i>1H08</i>	<i>1H07</i>	<i>Change in millions of €</i>
Net profit	198,87	211,58	(12,71)
Amortisation:	67,71	81,89	(14,19)
- Rights	65,11	79,55	(14,44)
- Other	2,60	2,34	0,26
Provisions	1,18	0,11	1,07
Other	4,66	10,05	(5,39)
OPERATING CASH FLOW	272,42	303,63	(31,21)
Investment in rights	(124,65)	(87,95)	(36,70)
Investments, other	(2,44)	(2,70)	0,27
Change in working capital	69,91	14,28	55,63
OPERATING FREE CASH FLOW	215,25	227,26	(12,01)
Change in Equity	(6,84)	60,65	(67,49)
Financial investments	(23,06)	1,47	(24,53)
Dividends received	1,64	1,21	0,43
Dividend payments	(317,56)	(314,25)	(3,31)
Net Cash Change	(130,58)	(23,66)	(106,92)
INITIAL FINANCIAL POSITION	13,15	396,14	(382,99)
FINAL FINANCIAL POSITION	(117,43)	372,48	(489,91)

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



Total net investment increased by €36.44million in 1H2008 compared to the same period last year, reaching €127.09 million, mainly by investment in Spanish fiction (+€8,63millions) and co-production (+€39.00 million), while there was a decrease in investment in third party rights (-€10.93 million). Which is in line with the business strategy of the Group, as explained by the following chart:

**Net investments 1H08:
€127.09 millions**



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



4. Balance Sheet

Table 6: Summary Balance Sheet

	June 2008	December 2007
<i>Millions of €</i>		
Tangible assets	545,90	532,80
- Financial	487,86	472,25
- Non Financial	58,04	60,55
Audiovisual rights and Pre-payments	245,19	186,12
- Third parties	124,37	104,67
- Fiction	32,74	29,34
- Co-production / Distribution	88,09	52,11
Pre-paid taxes	14,01	19,56
TOTAL NON-CURRENT ASSETS	805,11	738,48
Current assets	243,29	269,14
Financial investments and cash	28,35	74,84
TOTAL CURRENT ASSETS	271,64	343,98
TOTAL ASSETS	1.076,74	1.082,46
Shareholders` equity	551,81	662,49
Non-current provisions	71,26	90,09
Non-current payables	1,58	0,67
Non-current financial liabilities	62,08	60,60
TOTAL NON-CURRENT LIABILITIES	134,91	151,37
Current payables	306,31	267,51
Current financial liabilities	83,71	1,10
TOTAL CURRENT LIABILITIES	390,02	268,61
TOTAL LIABILITIES	1.076,74	1.082,46

The evolution of the **library** in the period is in line with business' strategy and the investment policy of the company. It shows a flat evolution of Spanish fiction rights (in-house production) and 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. Finally, the library of third party rights shows an increase versus the December levels which is due to the timing of capitalization of such rights.

Current Assets are down due to a lower cash position as result of the dividend distributed in May and to a lower balance of commercial customers.

Current liabilities have increased versus December 2007 due to an increased provision for taxes as result of the official calendar of payments on account for this concept.

The **Net financial position** reached, at the end of June 2008, was €-117.43 million and this after the payment of €317.56 million in dividends and the above mentioned acquisition with a share in CaribeVision.



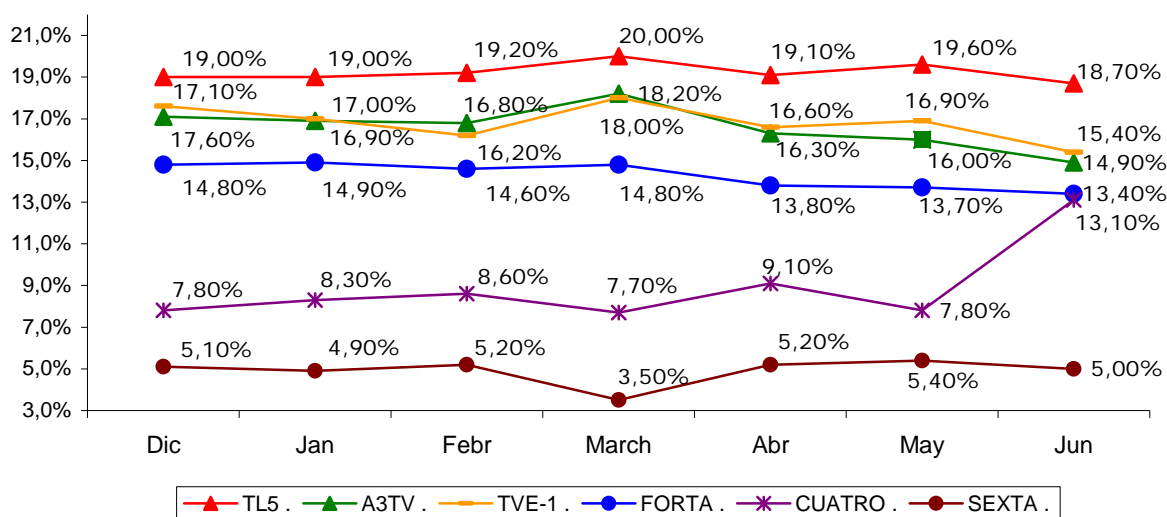
5. Audience share performance

Table 7: January-December average audience share

		1H08	1H07
Totals Individuals	Total Day	19,1%	20,4%
	PRIME TIME	20,5%	20,6%
	DAY TIME	18,4%	20,3%
Commercial Target	Total Day	20,8%	22,7%
	PRIME TIME	22,4%	23,4%
	DAY TIME	20,0%	22,3%

Telecinco has a leading audience share of 19.1% at the close of the first half with a significant advantage well ahead of TVE1 (16.5%) and Antena 3 (16.1%). During the first half of 2008 Telecinco has consolidated its leadership position as well as maintaining the gap with the main competitors. At the end of June, Telecinco had accumulated 28 consecutive months of audience leadership.

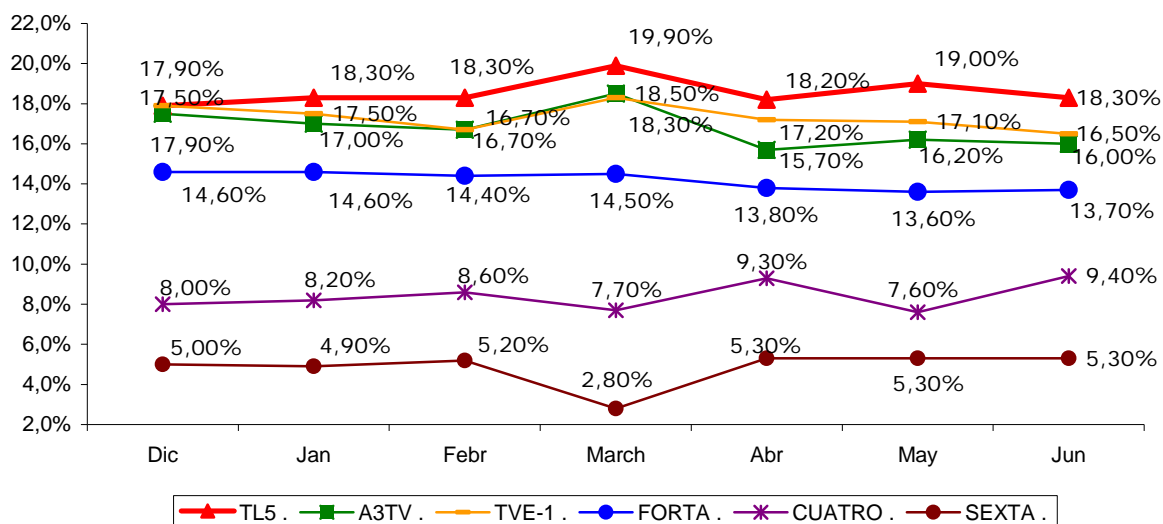
Audience Share, 24 Hours, Total Individuals (in%)





With regard to “day time” audience share, Telecinco consolidated its leadership and managed to keep the audience above 18%, reaching an average of 18.4% at the end of the first half 2008 maintaining its competitive advantage versus other TV stations.

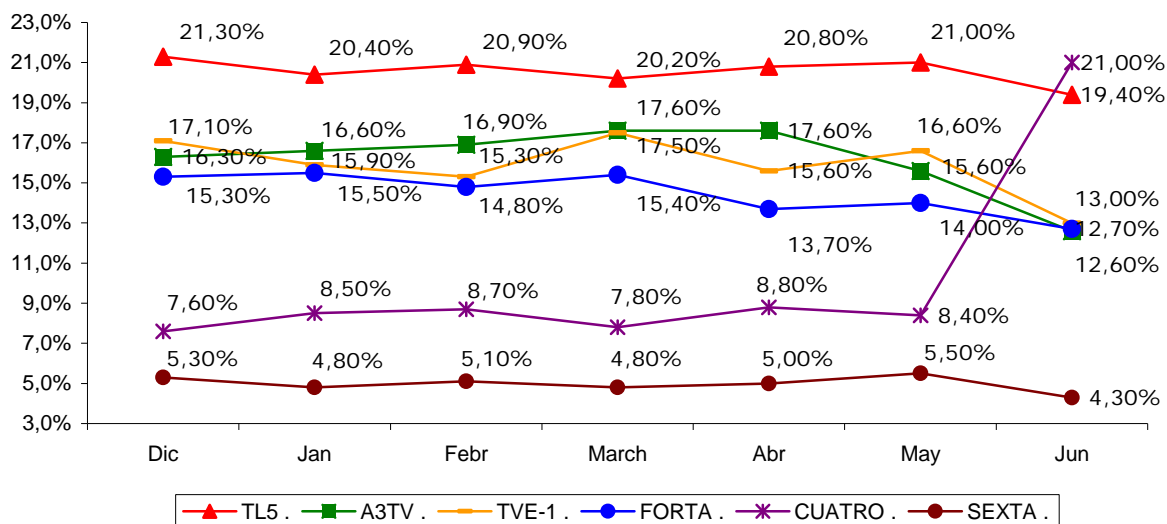
Audiencia Share, Day Time, Total Individuals (in%)



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 exceed a 20% audience. In June 2008 the distance with its immediate competitor has grown by 4.7 points. It is important to highlight the performance of Cuatro during the month of June, the channel broadcasted the football matches for EURO2008 which was won by Spain.

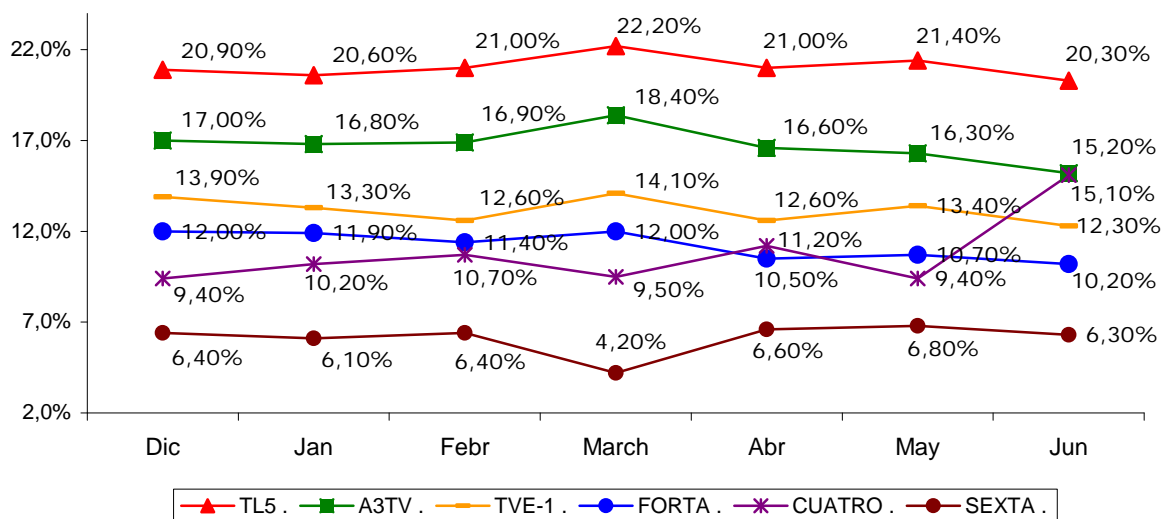


Audience Share, Prime Time, Total Individuals (in%)



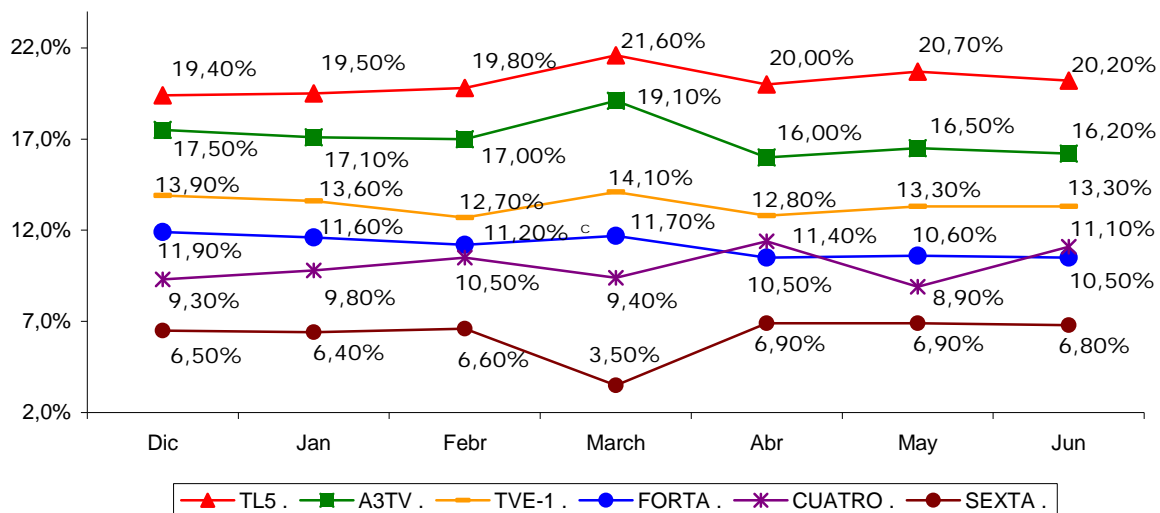
With regards to the commercial target audience share for 24 hours, day time and prime time, Telecinco maintains the lead, which is also reinforced by the audiences in the first half of 2008.

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





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



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

