



TELECINCO

NINE MONTHS RESULTS 2009 (January – September)

Madrid – October 29th, 2009

CONTENTS:

1. Financial and operating highlights
2. Profit and loss account
3. Cash flow generation
4. Summary balance sheet
5. Audience share performance

1. Financial and operating highlights

Consolidated financial highlights for the year to September, include:

1. The company results are, once more, hit by the consequences of the crisis that is still affecting the world economies. **Total Net Revenues** in the first nine months of 2009 reached €432.25 million, -41.2% versus the same period of 2008. The “Gross Advertising Revenues of Television” in this period amount to €406.52 million, while the “Advertising Revenues of Other Media” totalled €7.97 million with an increase of 1.2% compared to last year. The “Total gross advertising revenues” amount to €414.49 million, 41.1% lower than 2008. Finally, the “Other Revenues” amount to €37.60 million with a decrease of -41.3% versus last year. This is mainly due to the fact that the decline in the economy is affecting consumption and this can be pin pointed as the origin of the decline in Call TV, SMS and Merchandising revenues.
2. The 15.0% average **audience share** in the first nine months of 2009, total-individuals (total day), situates Telecinco as the third television network just 0.1 behind Antena 3 (15.1%) who are second in the ranking. The leader during the period was TVE-1 (16.4%) thanks to its aggressive programming strategy.

In total-individuals prime time¹ Telecinco’s audience share reaches 16.8% distancing them from TVE-1 by 0.4pp and leaving Antena 3 in third position at a distance of 2.7pps. In “Commercial Target²” the audience of Telecinco was 17.0% in Prime Time, at a distance of 1.9pp and 3.1pp from Antena 3 and TVE-1 respectively. The audience total day “Commercial Target” of Telecinco was 15.5% just 0.2pp behind the leader Antena 3 and 1.9pp ahead of TVE-1.

As per the audience of the digital channels, since the beginning of September 2009, and with the analogue switch off approaching the Group launched a new programming strategy in order to increase audiences. On September 30th LA SIETE reached an audience in 24 hours, total individuals (total TV) of 0.80% increasing the audience by 90% as of June 30th (0.42%). FACTORIA DE FICCION, the other digital channel, got an audience of 0.55% increasing by 22% the number achieved on June 30th. At the end of September, Telecinco as a group of channels attained a total audience of 17.5% distancing by 0.4pp the audience reached by the other commercial group Antenna3, which stood at 17.1%.

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. During the period the Group reduced its **Total Operating Costs** by 14.8% reaching €349.75 million opposed to the €410.60 million reached last year. This **decrease** is mainly due to the cost control policy that the company has stressed since the beginning of the crisis. Part of this reduction is due to the reversal of a provision as already mentioned in the results presentation of the first half year.

On a percentage basis and despite the advertising market decline, Telecinco maintains its incomparable operating margins. The **Adjusted EBITDA**⁵ margin reached 20.6% and 19.1% in terms of **EBIT**. This result confirms that Telecinco is one of the most profitable TV companies in Europe.

Given the weak conditions of the advertising market, the reliability of operating margins and strict cost control policy are the two most important elements that will ensure the natural development of the business through this crisis. Telecinco relies on a privileged position thanks to its traditional cost management and control, and the strength of its margins.

4. **Net profit**, after tax, was €62.16 million; the net profit margin reached 14.4%. 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 €16.30 million, reaching €78.46 million with a margin over Net Revenues of 18.2%.
5. **Free cash flow** was €70.02 million with a Net Profit Adjusted conversion rate into Free Cash of 16.2%.
6. **The net financial position** as of September 30th 2009 was €-176.93 million, €59.9 of this is a long term loan from Mediaset to the Group for the acquisition of Endemol, this means that bank debt amounts to €117.0 million.

⁵ (EBITDA post-rights amortisation)

7. Profit and loss account

Table 1: Consolidated Profit and Loss Account

<i>Millions of €</i>	9M09	9M08	% change
TOTAL NET REVENUES	432,25	734,89	(41,2%)
Rights Amortisation	(101,13)	(104,07)	(2,8%)
Personnel	(59,28)	(63,28)	(6,3%)
Other operating costs	(182,88)	(238,11)	(23,2%)
Adjusted EBITDA	88,96	329,43	(73,0%)
Other amortisations, provisions	(6,46)	(5,14)	25,7%
EBIT	82,50	324,29	(74,6%)
Equity consolidated results	(26,36)	(29,97)	(12,1%)
Financial results	2,34	(1,93)	-
Pre-tax profits	58,48	292,39	(80,0%)
Income taxes	0,00	(73,27)	-
Minority interests	3,68	9,25	-
Net profit	62,16	228,38	(72,8%)
Adjusted Net profit	78,46	242,38	(67,6%)

As previously mentioned, compared to the same period last year and under consistent conditions, the Adjusted Net Profit amounted to €78.46 million a margin over Net Revenues of 18.2%.

The difference of €16.30 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 (known as "Purchase Price Allocation" or PPA). This constitutes an accounting convention which neither affects the value nor the cash flow of the Endemol Group, whose operational results remain satisfactory.

2.1. Revenues

Table 2: Revenues

	9M09	9M08	% change
Gross advertising revenues	414,49	703,68	(41,1%)
- Television	406,52	695,79	(41,6%)
- Others	7,97	7,88	1,2%
Discounts	(19,83)	(32,87)	(39,7%)
Net advertising revenues	394,65	670,80	(41,2%)
Other revenues	37,60	64,09	(41,3%)
TOTAL NET REVENUES	432,25	734,89	(41,2%)

Gross advertising revenues in the first nine months of 2009 reached €414.49.

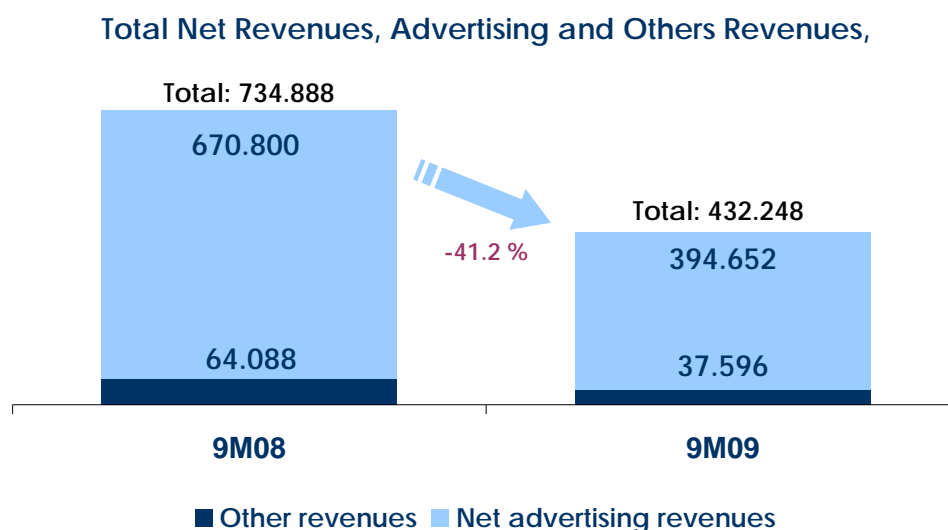
Television's Gross advertising revenues, which include advertising revenues from analogue and digital channels, reached €406.52 million.

The **Other advertising revenues** made €7.97 million increasing by 1.2% compared to 2008 and include advertising revenues from other platforms such as the Internet, thematic channels and teletext, etc.

Net advertising revenues after commissions and allowances reached €394.65 million.

“**Other revenues**”, which mainly include the sale of coproduction film rights, merchandising rights, SMS and audio text services amounted to €37.60 million with a decrease of 41.3% versus last year. This reduction is mainly due to the consequences of the economic slowdown that the country is experiencing is that it has affected consumption and this has reduced Call TV, SMS and Merchandising revenues.

Finally, **Total Net Revenues** amounted to €432.25 million.



2.2. Operating costs

Total operating costs, amounted to €349.75 million, decreased by 14.8% compared to last year; this result is due once more to our long-established cost control policy. This cost control policy is *a well established trademark of the Group*. We also have to highlight that during this period we released a tax provision, of roughly €34 million, that was no longer necessary. In any case, excluding this exceptional item both in 2009 and in 2008, the operating costs would have decreased by 7.8%.

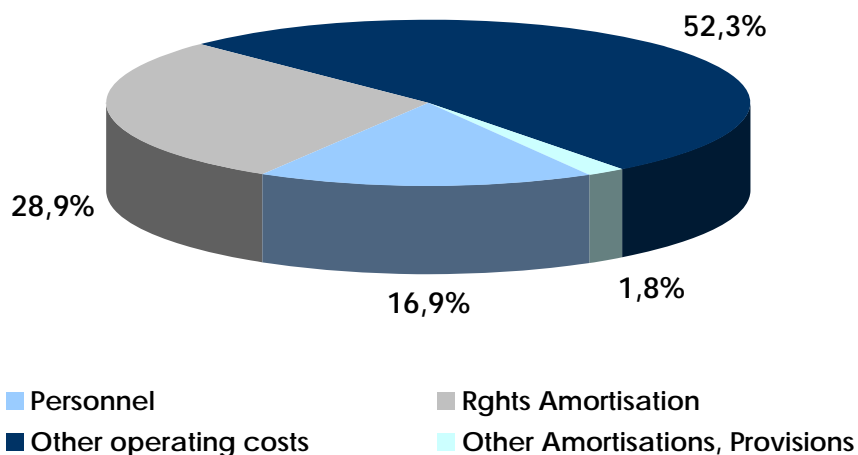
At the end of September the Group accounted for, given the best interpretation of the law, the 3% legal contribution of the total gross revenues invoiced as foreseen by the Law 8/2009 dated August 28th 2009 regarding the financing of the Spanish State TV (Corporacion de Radio y Television Española).

Table 3: Operating costs

Millions of €	9M09	9M08	% change
Personnel costs	59,28	63,28	(6,3%)
Rights amortisation	101,13	104,07	(2,8%)
Other operating costs	182,88	238,11	(23,2%)
Other amortisation and provisions	6,46	5,14	25,7%
TOTAL OPERATING COSTS	349,75	410,60	(14,8%)

Telecinco's in-house production continues to dominate the network's programming in terms of broadcasting hours. In the first nine months of 2009, 84.6% of broadcasted programmes were produced in-house and the remaining 15.4% were external productions (compared with an 85.6% and 14.4% in the same period of 2008).

Operating Costs



2.3 Operating profit and margins

Adjusted EBITDA reached €88.96 million, a margin over revenues of 20.6%.

Net operating profit (EBIT) was €82.50 million with a margin over revenues of 19.1%.

It's important to highlight that the operating margins of the company, in spite of the deterioration of the advertising market, are at a remarkable level.

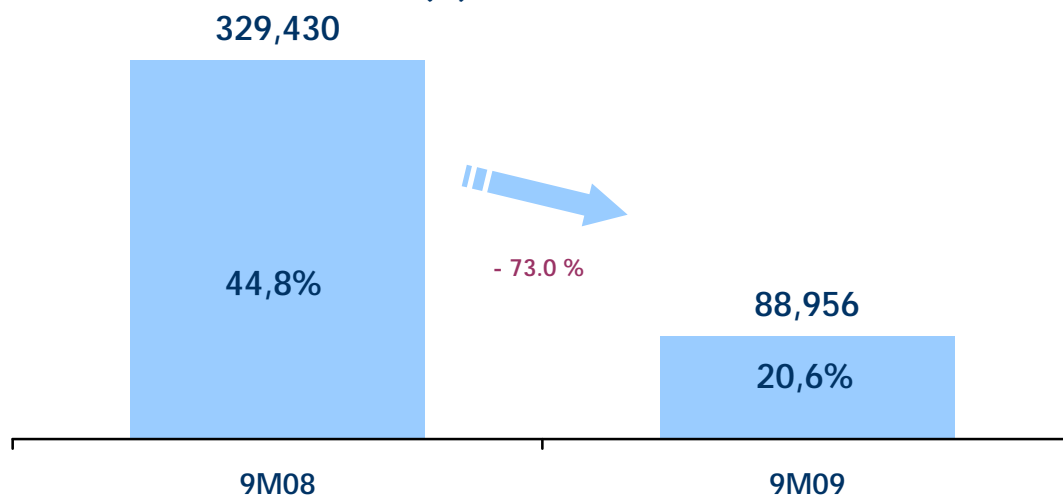
Table 4: Margins

Millions of €	9M09	9M08	% change
Total net revenues	432,25	734,89	(41,2%)
Adjusted EBITDA	88,96	329,43	(73,0%)
EBIT	82,50	324,29	(74,6%)
Net profit	62,16	228,38	(72,8%)
Adjusted Net profit	78,46	242,38	(67,6%)
Adj.EBITDA / Total net revenues	20,6%	44,8%	
EBIT/ Total net revenues	19,1%	44,1%	
Net profit / Total net revenues	14,4%	31,1%	
Adj. Net Profit / Total Net Revenues	18,2%	33,0%	

As explained before, the net revenues were down in this period, but the operating margins (**EBITDA and EBIT**) have remained, on a percentage basis, in the region of 20%, 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 €2.34 million, mainly due to the revenues arising from long term financial assets recognized as “amortized costs”.

A negative result is shown from the **equity consolidated companies**⁴ totalling €26.36 million. This negative figure is mainly related to the losses of Edam Acquisition Holding Coop. which includes the PPA amortization partially offset by the gains generated by the repurchase of part of its own debt at discount.

This result includes the losses from the investment in Caribevision.

2.5. Profit for the period January – September 2009

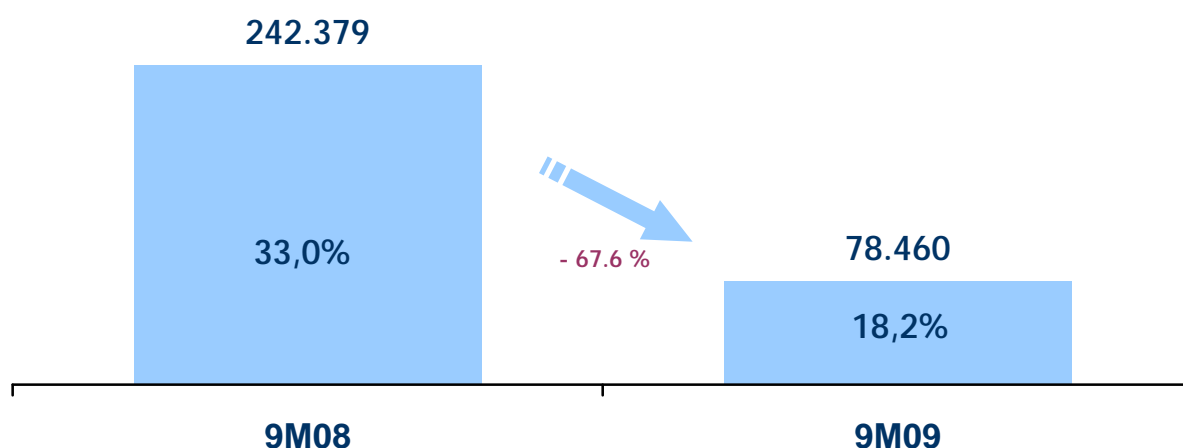
Pre-tax profit, corresponding to the period, reached €58.48 million, this is basically due to the above mentioned flexion of the advertising market.

No corporate income tax expense is included in the period taking into consideration the accrued tax deductions related to the investments in Spanish fiction, that offset the amount of taxes due. The **net profit after minority interests** reached €62.16 million.

The impact of the amortization of intangibles following the “PPA” of participated companies (mainly Endemol) amounts to €16.30 million so that the Adjusted Net Profit reaches €78.46 million a margin of 18.2% which is a clear indication of the capacity of Telecinco’s business model to react to and resist the adverse market situation.

Adjusted Net Profit (million €)

Adjusted Net Profit / Total Net Revenues (%)



3. Cash flow generation

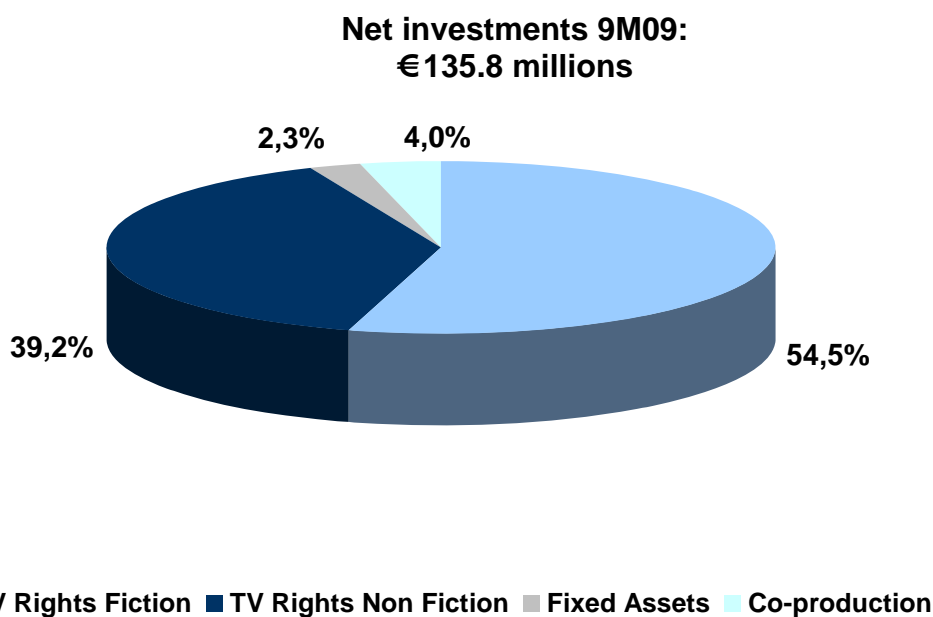
The **Operating Free Cash Flow** in the first nine months of 2009 amounts to €70.02 million, the reduction versus last year is explained by much lower revenues that have an impact on client’s payments. In any case it’s important to underline the Group’s cash generation capacity under adverse market conditions; this is a notable strength of the enterprise during this time.

Table 5: Cash Flow

⁴ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Pegaso Television Inc. (35%), Big Bang Media S.L. (30% indirect shareholding) and Publieci 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).

Millions of €	9M09	9M08	Change in millions of €
Net profit (without minority interests)	58,48	228,38	(169,90)
Amortisation:	107,01	108,48	(1,47)
- Rights	101,13	104,07	(2,94)
- Other	5,88	4,41	1,47
Provisions	0,54	0,73	(0,19)
Other	29,39	17,37	12,02
OPERATING CASH FLOW	195,42	354,96	(159,54)
Investment in rights	(132,62)	(155,37)	22,75
Investments, other	(3,18)	(4,36)	1,18
Change in working capital	10,40	88,42	(78,02)
OPERATING FREE CASH FLOW	70,02	283,65	(213,63)
Change in Equity	(2,83)	(8,58)	5,75
Financial investments	(9,79)	(23,43)	13,64
Dividends received	1,79	1,64	0,15
Dividend payments	(210,27)	(317,56)	107,29
Net Cash Change	(151,08)	(64,28)	(86,80)
INITIAL FINANCIAL POSITION	(25,85)	13,15	(39,00)
FINAL FINANCIAL POSITION	(176,93)	(51,13)	(125,80)

Total net investment decreased by €23.9 million in the first nine months of 2009 compared to last year, reaching €135.8 million. This is mainly due to a decrease in investment co-production (-€34.9 million); investments in third party rights increases by +€11.0 million and in investments in Spanish fiction slightly increased by +€1.1 million, versus the same period of last year, as explained by the following chart:



4. Balance Sheet

Table 6: Summary Balance Sheet

	September 2009	December 2008
<i>Millions of €</i>		
Tangible assets	305,99	323,61
- Financial	252,39	264,49
- Non Financial	53,60	59,12
Audiovisual rights and Pre-payments	221,36	190,74
- Third parties	123,14	96,57
- Fiction	31,07	27,26
- Co-production / Distribution	67,15	66,90
Pre-paid taxes	81,30	26,31
TOTAL NON-CURRENT ASSETS	608,65	540,66
Current assets	124,83	251,79
Financial investments and cash	12,31	35,11
TOTAL CURRENT ASSETS	137,13	286,90
TOTAL ASSETS	745,78	827,56
Shareholders` equity	311,02	461,47
Non-current provisions	45,23	43,80
Non-current payables	0,36	0,22
Non-current financial liabilities	75,92	59,81
TOTAL NON-CURRENT LIABILITIES	121,50	103,83
Current payables	199,94	261,10
Current financial liabilities	113,32	1,15
TOTAL CURRENT LIABILITIES	313,26	262,25
TOTAL LIABILITIES	745,78	827,56

The evolution of the **library** examples stability within the different categories and is in line with the business' strategy, and shows an increase in third parties rights and is in line with the accounting rules applied by the Group.

Current Assets are down due to a lower cash position resulting from the recent dividend payment and a lower balance of commercial clients as a result of lower revenues.

Non current liabilities are in line with the figures reached as of December 31st 2008, while **current liabilities** increases for the utilization of the available credit lines, partially compensated by the reduction of the amounts due for Taxes as a result of lower revenues.

The **Net financial position** reached, at the end of September 2009, was €-176.93 million.

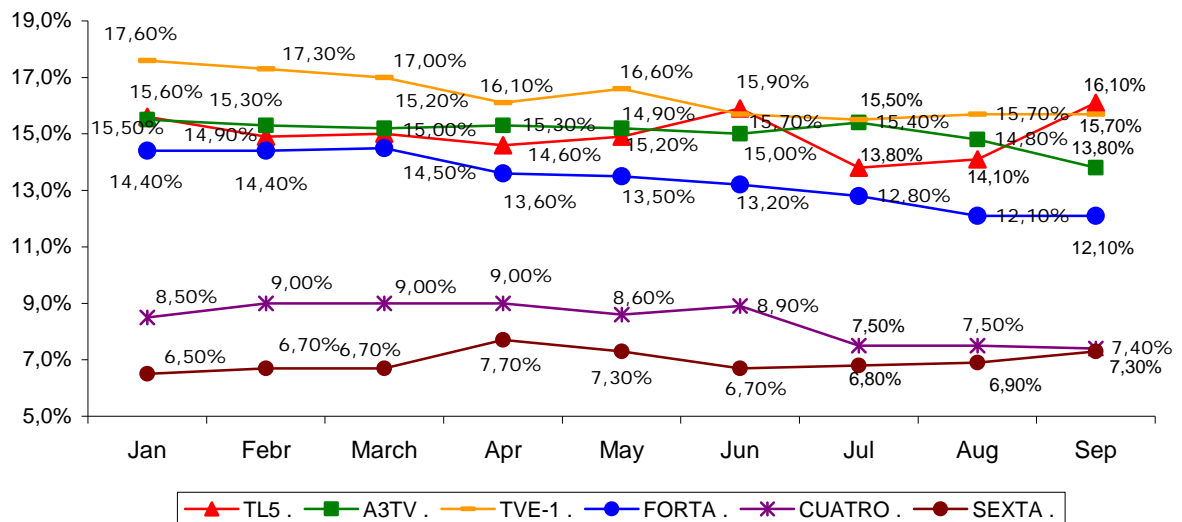
5. Audience share performance

Table 7: January-September average audience share

		9M09	9M08
Totals Individuals	Total Day	15,0%	18,4%
	PRIME TIME	16,8%	20,3%
	DAY TIME	14,2%	17,6%
Commercial Target	Total Day	15,5%	20,1%
	PRIME TIME	17,0%	22,0%
	DAY TIME	14,7%	19,1%

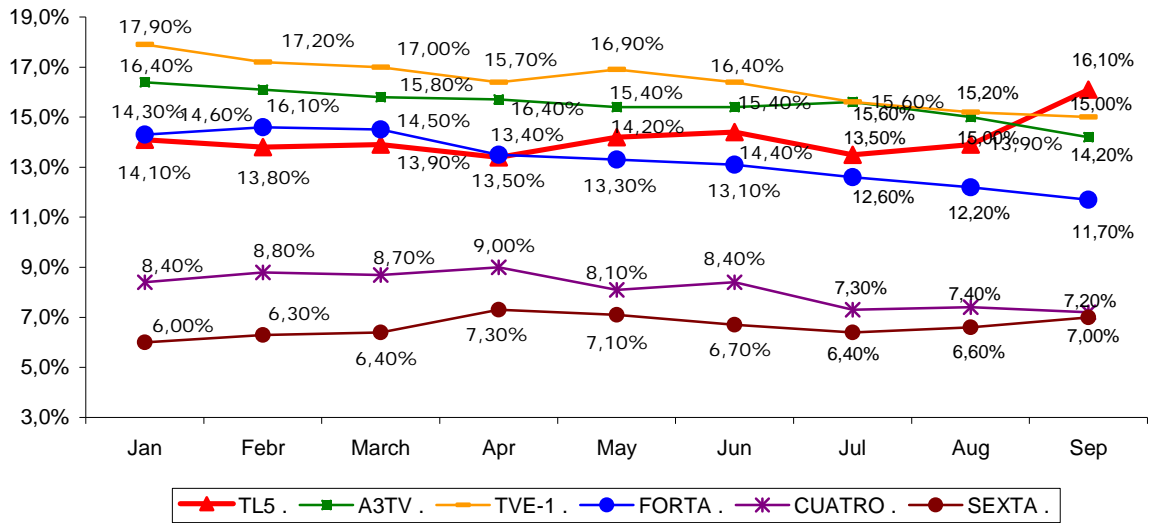
At the end of the first nine months of 2009 Telecinco reached 15.0% average audience share in total-individuals (total day) and situates Telecinco as the third television network just 0.1 points behind Antena 3 (15.1%) who are second in the ranking. Thanks to its aggressive programming strategy TVE-1 was the leader during the period with 16.4%

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



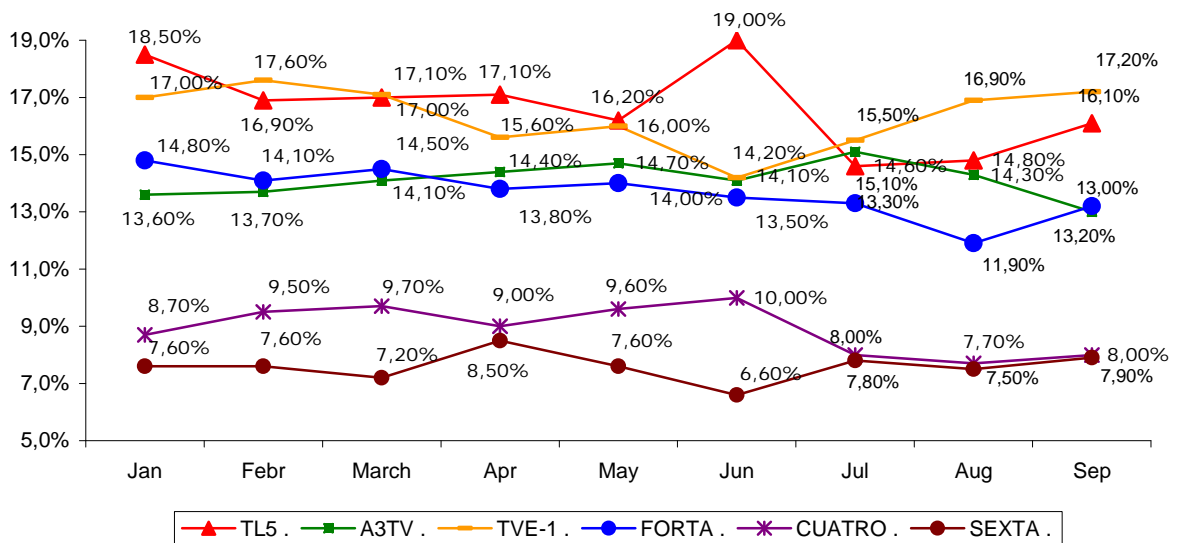
With regards to “day time” audience share, Telecinco achieves an average of 14.2%, even though they have suffered losses in some afternoon slots, they are maintaining a competitive position versus the other broadcasters and shows a clear recovery since the lowest figures were recorded in April 2009.

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



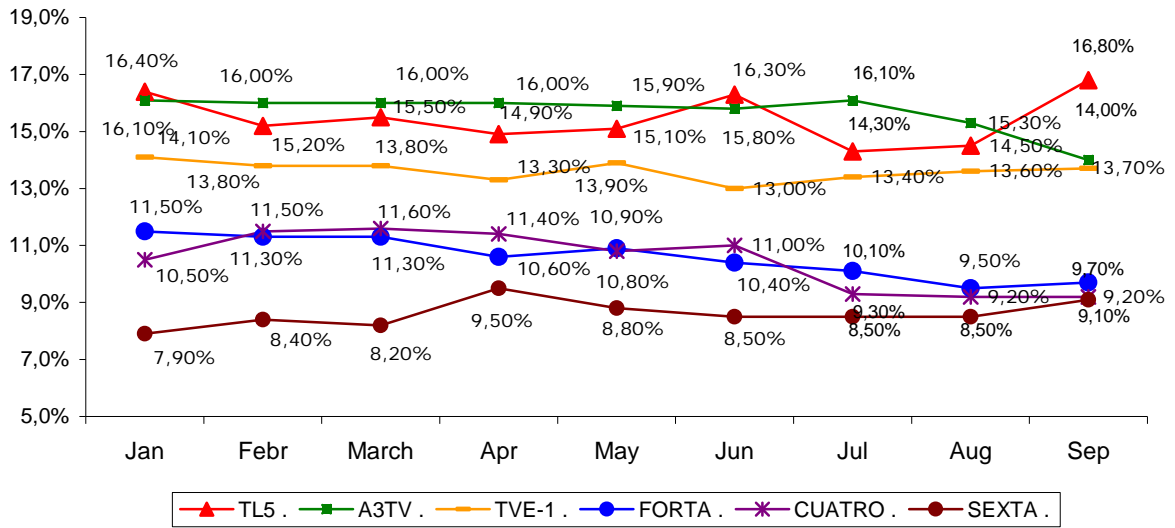
Telecinco preserves its leadership in prime time total-individuals beating TVE-1 by 0.4pp and Antena 3, who are ranked third, by 2.7 points.

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

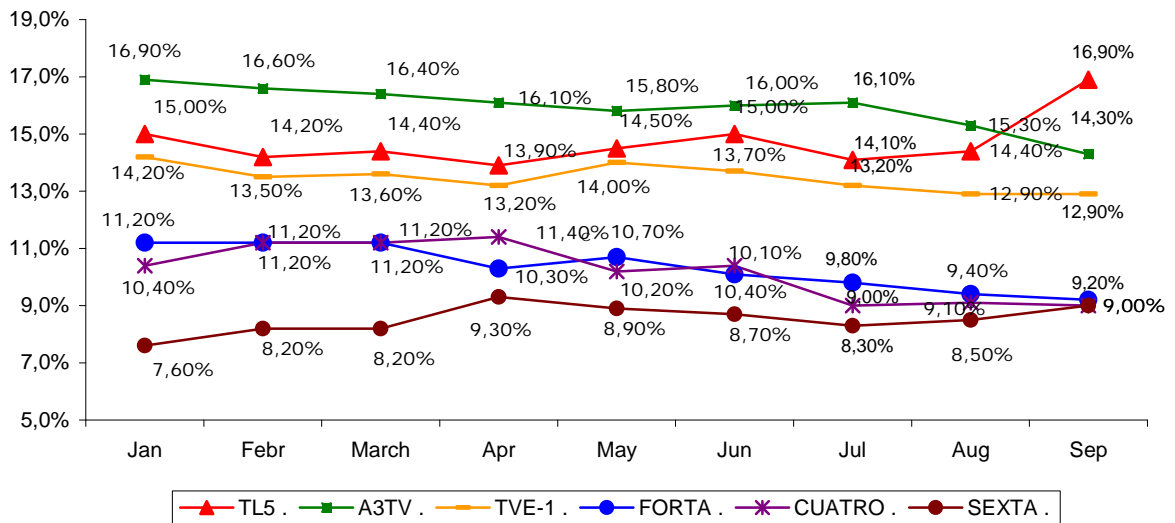


With regards to the commercial target audience share for 24 hours, prime time, and day time, Telecinco maintains the lead in the first nine months of 2009.

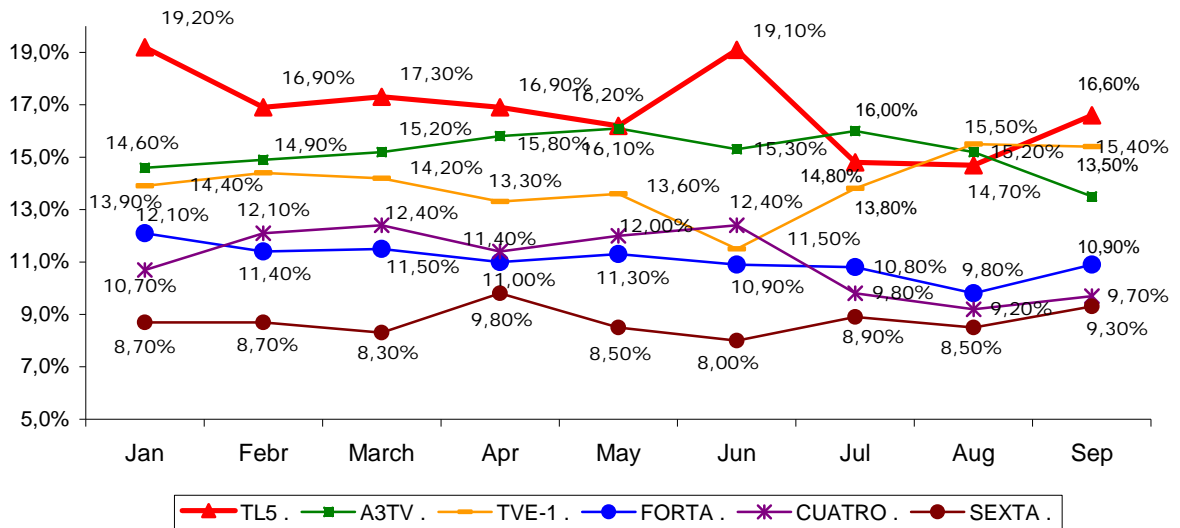
Audiencia Share, 24 Hours, Commercial Target (in%)



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



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



During the month of September the Group launched a new digital strategy reinforcing the programming grid for its digital channels due to the approaching of the imminent analogue switch off established on April 2010. LA SIETE (La7) the main digital channel of the Group reached an audience share of 0.80% in 24 hours as of September 30th, total individuals and Total TV, increasing by 0.38pp the audience reached in June 2009. With this raise of +90% La7 prevails over Nova, the second digital channel from the Group Antenna3 which ended September with an audience of 0.75%. Also the second digital channel of Telecinco FACTORIA DE FICCION (FDF) increased its audience share, by 0.10pp versus June 2009, up to 0.55%.

Both the figures shown by La Siete and Factoría de Ficción are highly satisfactory, in just one month of new programming strategy the channels increased their figures reducing the gap with the other digital channels. This result demonstrates the ability of the Group's digital strategy to optimize the investments at the right moment without losing the competitive position in the digital world and preserving audiences from the main channel.

Audiencia Share, 24 hours, DTV %

