

Telecinco Annual General Meeting 2009

Giuseppe Tringali's Speech

Thank you, Mister President.

Hello and welcome.

Once again, we are here with you, our shareholders, to analyse and communicate the results of the 2008 financial year.

2008 was more difficult than 2007. For the market in general this was because the first symptoms of economic slowdown appeared, and for Telecinco in particular, it was because defending our market leadership year after year is a complicated task.

What's more, nobody expected that the economic crash seen in the second part of 2008 would be so fast or extreme, or that it would be capable of leading us to negative GDP growth rates. If advertising investment in the first half fell slightly, in the second half it dropped drastically, painting an entirely different landscape.

Despite this, we can still say that we are proud of having achieved three important, fundamental goals:

- Maintaining leadership in advertising turnover for yet another year. Total gross advertising revenues amounted to €934.84 million. This is a drop of 11.1% on 2007's result, which we are not happy about, but it is completely in line with the fall in advertising markets seen throughout the media sector.
- Keeping our leading position in the advertising market with a 30.8% share, a fantastic result given the environment in which we have had to compete.
- Assuring our leadership in the average advertising price of our product, equalling 2007's figures in a market that has moved from one of demand to one of supply, pushing prices down as a result.

The difficulty of achieving these results becomes clear if we add the start of the crisis and significant audience fragmentation to the over-saturation of operators in a market which, as I mentioned before, is no longer driven by demand, but by supply, and where there is not enough money to go around...

In such difficult times, continuing to be the reference channel in both audience share and advertising investment requires a lot of effort but is very worthwhile. This is demonstrated by the fact that we have extended our advertising revenue lead on our main competitors.

This was possible thanks to the contribution of our professionals, something we highlight every single year, as they form the two essential parts of one unique team:

- The content professionals, innovators who never give up in the search for a better product and who accept new challenges with the same enthusiasm they showed on their first day.
- The professionals from the advertising section, people who know how to get deep into the psyche of our advertisers and become their marketing strategy advisors. It is a competent team whose services are recognised and admired by the whole market.

In recent years, the creative development brought about by *Special Initiatives* has been a key part of achieving this.

Today more than ever, content and advertising are united as they strive to satisfy demanding advertisers who want to be "inside" television programmes with novel formulae linked to 360° content. Our Special Initiatives have always differentiated us from our competitors and in 2008 accounted for a 16.3% share of our turnover, reaffirming them as an essential formula for improving our advertisers' visibility and efficiency.

Speaking of results about which we are happy, I must highlight the considerable efforts made by the Publimedia Gestión team and its new subsidiary, Advanced Media. 2008 was a difficult year for many, but even more so for emerging and small media, which suffered crisis-related investment cuts. I'd like to congratulate our team on closing 2008 with an investment of almost €35 million, a 10.4% increase on last year.

Speaking of cost management, something on which we have always placed great emphasis, I don't want to forget the management team, which managed to save 5.5% in the commercial area in 2008.

In short, Telecinco, Publiespaña, Publimedia and Advanced Media are a great team that knows how to hold their own and we are sure that they will continue to do so on every day of what is going to be a complicated 2009.

What can we say about 2009? It will surely be a difficult year. We are operating in the same environment as everyone else, but unlike them, we have a background and professional preparation that forces us to perform well.

1. We will continue to deliver a quality service and advice that demonstrates to our advertisers how we differ from the competition. These advertisers will need this more than ever in order to be able to get the most out of campaigns that will inevitably suffer budgetary cuts.

2. We will continue to contain costs without letting it affect our commercial mission.

3. We will make a considerable effort to get the most out of new technologies, such as DTT and internet, as they could bring us new and positive surprises.

Summing up: each one of us, whether we are part of Telecinco Televisión, Publiespaña, Publimedia or Advanced Media, is facing into 2009 with more strength than ever, with more determination and with the will to close this year with the best possible results in the current, challenging environment.

Many thanks to you all.