



TELECINCO

**RESULTS
THIRD QUARTER 2007
(January – September)**

Madrid – 31 October, 2007

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1. Financial and operating highlights

Consolidated financial highlights for the year to September, include:

1. **Total Net Revenues** grew by 10.0% compared with the same period last year, amounting €770.95 million. This growth has been driven by a 9.3% increase in the gross advertising revenues of Telecinco (€739.89 million), a 27.1% growth in “non TV - advertising revenues” (€10.65 million) and by the increase of “other revenues” that climbed to €53.03 million (+17.4%).

In the third quarter 2007 Telecinco has proved its undisputed leadership and competitive strength achieving a new record in revenues. Publiespaña’s advertising revenues have shown high growth despite a more difficult environment with increased competition.

The average 20.3% **audience share** during 9M07 in terms of total-individuals (total day), places Telecinco as the leading television network ahead of Antena 3TV (17.7%) by 2.6 pp. TVE-1 maintains the third position in the ranking (17.2%). Telecinco is the only broadcaster with a total-individuals audience share above 20% while consolidating its leadership in terms of the most attractive audience for advertisers: Total-individuals prime time audience share¹ was 20.4%. With regard to commercial target², Telecinco's audience share was 22.7% in terms of total-day audience and 23.3% in the prime time slot.

Telecinco's **programming** continued to demonstrate its strength and stability with high audience share figures across all slots. Notable audience shares were reported³ for the programmes “Yo Soy Bea” (35.2%), “Los Serrano” (23.8%), and “Aida” (27.9%), “La Que Se Avecina” (21.5%), the American series “CSI Las Vegas” (28.8%), as well as “Gran Hermano 9” (31.4%), “Camera Café” (22.8%), “Escenas de Matrimonio” (24.9%), “La Noria” (21.3%) and “Aquí Hay Tomate” (24.9%). The Formula 1 Championship has achieved an audience share of 47.0%, in the new season.

2. **Total operating costs** were €409.40 million and grew by 6.7%. This cost growth includes costs related to the integration of Jumpy and the setting-up of Mediacinco Cartera S.L. Excluding the before mentioned items, costs corresponding to the TV business grow in line with the guidance given by the Company at the beginning of the year.
3. **Adjusted EBITDA**⁴ grew by 13.7% to €366.16 million, and **EBIT** totalled €361.55 million (+13.9%). The resulting operating margins were 47.5% for EBITDA (adj.)/total net revenues and 46.9% for EBIT/total net revenues. Telecinco continues to be one of the most profitable companies in its sector.
4. **Net profit**, after taxes, was €262.82 million, up 14.6% compared with the same period in 2006. The net profit margin achieves 34.1%.

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 January-September average audience share.

⁴ Post-rights amortisation



5. **Free cash flow** was €366.51 million, with **operating cash flow** up €50.69 million, compared with the same period in 2006, to €402.29 million.
6. **The net financial position** as of September 30th 2007, was €11.71 million and includes the financial investment in Endemol made by Mediacinco Cartera S.L. (75% of total share capital). The distribution of dividends amounting to €314.25 million, charged to 2006 results (pay-out 100%), took place on May 3rd.
7. Gestevisión Telecinco increased in 1Q07 from 50% up to 100% its stake in Europortal Jumpy España S.A., therefore is consolidated from 1st March by the global consolidation method.
8. On July 3rd 2007 the Consortium comprising Mediacinco Cartera (Telecinco 75%, Mediaset 25%), Cyrte Fund II and GS Capital Partners acquired, from Telefonica, the 99.7% of **Endemol Investment Holding** for a global amount of €2,629.6 millions. Subsequently the Consortium acquired a 6% shareholding of Endemol N.V. from Cyrte Fund II and launched a public offering for the acquisition of the remaining 19% of the floating capital. All the above mentioned acquisitions were paid at a price of €24.55 per share (ex-dividend). At the end of the public offering for the acquisition of Endemol N.V. the consortium has a participation of 99.73%. The company was de-listed on September 12 2007.



2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

Millions of €	9M07	9M06	% change
TOTAL NET REVENUES	770,95	700,87	10,0%
Rights Amortisation	(115,85)	(111,46)	3,9%
Personnel	(59,35)	(56,73)	4,6%
Other operating costs	(229,60)	(210,72)	9,0%
Adjusted EBITDA	366,16	321,96	13,7%
Other amortisations, provisions	(4,61)	(4,64)	(0,8%)
EBIT	361,55	317,31	13,9%
Equity consolidated results	2,56	0,49	428,8%
Financial results	6,86	6,82	0,5%
Pre-tax profits	370,97	324,62	14,3%
Income taxes	(108,74)	(95,07)	14,4%
Minority interests	0,59	(0,25)	(334,5%)
Net profit	262,82	229,30	14,6%

2.1. Revenues

Table 2: Revenues

	9M07	9M06	% change
Gross advertising revenues	750,54	685,08	9,6%
- Telecinco	739,89	676,70	9,3%
- Others	10,65	8,38	27,1%
Discounts	(32,62)	(29,38)	11,0%
Net advertising revenues	717,92	655,69	9,5%
Other revenues	53,03	45,18	17,4%
TOTAL NET REVENUES	770,95	700,87	10,0%

Total gross advertising revenues for the first nine months of 2007 grew by 9.6% reaching €750.54 million.

Telecinco's **gross advertising revenues** grew by 9.3% to €739.89 million. **Other advertising revenues** reach €10.65 million growing by 27.1% and include advertising revenues from other TV activities (thematic channels and DTT), as well as the Internet and teletext.

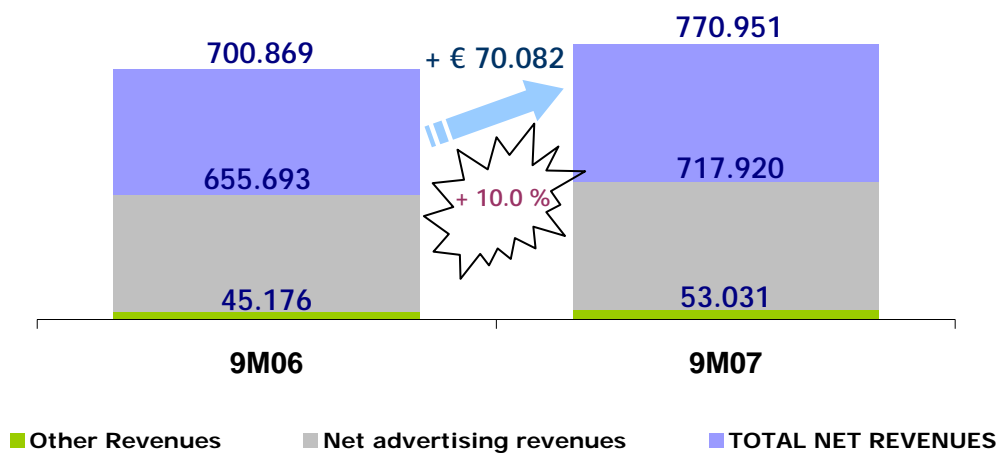


Net advertising revenues after commissions and allowances climbed by 9.5% to €717.92 million.

“**Other revenues**” amounted to €53.03 million benefiting from an increase in the distribution of film rights and audio text services.

Finally, **total net revenues** grew by €70.08 million (+10.0%) to €770.95 million compared with the first nine months of 2006.

Total Net Revenues, Advertising and Other Revenues





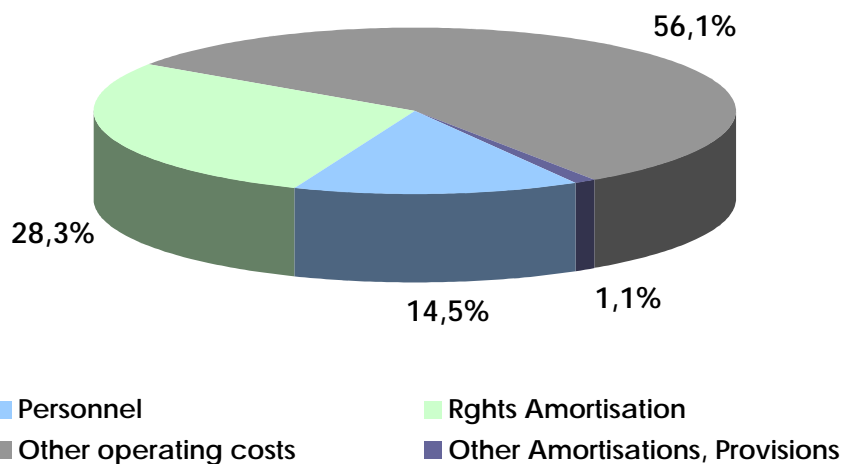
2.2. Operating costs

Operating costs, which totalled €409.40 million, grew by 6.7% in the period January-September 2007. Costs are rising in line with the guidance given at the beginning of the year (increase between 5-6% plus the integration of Jumpy and the cost related to the setting-up of Mediacinco).

Table 3: Operating costs

Millions of €	9M07	9M06	% change
Personnel costs	59,35	56,73	4,6%
Rights amortisation	115,85	111,46	3,9%
Other operating costs	229,60	210,72	9,0%
Other amortisation and provisions	4,61	4,64	(0,8%)
TOTAL OPERATING COSTS	409,40	383,56	6,7%

Operating Costs



In terms of broadcasting hours, the weight of Telecinco's in-house production exceeds external production in the network's programming. In the 9M2007 83.3% of programmes were in-house production and the remaining 16.7% was external production (compared with a 79.6-20.4 ratio in 9M06).



2.3 Operating profit and operating margins

Adjusted EBITDA (EBITDA post-rights amortisation) reached €366.16 million, up 13.7% by €44.20 million vs. 9M06.

Net operating profit (EBIT) was €361.55 million, representing an increase of 13.9% or €44.24 million compared with the first nine months of 2006.

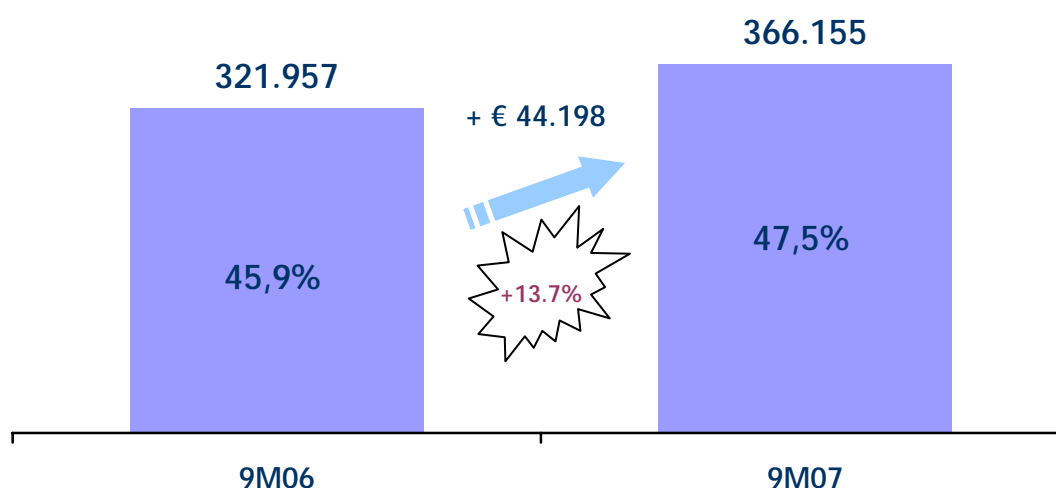
The resulting operating margins are as follows:

Table 4: Operating margins

Millions of €	9M07	9M06	% change
Total net revenues	770,95	700,87	10,0%
Adjusted EBITDA	366,16	321,96	13,7%
EBIT	361,55	317,31	13,9%
Net profit	262,82	229,30	14,6%
Adj.EBITDA / Total net revenues	47,5%	45,9%	
EBIT/ Total net revenues	46,9%	45,3%	
Net profit / Total net revenues	34,1%	32,7%	

EBITDA and EBIT increases show the efficiency of the business model, in which operating margins are at record levels as a result of an effective cost-control policy and an innovative commercial policy targeted at achieving the highest advertising market share. Thanks to this business model the company has maintained excellent operating profitability despite a more difficult and competitive market environment.

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





2.4. Financial result and equity consolidated companies

Financial income grew by 0.5% up to €6.86 million.

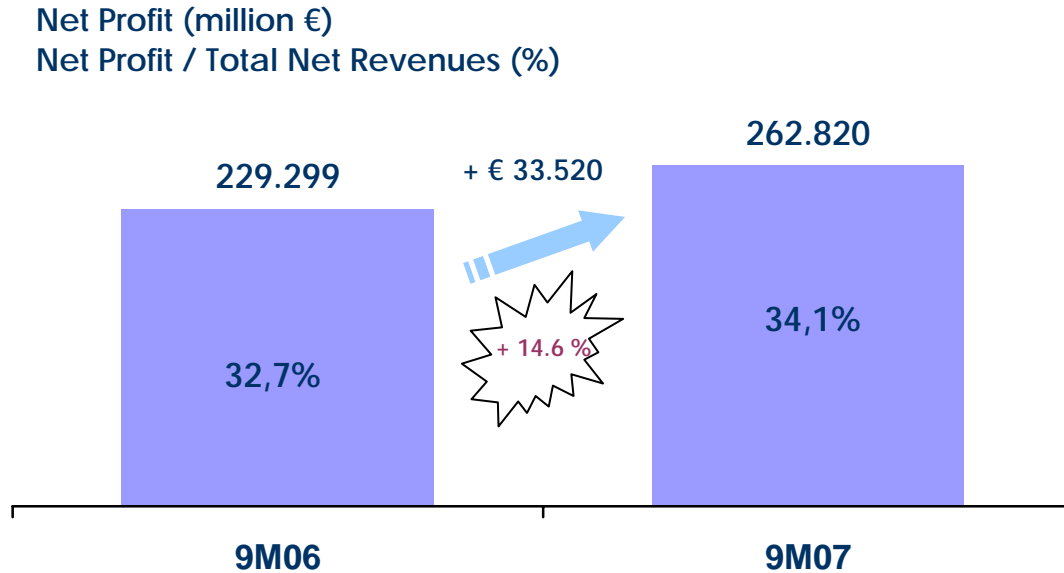
A positive result was recorded from **equity consolidated companies**⁵ totalling €2.56 million.

Gestevisión Telecinco has increased from 50% to 100% its stake in Europortal Jumpy España S.A., therefore is consolidated from the 1st of March by the global consolidation method. Since its setting up, Mediacinco Cartera S.L. is consolidated by the global consolidation method. Gestevisión Telecinco has a stake of 75% in Mediacinco; this latter owns a 33% in Edam Coop, first level holding of the Endemol Group.

2.5. Profit for the period January-September 2007

Pre-tax profit for the 9M07 was €370.97 million, up by €46.35 million compared with €324.62 million in 9M06 (+14.3%).

After recording €108.74 million for the corporate income tax expense, compared with €95.07 million in 9M06, the **net profit after minority interests** for 9M07 was €262.82 million, an increase of €33.52 million or 14.6% over 9M06.



⁵ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Canal Factoría Ficción S.A. (40%), Aprop 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 Coop (33% indirect shareholding).



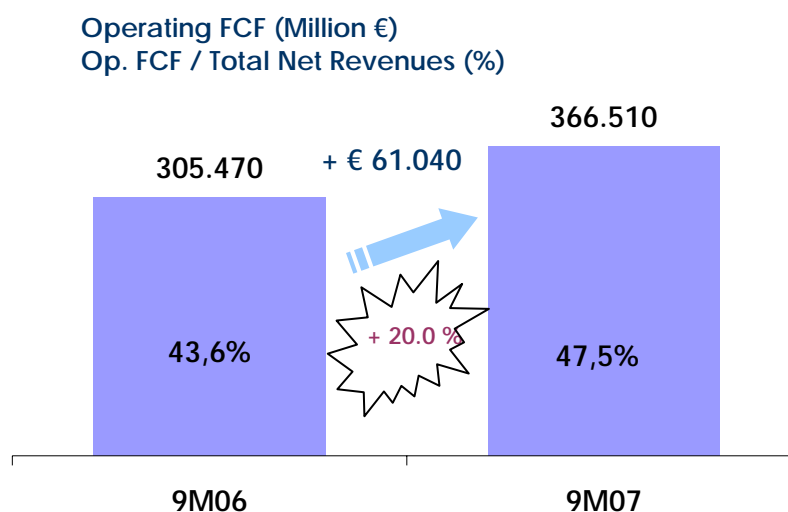
3. Cash flow generation

Cash flow generation was boosted, once again, by the strong operating performance and by the improvement in working capital. **Operating free cash flow** amounts to €366.51 million, increasing by €61.04 million compared with 9M06.

Table 5: Cash Flow

Millions of €	9M07	9M06	Change in millions of €
Net profit	262,82	229,30	33,52
Amortisation:	119,31	116,08	3,23
- Rights	115,85	111,46	4,39
- Other	3,46	4,62	(1,16)
Provisions	1,15	0,02	1,13
Other	19,01	6,20	12,81
OPERATING CASH FLOW	402,29	351,60	50,69
Investment in rights	(128,90)	(103,76)	(25,14)
Investments, other	(3,75)	(3,25)	(0,50)
Change in working capital	96,87	60,88	35,99
OPERATING FREE CASH FLOW	366,51	305,47	61,04
Change in Equity	26,58	3,31	23,27
Financial investments	(464,48)	(11,59)	(452,89)
Dividends received	1,21	1,15	0,06
Dividend payments	(314,25)	(290,31)	(23,94)
Net cash increase	(384,43)	8,03	(392,46)
INITIAL FINANCIAL POSITION	396,14	355,82	40,32
FINAL FINANCIAL POSITION	11,71	363,84	(352,13)

As a result of the strong generation of **operating free cash flow**, the free cash flow conversion ratio (Free Cash Flow as a % of total net revenues) has reached 47.5%

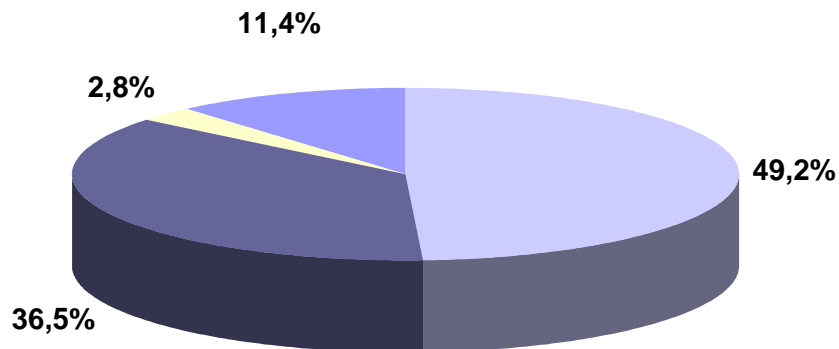




Total net investment increased by 24.0% in 9M07, reaching €132.65 million, mainly due to an increase in in-house production (fiction) and to a lesser extent it was due to investments in Spanish and European movies.

On September 30th 2007 investments in Spanish fiction reached €65.31 million (+31.4%) and third-party rights acquisitions €48.48 (+11.0%).

**Net investments 1H07:
€132.65 millions**



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



4. Balance Sheet

Table 6: Summary Balance Sheet

<i>Millions of €</i>	<i>September 2007</i>	<i>December 2006</i>
Tangible assets	531,03	74,95
Audiovisual rights and Pre-payments	214,03	201,78
- Third parties	132,93	133,91
- Fiction	27,85	20,67
- Co-production / Distribution	53,26	47,21
Pre-paid taxes	16,13	17,95
TOTAL NON-CURRENT ASSETS	761,19	294,68
Current assets	174,79	237,68
Financial investments and cash	72,51	399,18
TOTAL CURRENT ASSETS	247,31	636,87
TOTAL ASSETS	1.008,49	931,55
Shareholders` equity	574,13	598,98
Non-current provisions	89,80	79,07
Non-current payables	0,80	1,40
Non-current financial liabilities	59,72	1,98
TOTAL NON-CURRENT LIABILITIES	150,32	82,46
Current payables	282,96	249,05
Current financial liabilities	1,09	1,06
TOTAL CURRENT LIABILITIES	284,05	250,12
TOTAL LIABILITIES	1.008,49	931,55

Tangible assets have increased mainly because of the acquisition of Endemol by Mediacinco Cartera S.L.

The evolution of the **library** shows a slight increase in movie co-productions and Spanish fiction rights (in-house production), all this in line with the strategy of the company in investment in rights.

As for **current assets**, the decrease is mainly explained by a lower balance of advertising clients due to a seasonal effect, and to the investment of Mediacinco Cartera S.L. in Edam Coop.

The increase in **Non-current financial liabilities** is the effect of an credit line between Mediaset and Merdiacinco Cartera for the acquisition of Endemol; **Current liabilities** have increased mainly due to higher provisions for corporate tax.



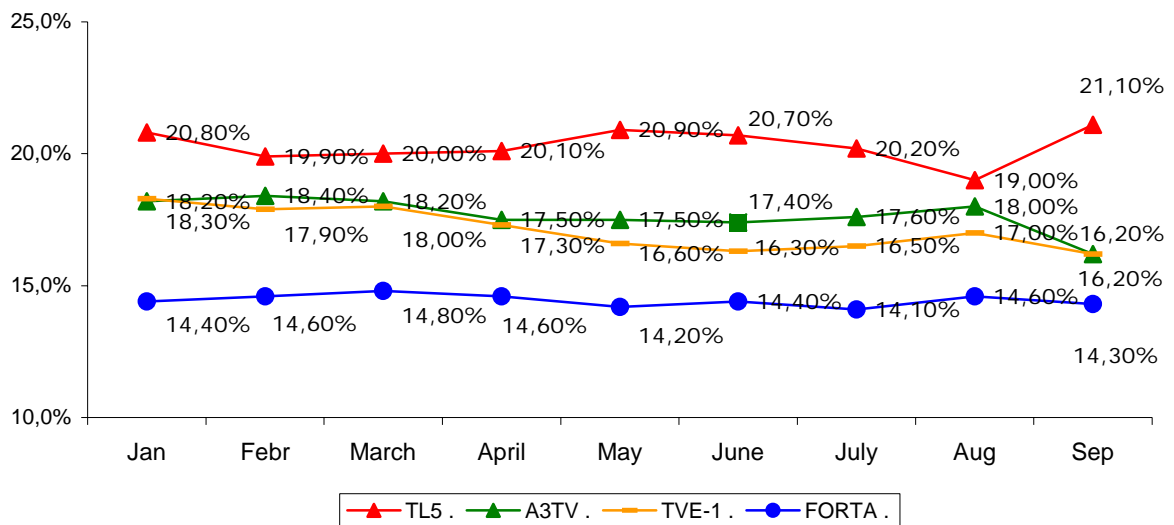
5. Audience share performance

Table 7: January-September average audience share

		9M07	9M06
Totals Individuals	Total Day	20,3%	21,3%
	PRIME TIME	20,5%	21,5%
	DAY TIME	20,3%	21,2%
Commercial Target	Total Day	22,6%	23,1%
	PRIME TIME	23,1%	23,8%
	DAY TIME	22,3%	22,8%

Telecinco has reached an average audience share of 20.3% in the first nine months of 2007, well ahead of Antena 3TV (17.7%) and TVE1 (17.2%). Telecinco has progressively improved its audience share since the beginning of 2007 consolidating its leadership along the year. In September 2007 the audience share reached 21.1% widening the gap with its competitors.

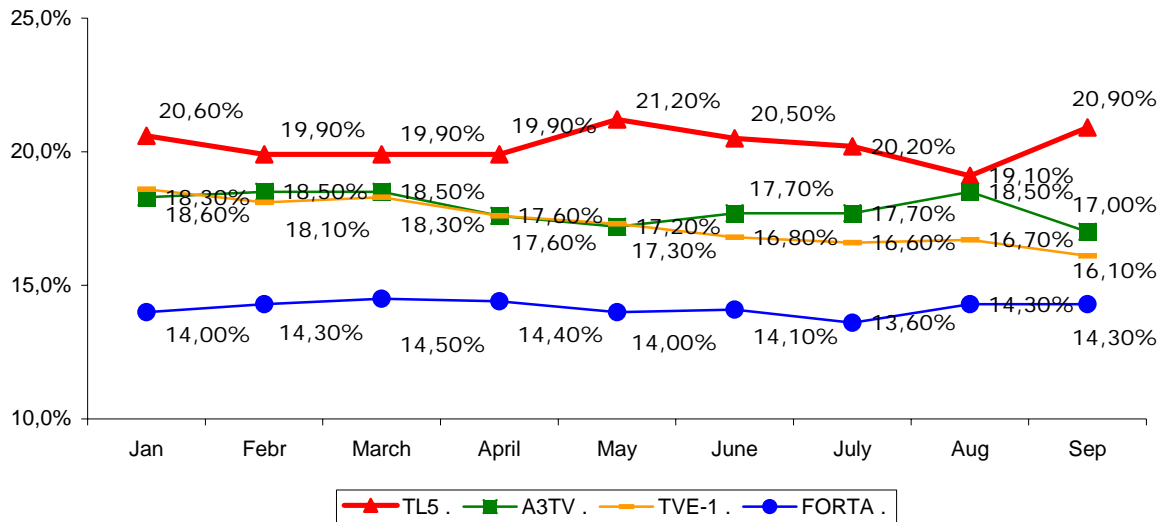
Audience Share, 24 Hours, Total Individuals (in%)



With regard to “day time” audience share, Telecinco has consolidated its leadership at a 20% share since the beginning of 2007 and reaches 20.9% in the month of September 2007, improving its competitive advantage versus other TVs.

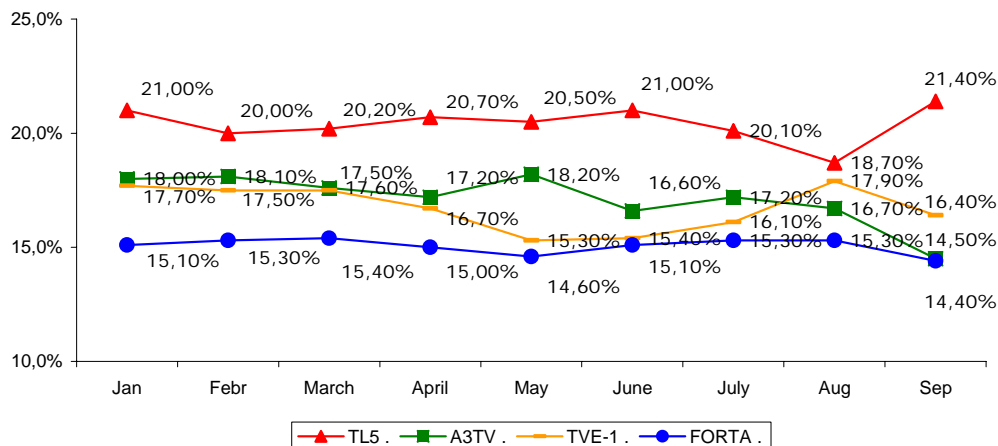


Audiencia Share, Day Time, Total Individuals (in%)



Telecinco's prime time total-individuals audience share also beats TVE-1 and Antena 3TV, consolidating the leadership far ahead of its competitors. In September 2007 the distance with its immediate competitor has widened by 5.0 points.

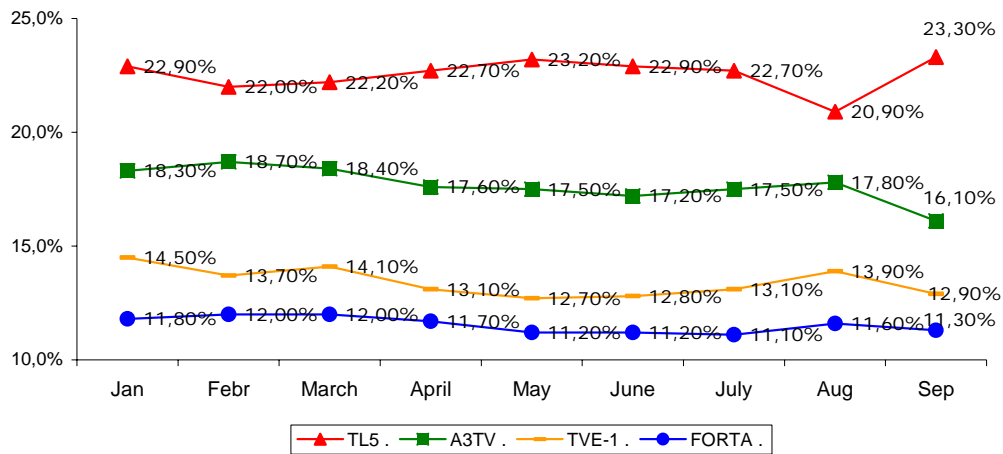
Audiencia Share, Prime Time, Total Individuals (in%)



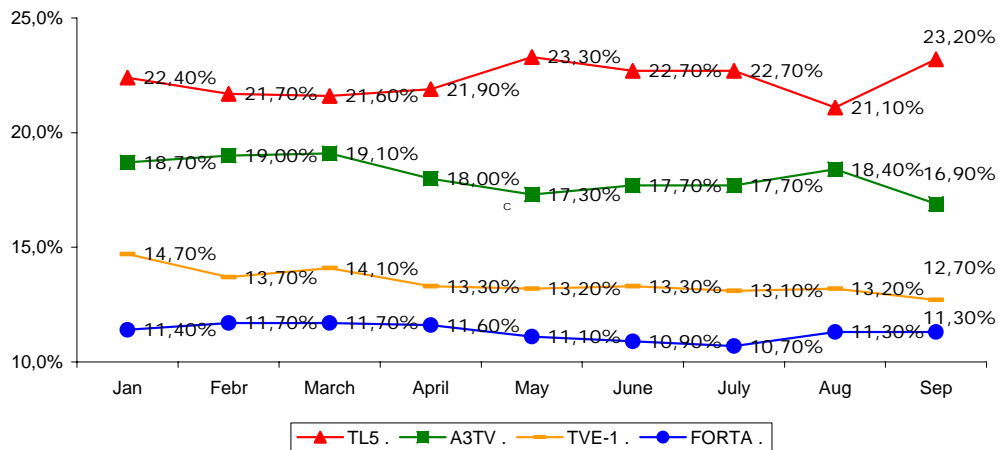


As for commercial target audience share for 24 hours, day time and prime time, Telecinco maintains its leadership, which is also reinforced by audiences growing month by month since the beginning of the year 2007.

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



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





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

