



TELECINCO

**RESULTS
FIRST QUARTER 2007
(January – March)**

Madrid – 8 May, 2007

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1. Financial and operating highlights

Consolidated¹ financial highlights for the year to March, include:

1. **Total Net Revenues** grew by 10.2% compared with the year ago period, amounting €251.13 million. This growth has been driven by a 8.4% increase in the **gross advertising revenues** (€244.40 million), due to higher Telecinco advertising revenues (+7.5%) amounting to €240.44 million and a 121.3% growth in “other advertising revenues” (€3.97 million). “Other revenues” showed also a strong increase and climbed up to €17.57 million (+45.8%) mainly due to the income originated by the sale of film distribution rights.

In the first 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 competitive pressure coming from the new channels Cuatro and La Sexta.

The average 20.3% **audience share** during 1Q07 in terms of total-individuals (total day) places Telecinco, as the leading television network ahead of Antena 3TV (18.2%) by 2.1 pp. TVE-1 maintains the third position in the ranking (18.1%). Telecinco consolidates its leadership in terms of the most attractive audience for advertisers: Total-individuals prime time audience share² was 20.4%. With regard to commercial target³, Telecinco's audience share was 22.4% in terms of total-day audience and 23.3% in the prime time slot.

Telecinco's **programming** continued demonstrating its solidness and stability with high audience share figures across all slots. Notable audience shares were reported⁴ for the Spanish fiction series “Yo Soy Bea” (34.9%), “Los Serrano” (24.2%), and “Aida” (27.7%), the American series “CSI” (30.0%), as well as “Operación Triunfo” (28.2%), “Camera Café” (23.5%) and “Aquí Hay Tomate” (25.3%). The new season of Formula 1 races has started with the GP Australia that has reached a 64,2% share in the life broadcasting (at 04:00h) and 29,2% share in the differed broadcasting.

2. **Total operating costs** were €133.16 million and grew by 5.5%. This cost growth includes DTT and film production costs and grow in line with the guidance given by the Company.
3. **Adjusted EBITDA**⁵ grew by 15.1% to €119.29 million, and **EBIT** totalled €117.97 million (+16.1%). The resulting operating margins were 47.5% for EBITDA (adj.)/total net revenues and 47.0% for EBIT/total net revenues. Telecinco continues to be one of the most profitable companies in its sector.
4. **Net profit** after taxes was €86.06 million, up 17.4% compared to the first quarter 2006. The net profit margin achieves 34.3%.

¹ Consolidated financial accounts are presented in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS).

² Prime time: Time slot with the highest television consumption of the day, from 20:30 to 24:00.

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.

⁴ January-March average audience share.

⁵ Post-rights amortisation



5. **Free cash flow** was €100.33 million, with **operating cash flow** up €14.72 million to €131.79 million.
6. **The net financial position** as of March 31st 2007, was €497.93 million, before the distribution in May 3rd of dividends amounting to €314.25 million charged to 2006 results (pay-out 100%).
7. Gestevisión Telecinco has increased from 50% up to 100% its stake in Europortal Jumpy España S.A. and is therefore consolidated from 1st March by the global consolidation method.

2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

Millions of €	1Q07	1Q06	% change
TOTAL NET REVENUES	251.13	227.81	10.2%
Personnel costs	(19.71)	(17.93)	9.9%
Rights amortisation	(41.29)	(40.07)	3.1%
Other operating costs	(70.83)	(66.19)	7.0%
Adjusted EBITDA	119.29	103.61	15.1 %
Other amortisations, provisions	(1.33)	(1.98)	(32.8%)
EBIT	117.97	101.64	16.1 %
Equity consolidated results	0.48	0.15	215.7%
Financial results	4.17	2.55	63.5%
Pre-tax profit	122.62	104.34	17.5%
Income taxes	(36.52)	(30.99)	17.8%
Minority interests	(0.05)	(0.04)	34.3%
Net profit	86.06	73.31	17.4 %

2.1. Revenues

Table 2: Revenues

Millions of €	1Q07	1Q06	% change
Gross advertising revenues	244.40	225.36	8.4 %
- Telecinco	240.44	223.57	7.5 %
- Other media	3.97	1.79	121.3 %
Commissions and discounts	(10.84)	(9.60)	12.9%
Net advertising revenues	233.56	215.76	8.2 %
Other revenues	17.57	12.05	45.8%
TOTAL NET REVENUES	251.13	227.81	10.2 %



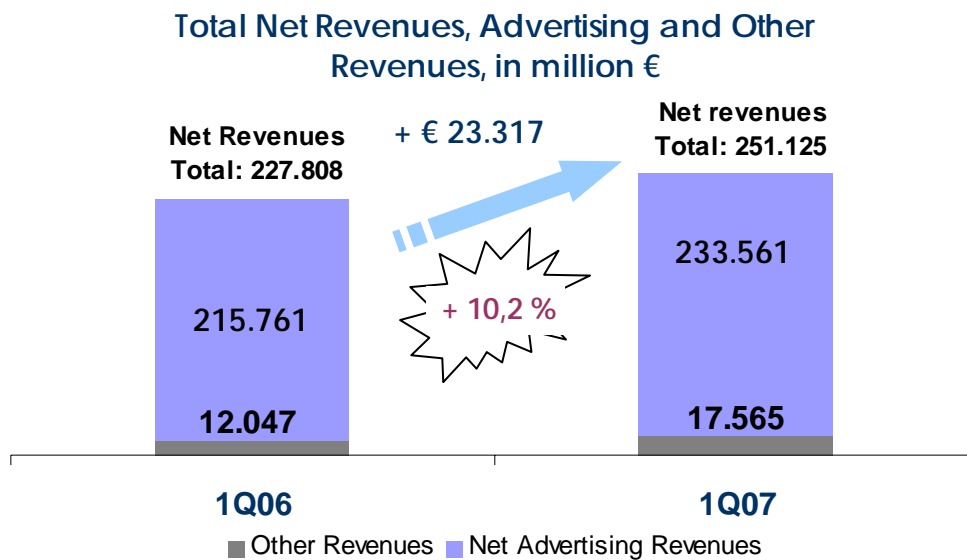
Gross advertising revenues for the first quarter 2007 grew by 8.4% reaching €244.40 million.

Telecinco's channel **gross advertising revenues** grew by 7.5% to €240.44 million. **Other advertising revenues** reach €3.97 million and include advertising revenues from other TV activities (thematic channels and DTT), as well as Internet and teletext.

Net advertising revenues after commissions and allowances climbed by 8.2% to €233.56 million.

“**Other revenues**” amounted to €17.57 million benefiting from an increase in the distribution of film rights.

Finally, **total net revenues** grew by €23.32 million (+10.2%) to €251.13 million compared to the first quarter of 2006.



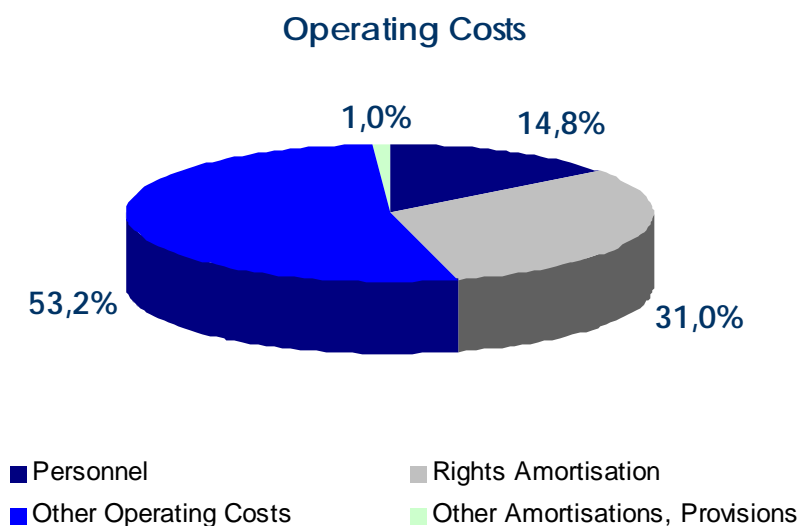


2.2. Operating costs

Total operating costs, which totalled €133.16 million and include amortisation of audiovisual rights and fixed assets, direct programming costs, DTT and costs related to the film co-production grew by 5.5% in the first quarter of 2007.

Table 3: Operating costs

Millions of €	1Q07	1Q06	% change
Personnel costs	19.71	17.93	9.9%
Rights amortisation	41.29	40.07	3.1%
Other operating costs	70.83	66.19	7.0%
Other amortisation and provisions	1.33	1.98	(32.8%)
TOTAL OPERATING COSTS	133.16	126.17	5.5 %



Operating Costs for 1Q07 have grown in line with the target set for the year 2007, with underlying TV business growing in line with inflation.

In terms of broadcasting hours, the weight of Telecinco's in-house production exceeds external production in the network's programming. In the first quarter 2007 85.8% of programmes were in-house production and the remaining 14.2% was external production (compared with a 82.8-17.2 ratio in 1Q06).



2.3 Operating profit and operating margins

Adjusted EBITDA (EBITDA post-rights amortisation) reached €119.29 million, up 15.1% by €15.68 million vs. 1Q06.

Net operating profit (EBIT) was €117.97 million, representing an increase of 16.1% or €16.33 million compared to 1Q06.

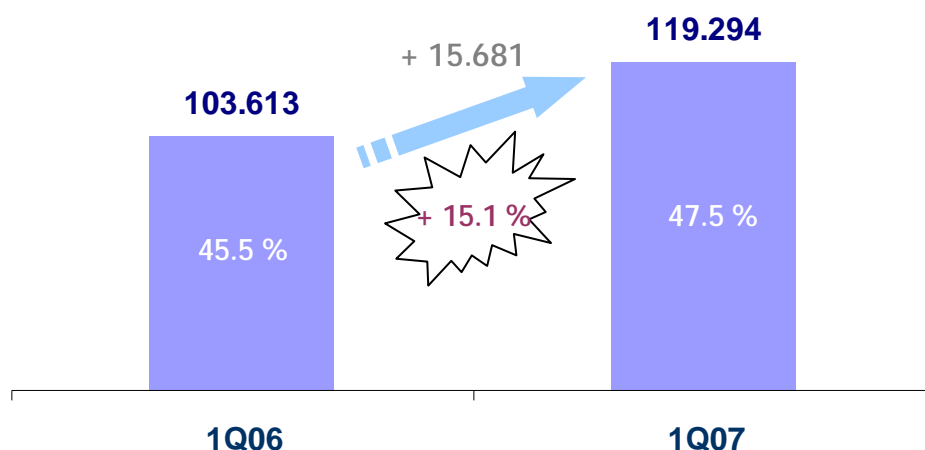
The resulting operating margins are as follows:

Table 4: Operating margins

Millions of €	1Q07	1Q06	% change
Total net revenues	251.13	227.81	10.2 %
Adjusted EBITDA	119.29	103.61	15.1 %
EBIT	117.97	101.64	16.1 %
Net profit	86.06	73.31	17.4 %
Adj. EBITDA / Total net revenues	47.5 %	45.5 %	-
EBIT / Total net revenues	47.0 %	44.6 %	-
Net profit / Total net revenues	34.3 %	32.2 %	-

EBITDA and EBIT improvements 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

Given the almost absence of financial debt, **financial income** grew by 63.5% up to €4.17 million, most of which being returns obtained through cash investments.

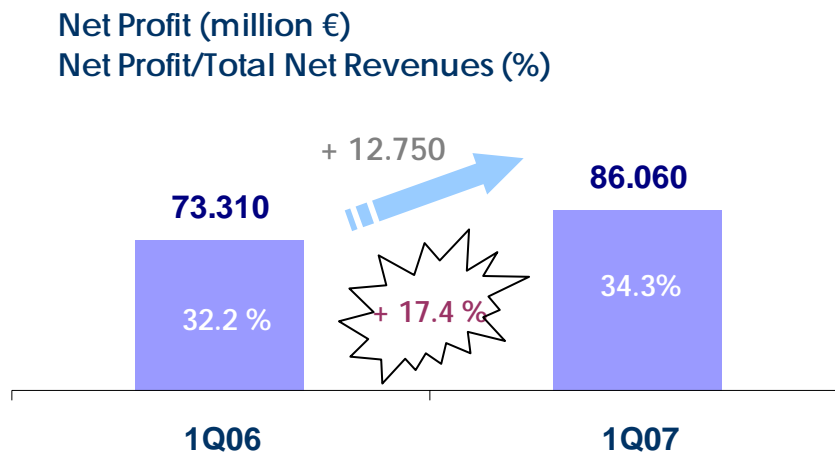
A positive result was recorded from **equity consolidated companies**⁶ totalling €0.48 million.

Gestevisión Telecinco has increased from 50% up to 100% its stake in Europortal Jumpy España S.A., therefore is consolidated from 1st March with the global consolidation method.

2.5. Profit for the First Quarter 2007

Pre-tax profit for the first quarter 2007 was €122.62 million, up by €18.28 million compared with €104.34 million in 1Q06 (+17.5%).

After recording €36.52 million for the corporate income tax expense, compared with €30.99 million in 1Q06, the **net profit after minority interests** for 1Q07 was €86.06 million, an increase of €12.75 million or 17.4% over 1Q06.



⁶ Companies consolidated by the equity method are: Premiere Megaplex S.A. (50% shareholding), Canal Factoría Ficción S.A. (40%), Aprox Imagen S.L. (40% indirect shareholding) and Publici Televisión S.A. (50% indirect shareholding), Producciones Mandarina S.L. (30% indirect shareholding), Hormigas Blancas Producciones S.L. (30% indirect shareholding).



3. Cash flow generation

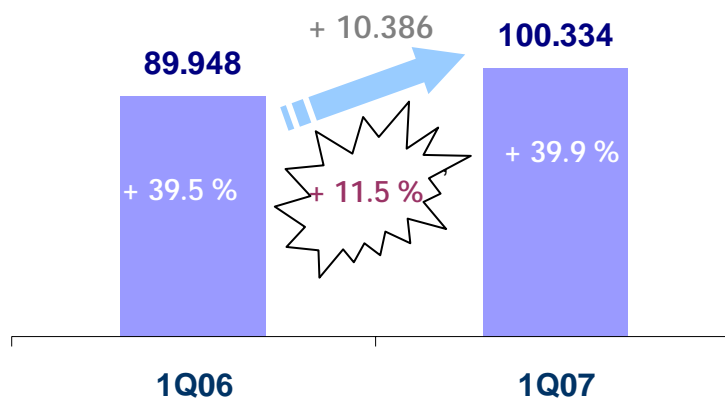
Cash flow generation was boosted, once again, by the strong performance of the operating components. **Operating free cash flow** amounts to €100.33 million, increasing by €10.38 million compared to 1Q06.

Table 5: Cash Flow

Millions of €	1Q07	1Q06	Change in millions of €
Net profit	86.06	73.31	12.75
Amortisation:	42.52	41.95	0.57
- Rights	41.29	40.07	1.22
- Other	1.23	1.88	(0.65)
Provisions	0.10	0.10	0.00
Other	3.11	1.71	1.40
OPERATING CASH FLOW	131.79	117.07	14.72
Investment in rights	(46.53)	(47.12)	0.59
Investments, other	(1.08)	(0.90)	(0.18)
Change in working capital	16.15	20.90	(4.75)
OPERATING FREE CASH FLOW	100.33	89.95	10.38
Change in Equity	(0.03)	4.72	(4.75)
Financial investments	1.49	(0.06)	1.55
Dividends received	0.00	0.17	(0.17)
Dividend payments	0.00	0.00	0.00
Net cash increase	101.79	94.78	7.01
INITIAL FINANCIAL POSITION	396.14	355.82	40.32
FINAL FINANCIAL POSITION	497.93	450.60	47.33

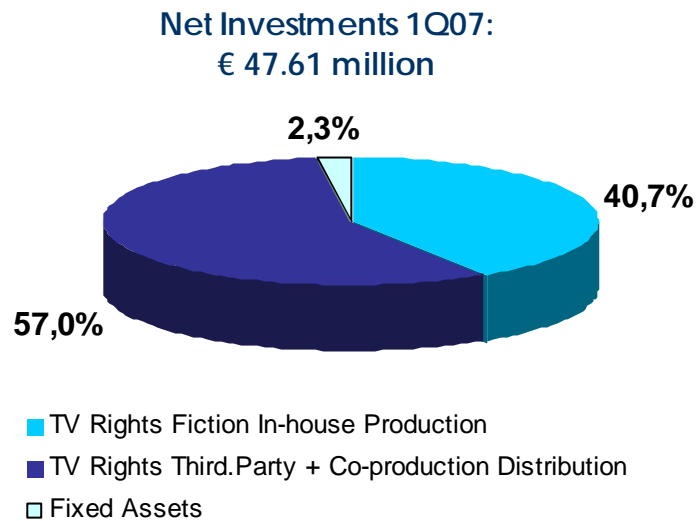
As a result of the strong generation of **operating free cash flow**, the free cash flow conversion ratio (Free Cash Flow as a % of total net revenues) has reached 39.9%.

Operating FCF (million €) Op. FCF/Total Net Revenues (%)





Total net investment decreased slightly by 0.9% in 1Q07 mainly due to a decrease in film production. Net investment is made, primarily, of investment in rights which in 1Q07 reached €46.53 million (-1.3%). This includes investment in Spanish fiction of €19.40 million (+10.9%) and third-party rights acquisitions of €27.13 (-2.6%).





4. Balance Sheet

Table 6: Summary Balance Sheet

<i>Millions of €</i>	<i>March 2007</i>	<i>December 2006</i>
Tangible assets	72.61	74.95
Audiovisual rights and Pre-payments	206.97	201.78
- TV, Third Party Rights	145.53	133.91
- Fiction, In-house Production	20.41	20.67
- Co-production/Distribution	41.03	47.21
Pre-paid taxes	17.25	17.95
TOTAL NON-CURRENT ASSETS	296.83	294.68
Current assets	219.08	237.68
Financial investments and cash	500.75	399.18
TOTAL CURRENT ASSETS	719.83	636.87
TOTAL ASSETS	1,016.66	931.55
Shareholders' equity	685.01	598.98
Non-current provisions	81.43	79.07
Non-current payables	3.31	1.41
Non-current financial liabilities	1.79	1.98
TOTAL NON-CURRENT LIABILITIES	86.53	82.46
Current payables	244.09	249.04
Current financial liabilities	1.03	1.07
TOTAL CURRENT LIABILITIES	245.12	250.11
TOTAL LIABILITIES	1,016.66	931.55

The evolution of the **library** shows a slight decrease in co-production and distribution of rights while third party rights increase, as a major part of the foreseen amount corresponding to the fiscal year 2007 has been already recorded in the first quarter of 2007.

As for **current assets**, the increase is mainly due to higher financial investments and cash while **current liabilities** decrease slightly.

The **net financial position** amounts to €497.93 million at the end of the first quarter of 2007, before the distribution (on May 3rd 2007) of the dividend of €314.25 million charged to 2006 results (100% pay-out).

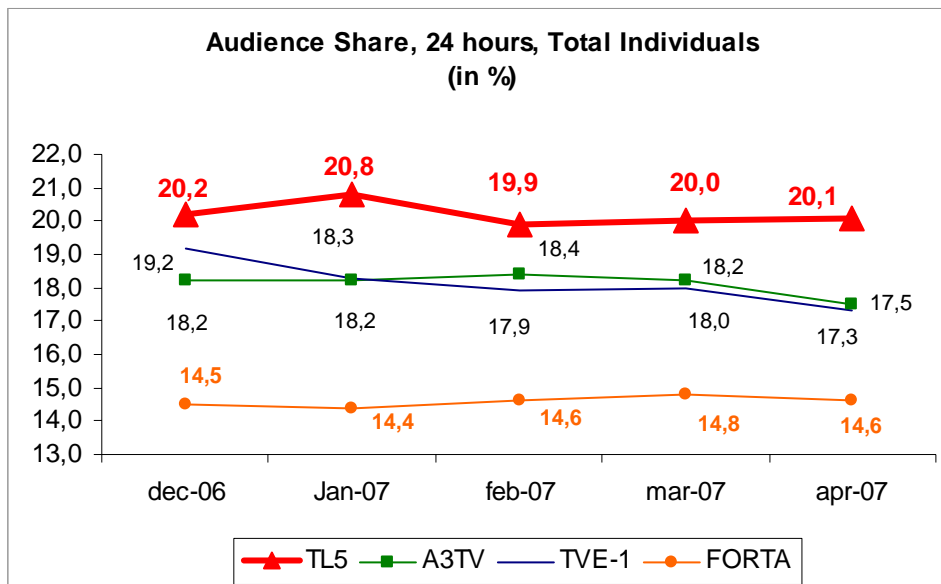


5. Audience share performance

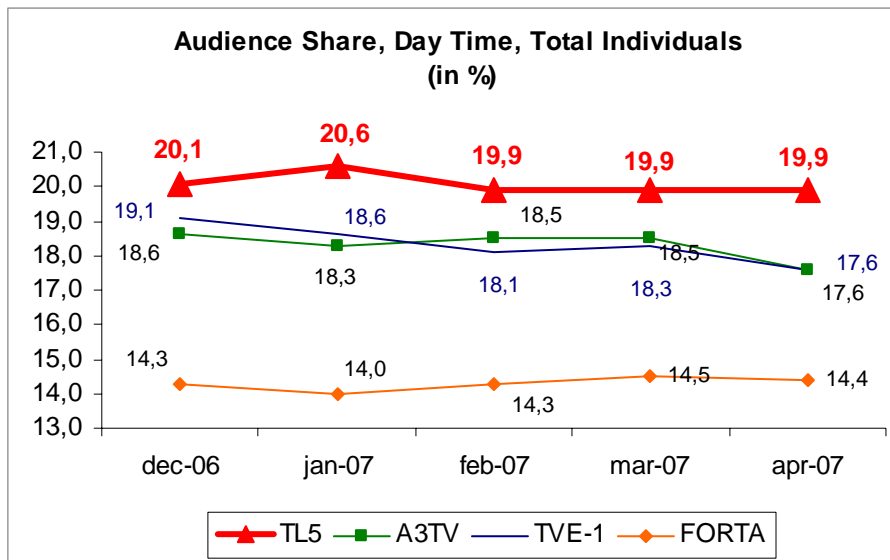
Table 7: January-March average audience share

Share	1Q07	1Q06
Total-day	20.3 %	21.0 %
Day Time	20.2 %	20.9 %
Prime time (20:30h-24:00h)	20.4 %	21.3 %
Total-day, Commercial target	22.4 %	23.1 %
Day time, Commercial target	21.9 %	22.7 %
Prime Time, Commercial target	23.3 %	23.8 %

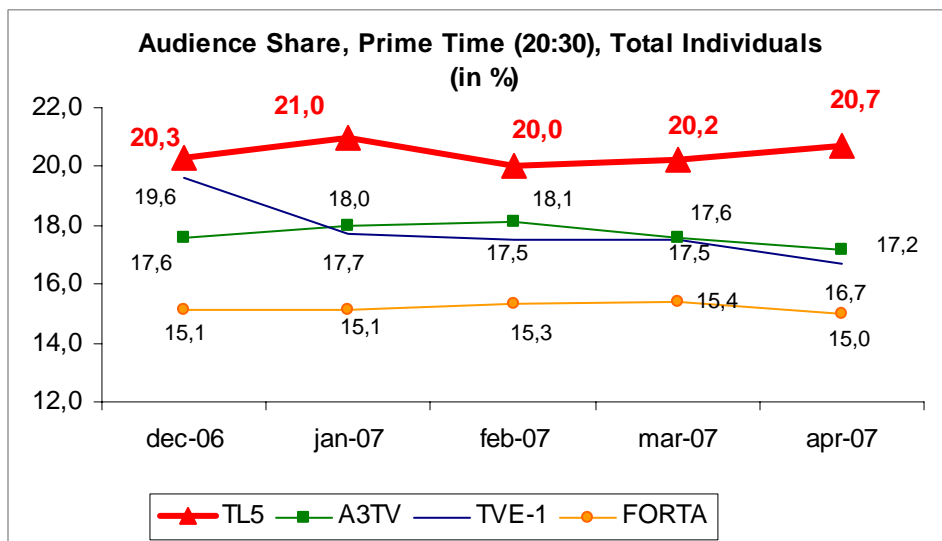
Telecinco has reached an average audience share of 20.3% in the first quarter of 2007, well ahead of Antena 3TV (18.2%) and TVE1 (18.1%). Telecinco has progressively improved its audience share since the beginning of 2007 consolidating its leadership along the year. In April 2007 the audience share reached 21.1% widening its distance with competitors.



With regard to “day time” audience share, Telecinco has consolidated its leadership at a 20% share since the beginning of 2007 and reaches in the month of April 2007 19.9% improving its competitive advantage versus other TVs.



Telecinco's prime time total-individuals audience share also beats TVE-1 and Antena 3TV, consolidating the leadership far ahead of its competitors. In April 2007 the distance with its immediate competitor has widened up in 3.5 points.



As for commercial target audience share for 24 hours, day time and prime time, Telecinco maintains its leadership, which is also reinforced by audiences obtained in April of 2007.

