



Antena 3

Analyst & Investor Day

London, Oct. 27th 2006

WHAT'S UP, ANTENA 3 ?!

Maurizio Carlotti, Chief Executive Officer

Analysing the TV Business



FUNDAMENTAL TV VARIABLES

REVENUE

1. Market
2. Audience
3. Price
4. Competition

COSTS

5. Programming Costs
6. Structural Costs

Analysing the TV Business



FUNDAMENTAL TV VARIABLES

REVENUE

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- 2. Audience**
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- 4. Competition**

COSTS

- 5. Programming Costs**
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1. Market

1.0 - Confirming our forecasts on both, macro-economics and the specifics of the TV sector

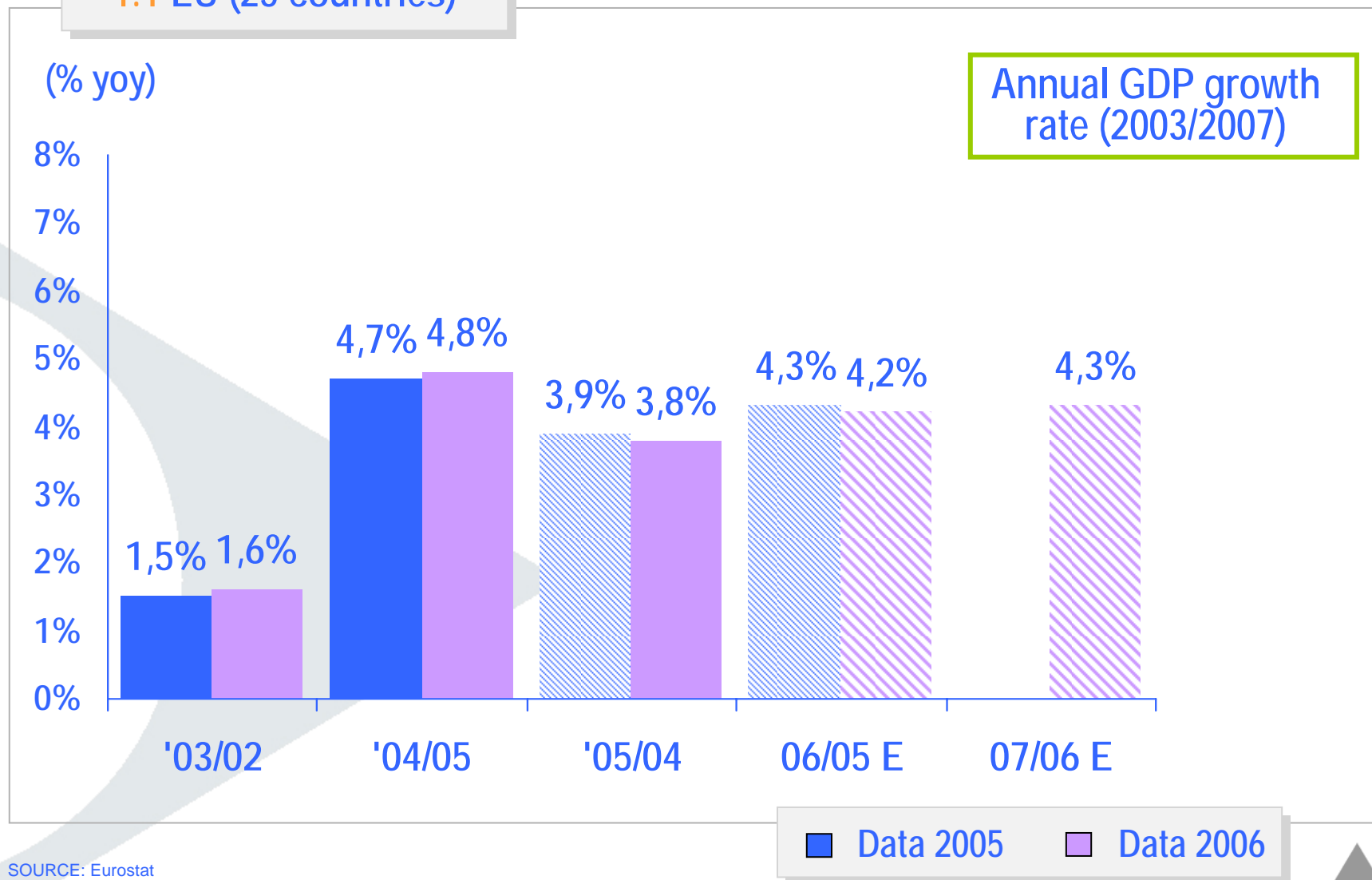
- ✓ GDP growth
- ✓ Advertising contribution to GDP
- ✓ TV Share over total advertising expenditure

The growth parameters for the advertising market prove to be sustainable one year later



1. Market

1.1 EU (25 countries)

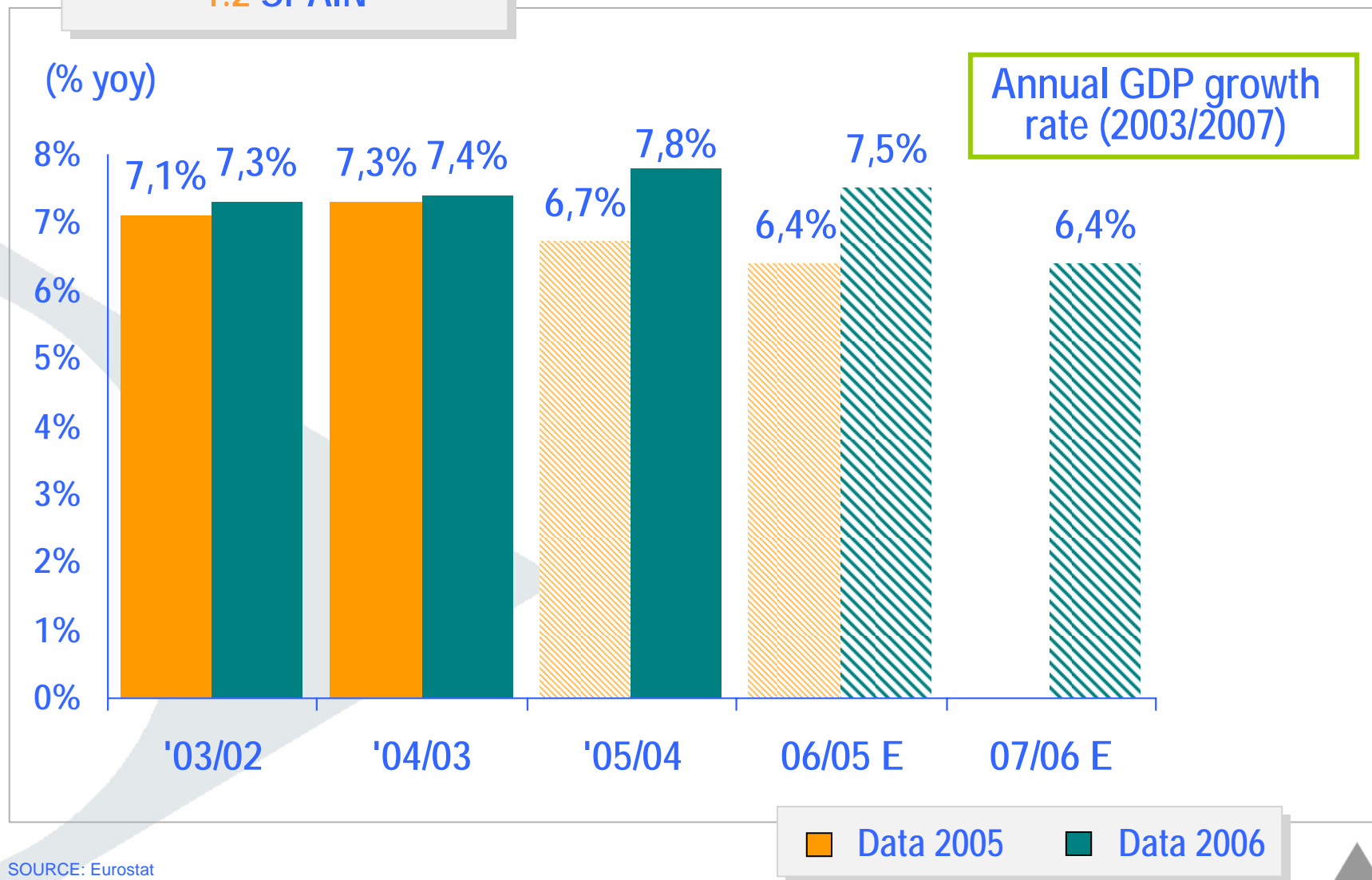


SOURCE: Eurostat



1. Market

1.2 SPAIN

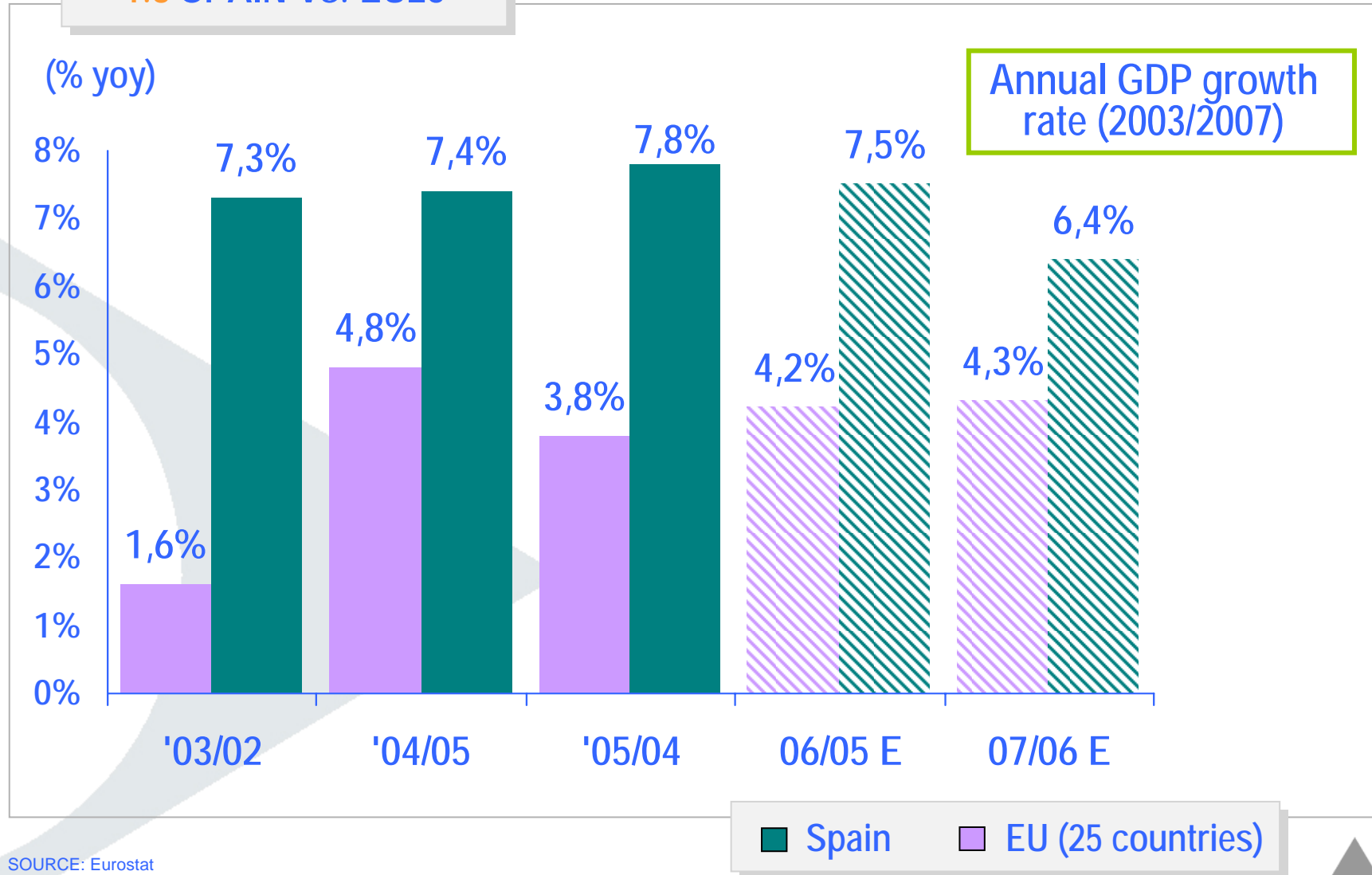


SOURCE: Eurostat

1. Market



1.3 SPAIN Vs. EU25



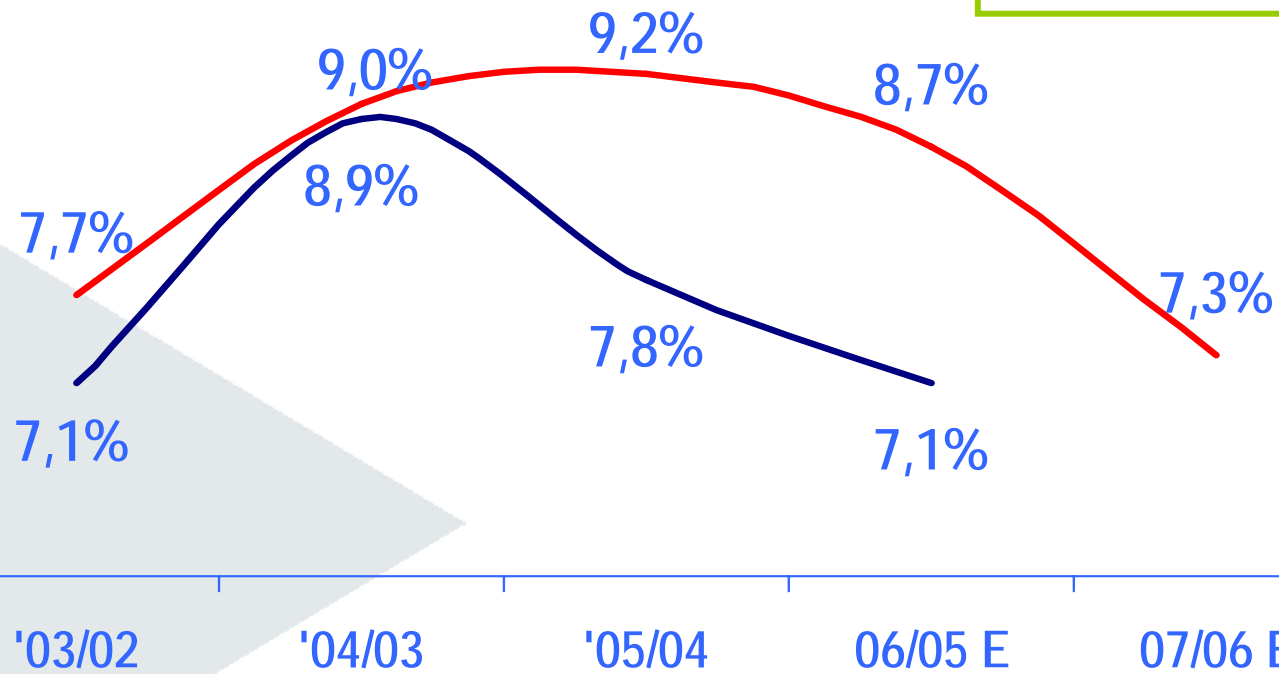
SOURCE: Eurostat

1. Market



1.4 INTERNAL DEMAND

Oct'05 data Vs
Oct'06 data



— Internal demand ('05 data)

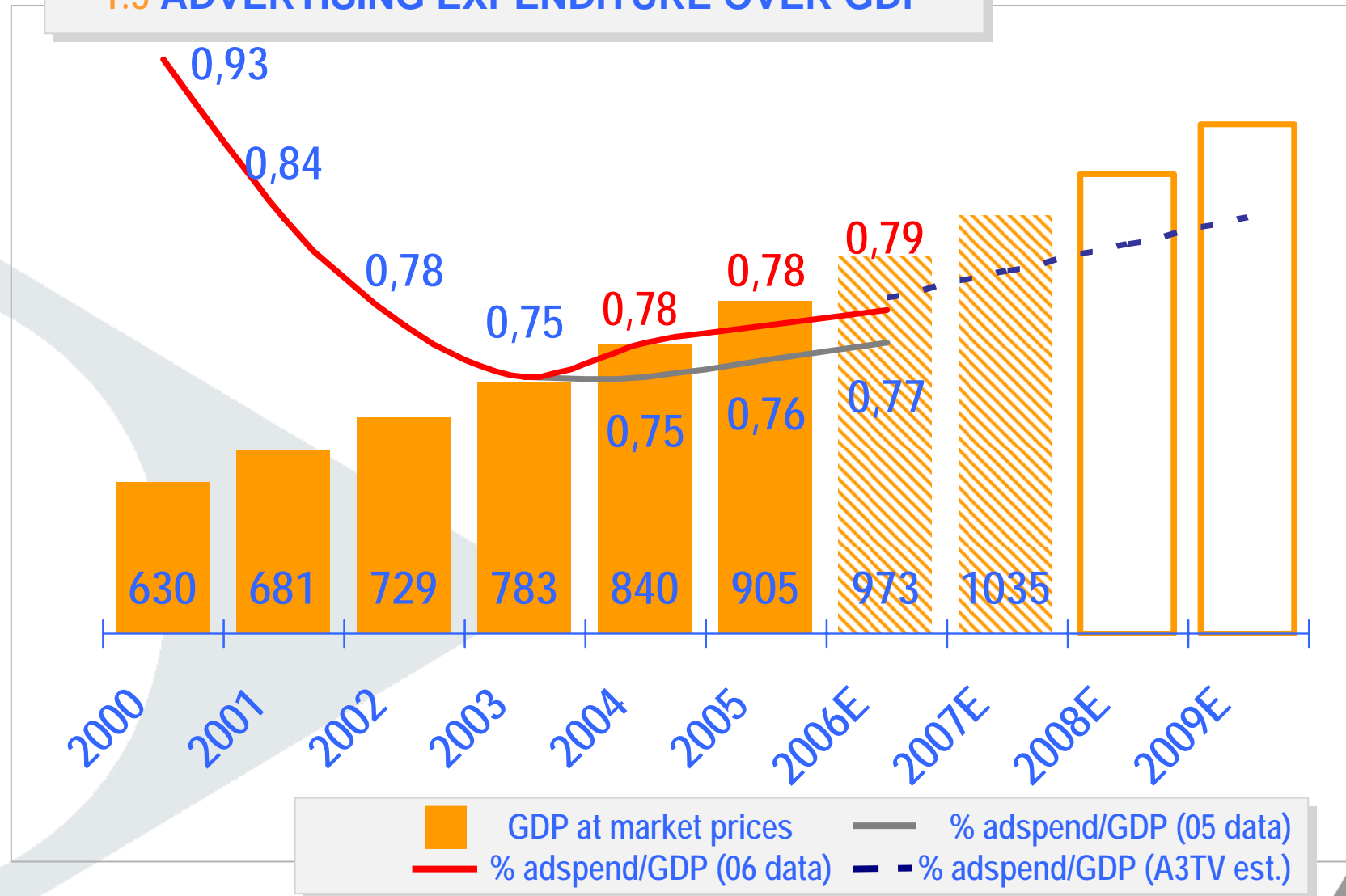
— Internal demand ('06 data)

SOURCE: Eurostat



1. Market

1.5 ADVERTISING EXPENDITURE OVER GDP



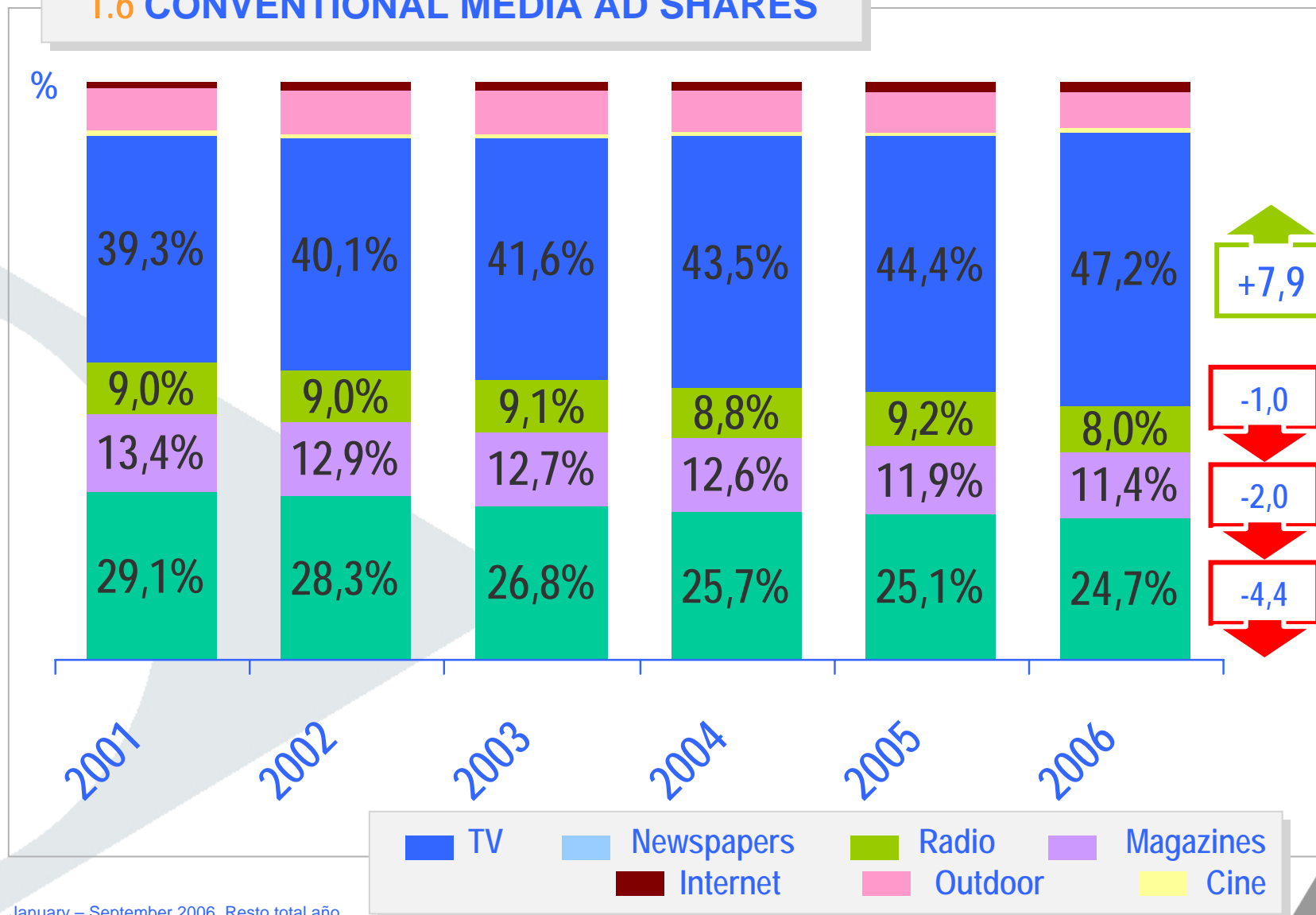
SOURCE GDP: Eurostat (excl.'09/08 A3 est.)

SOURCE % investment on GDP: Zenith Optimedia (excl.'09/07 A3 est.)



1. Market

1.6 CONVENTIONAL MEDIA AD SHARES





1. Market

2007

- ✓ Spanish Economy remains more dynamic than the EU average
- ✓ Consumer expenditure continues to be the main driver of GDP growth
- ✓ Sustained increase of the total advertising market
- ✓ TV expands its stake of the overall advertising cake

The Spanish TV market reaffirms its growth prospect ahead of 2007, which will again be a very good year in terms of advertising expenditure

Analysing the TV Business



FUNDAMENTAL TV VARIABLES

REVENUE

- ✓ **Market**
- 2. Audience**
- 3. Price**
- 4. Competition**

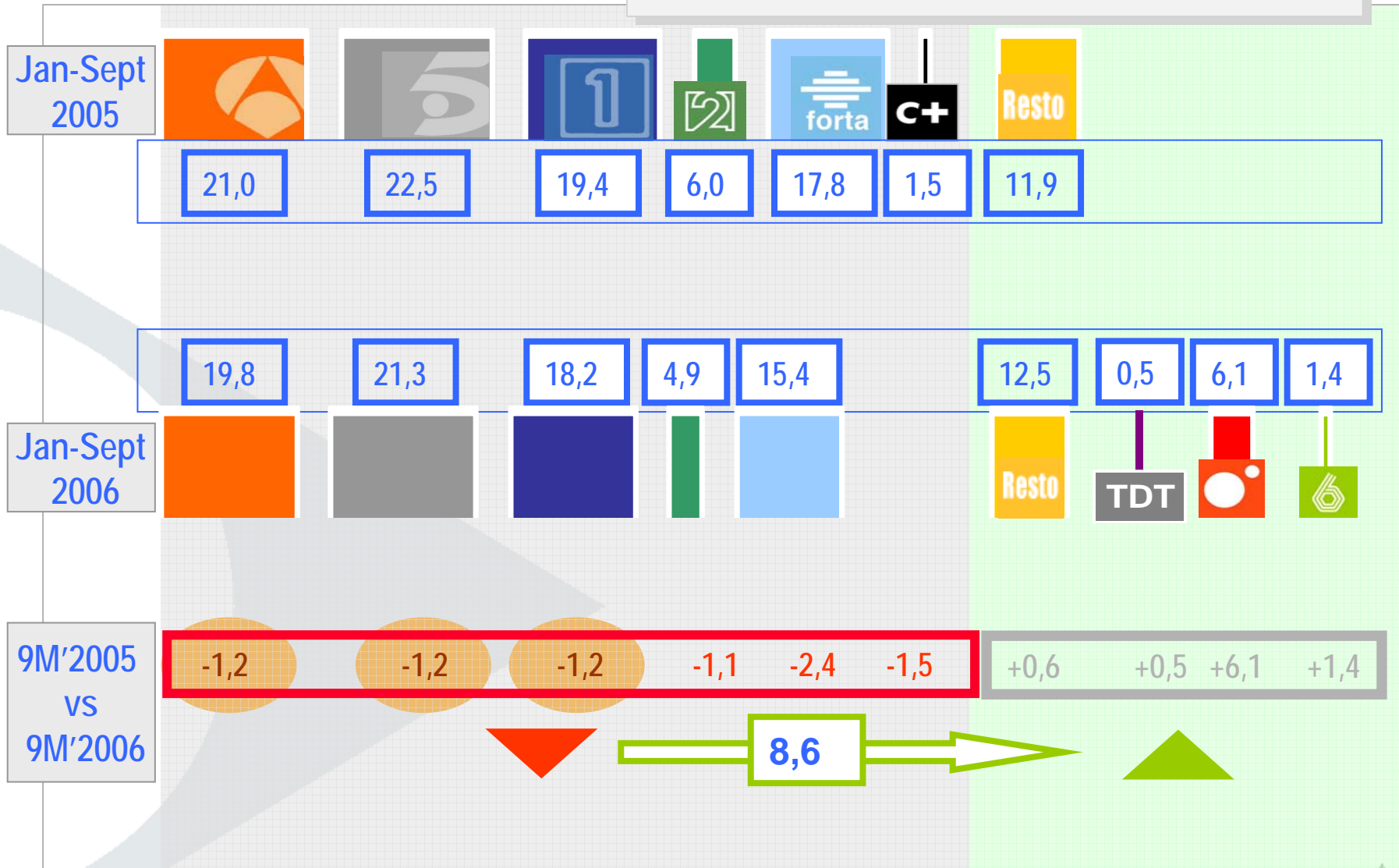
COSTS

- 5. Programming Costs**
- 6. Structural Costs**

2. Audience



TV Audience trends 9M'2006 vs 9M'2005



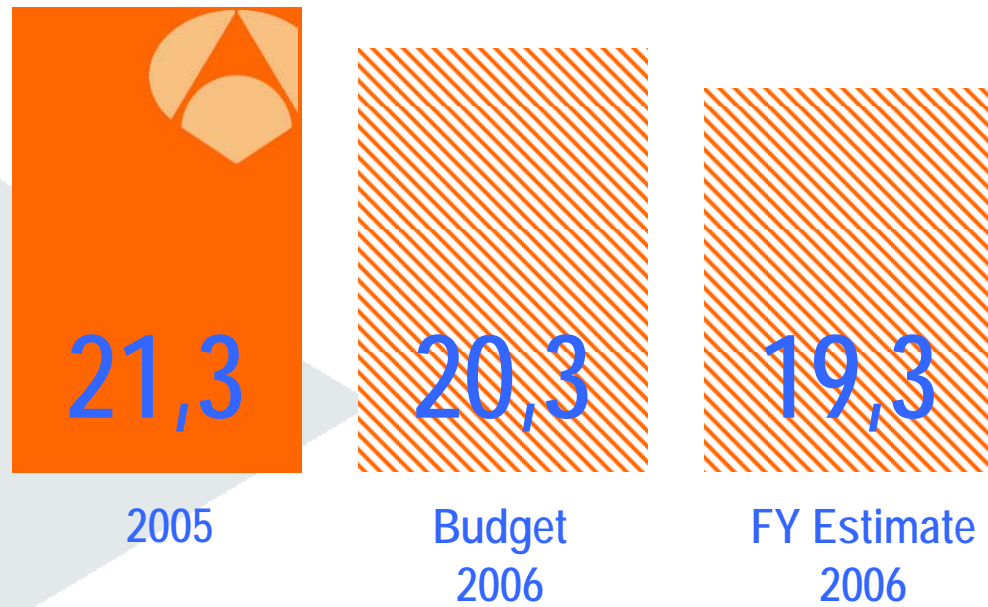
SOURCE: TNS SOFRES AM

2. Audience



Impact of fragmentation on 2006 audience shares

% Audience Share in All Ind.



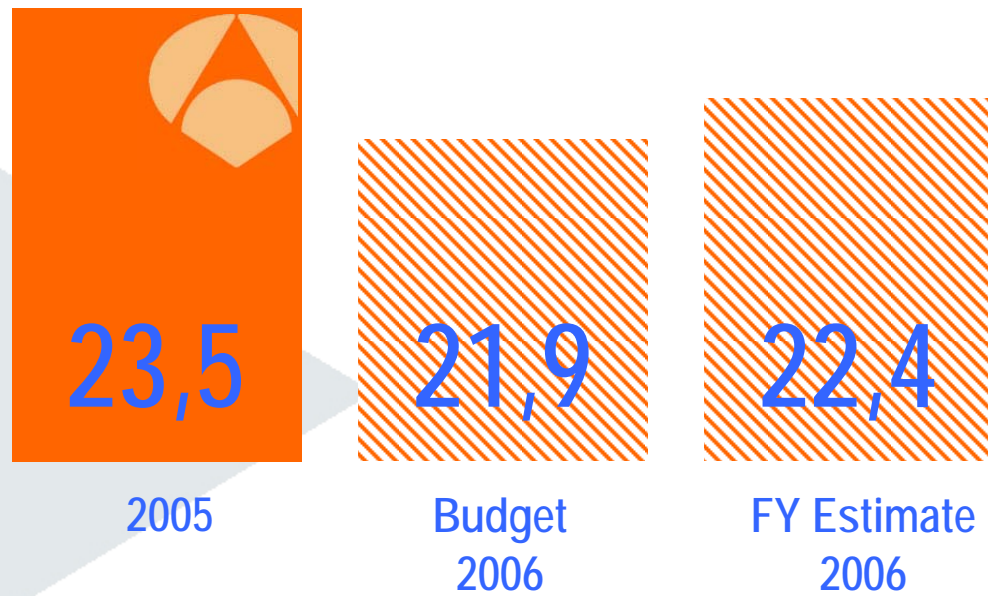
SOURCE: TNS SOFRES AM (2005) + MKTG Forecast. Antena 3TV

2. Audience



Impact of fragmentation on 2006 audience shares

% Audience share in Family target

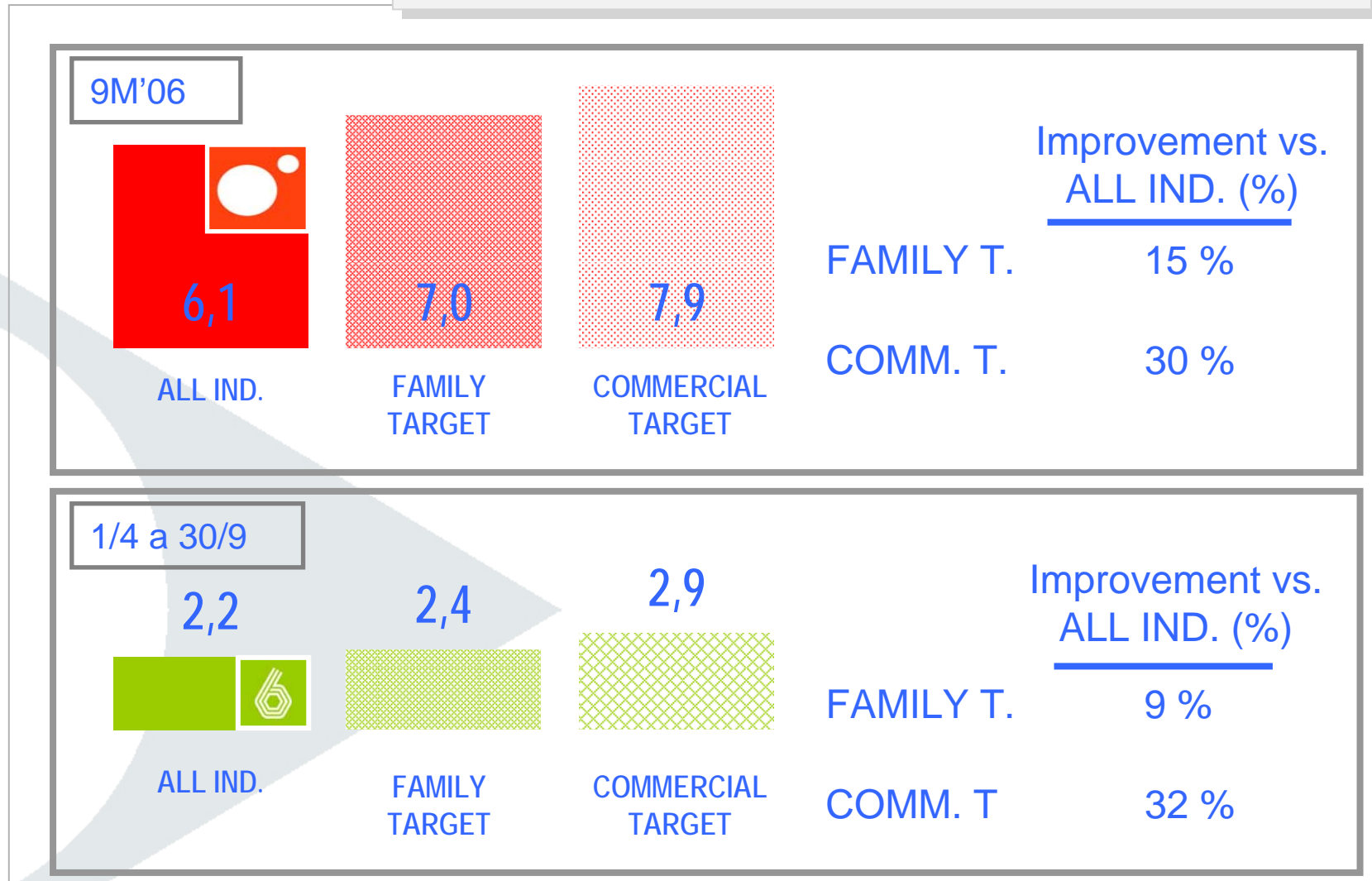


SOURCE: TNS SOFRES AM (2005) + MKTG Forecast. Antena 3TV

2. Audience



Audience performances of Cuatro and La Sexta in 2006

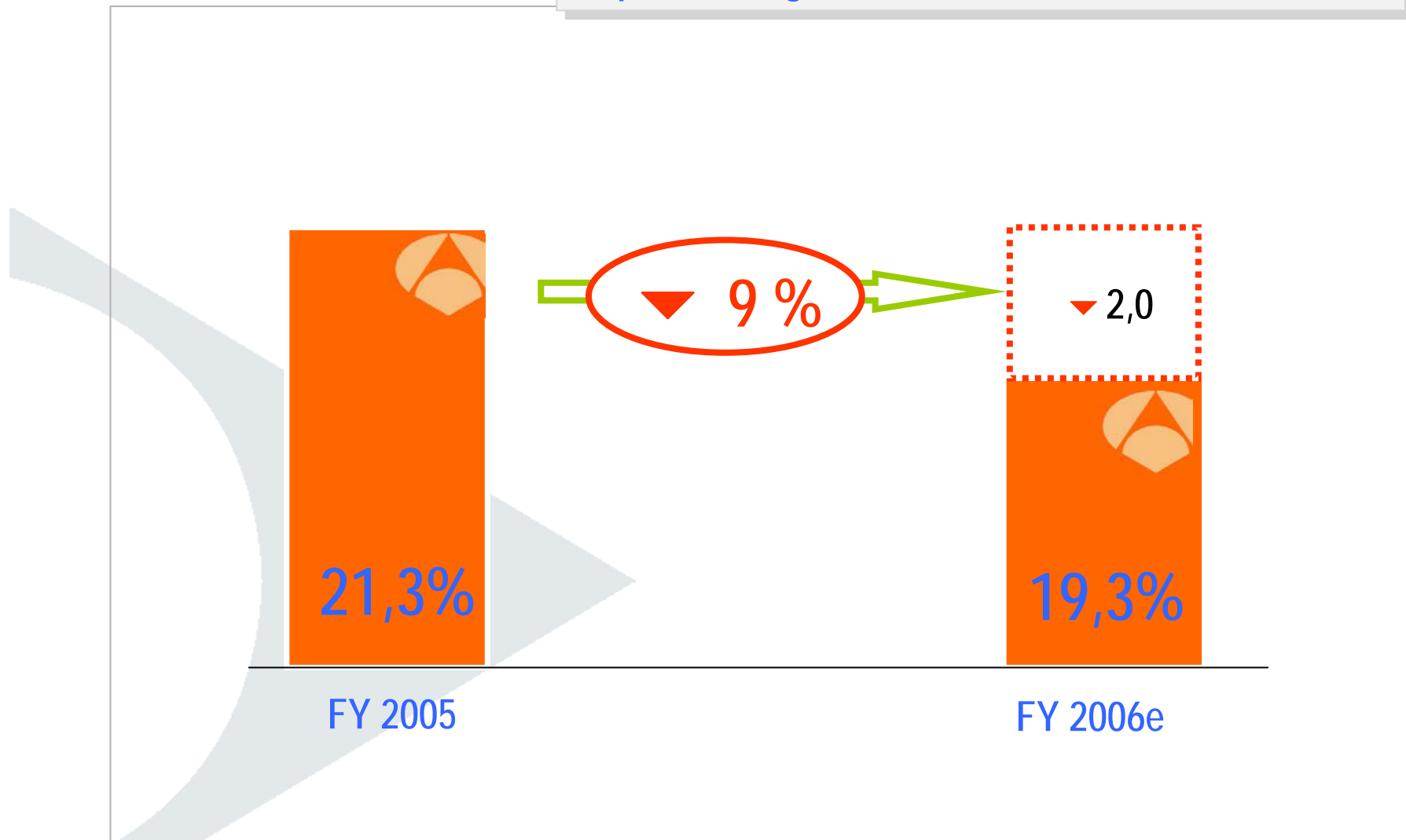


SOURCE: TNS SOFRES AM (2005)

2. Audience



Impact of fragmentation on 2006 audience shares

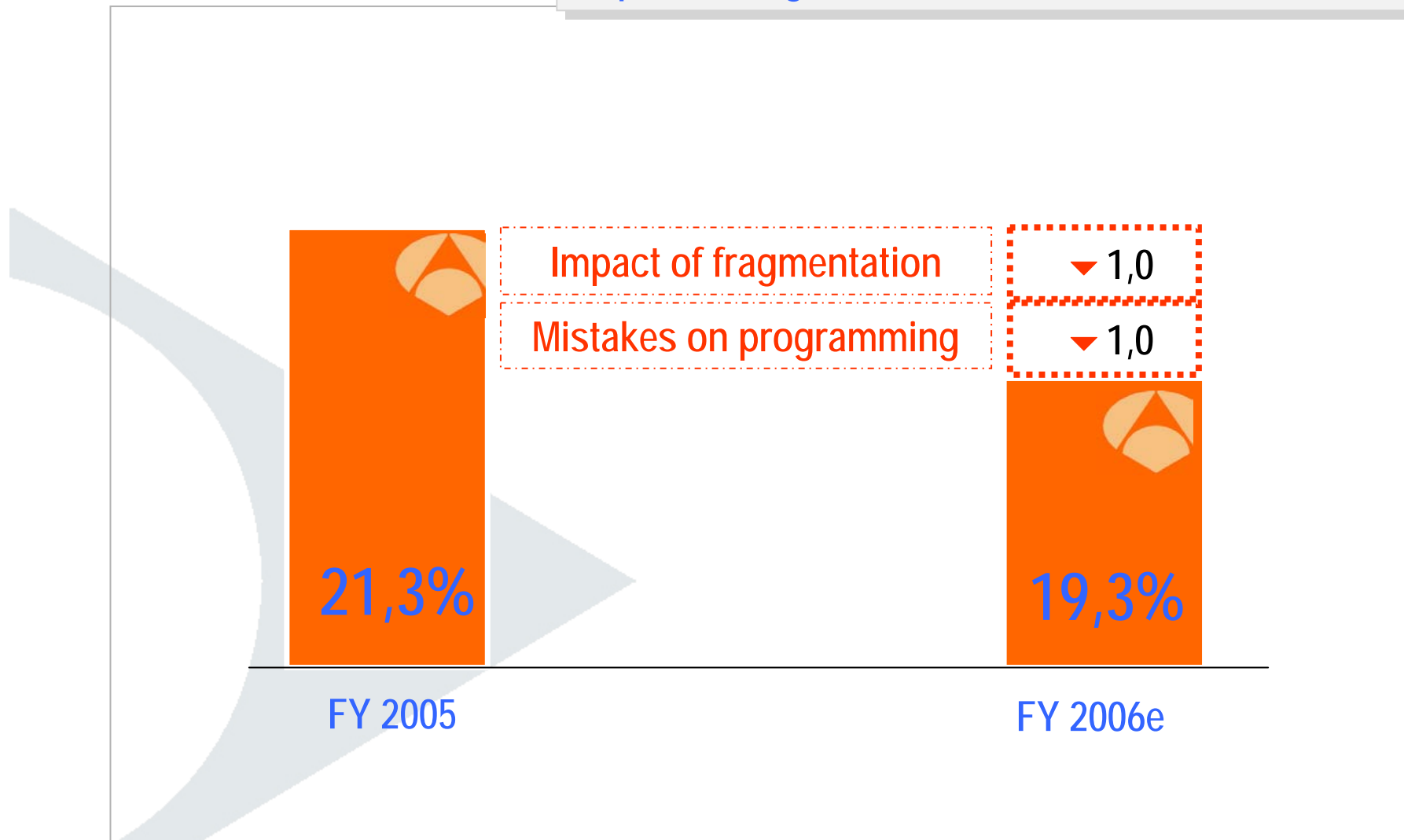


SOURCE: TNS SOFRES AM (2005) + MKTG Forecast. Antena 3TV

2. Audience



Impact of fragmentation on 2006 audience shares

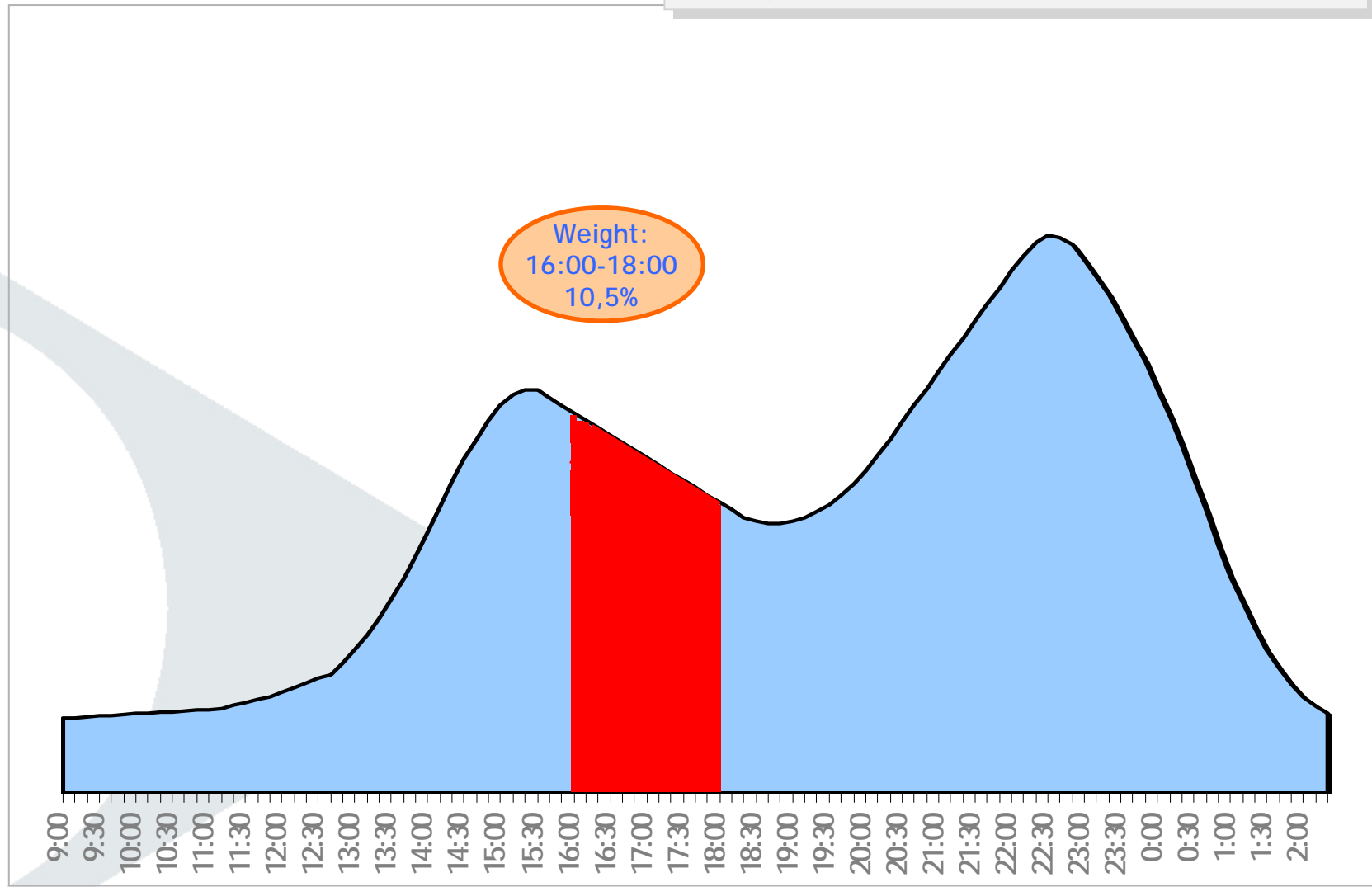


SOURCE: TNS SOFRES AM (2005) + MKTG Forecast. Antena 3TV

2. Audience



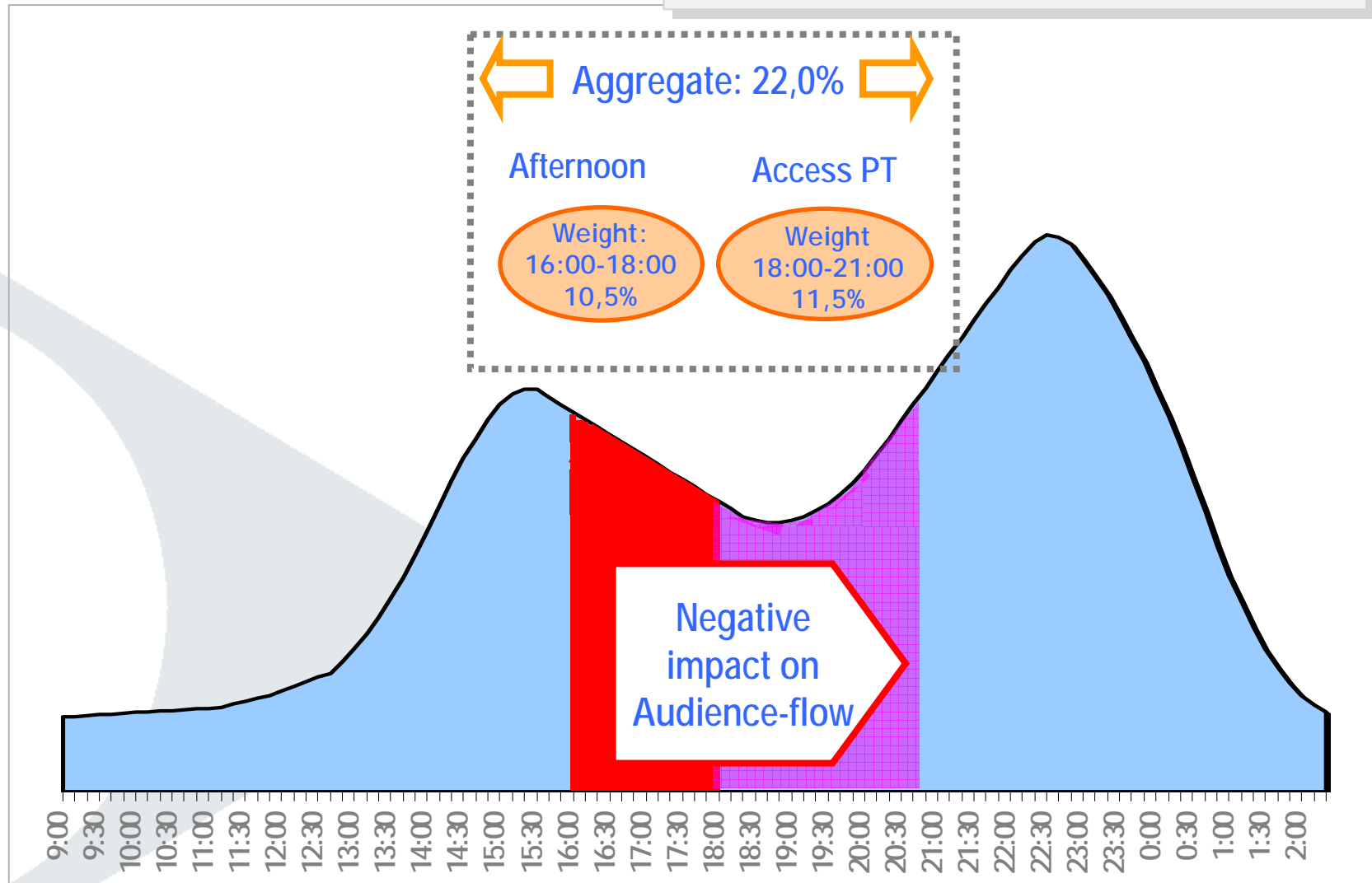
Analysis of the time-frame 16:00-18:00



2. Audience



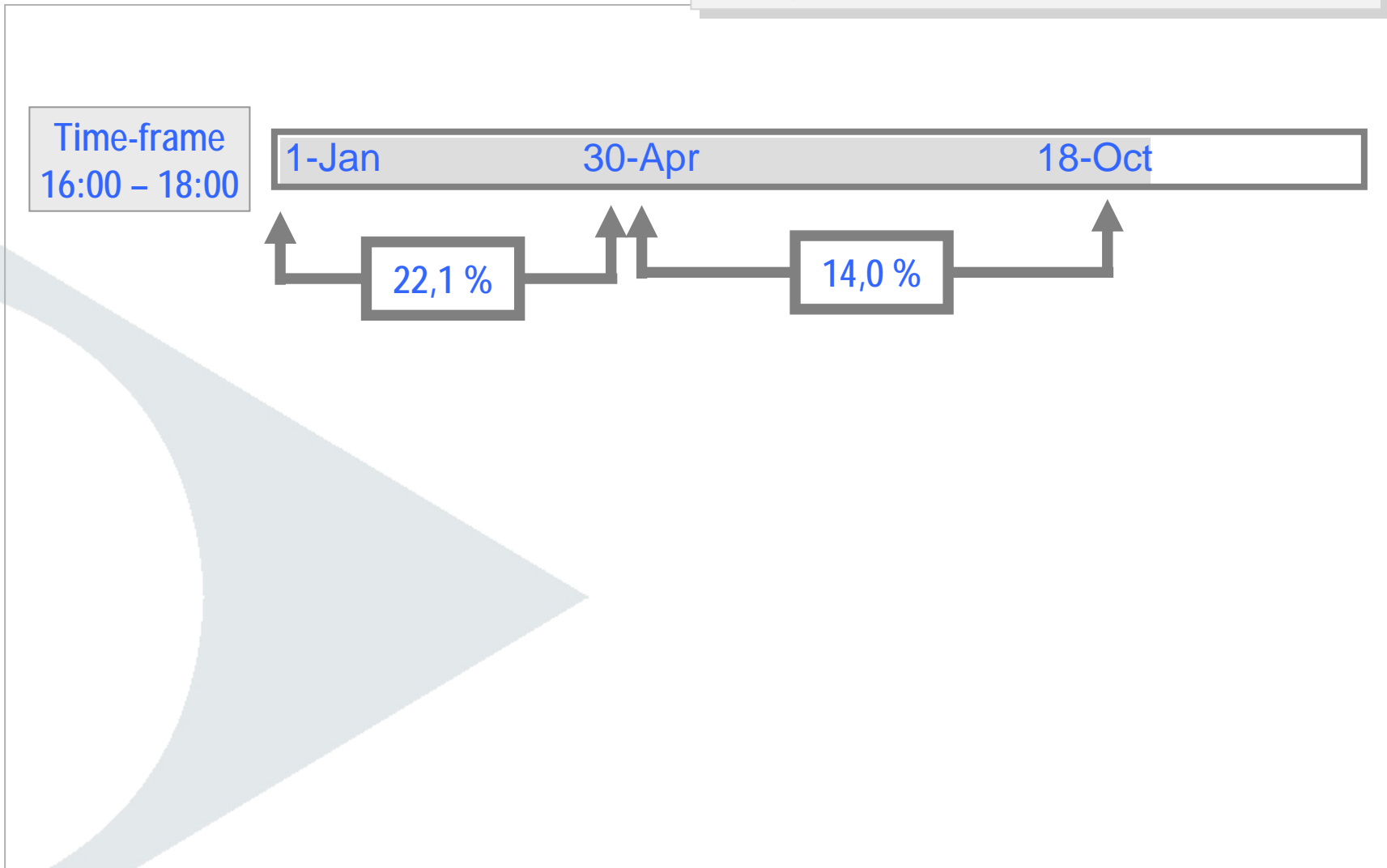
Analysis of the time-frame 18:00-21:00



2. Audience



Analysis of the time-frame 16:00-18:00



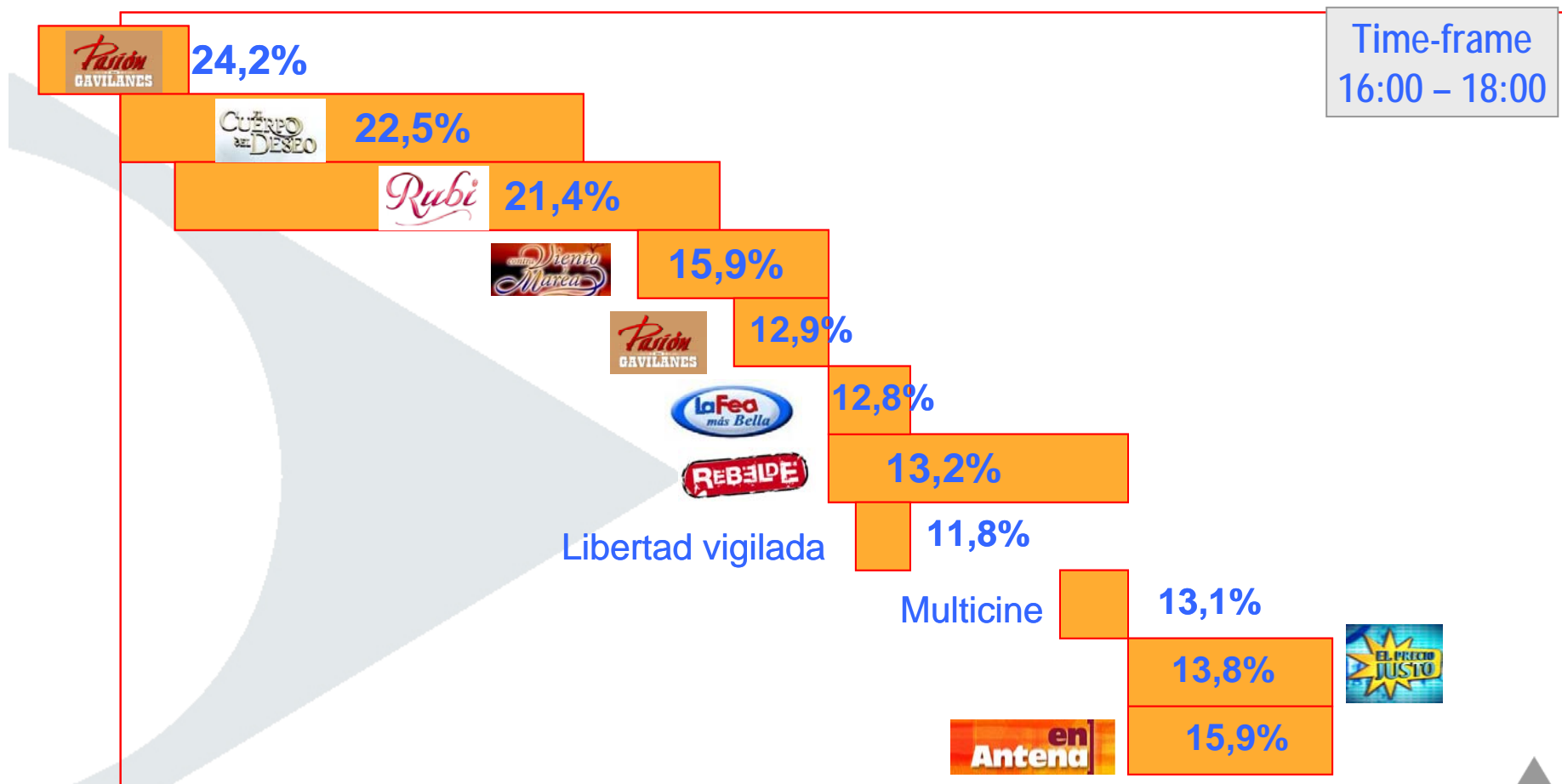
SOURCE: TNS SOFRES AM (2005)



2. Audience

2006

ene	feb	mar	abr	may	jun	jul	ago	sep	oct	nov	dic
24,5	21,6	20,9	21,1	18,2	13,4	12,7	12,8	13,3	13,4		

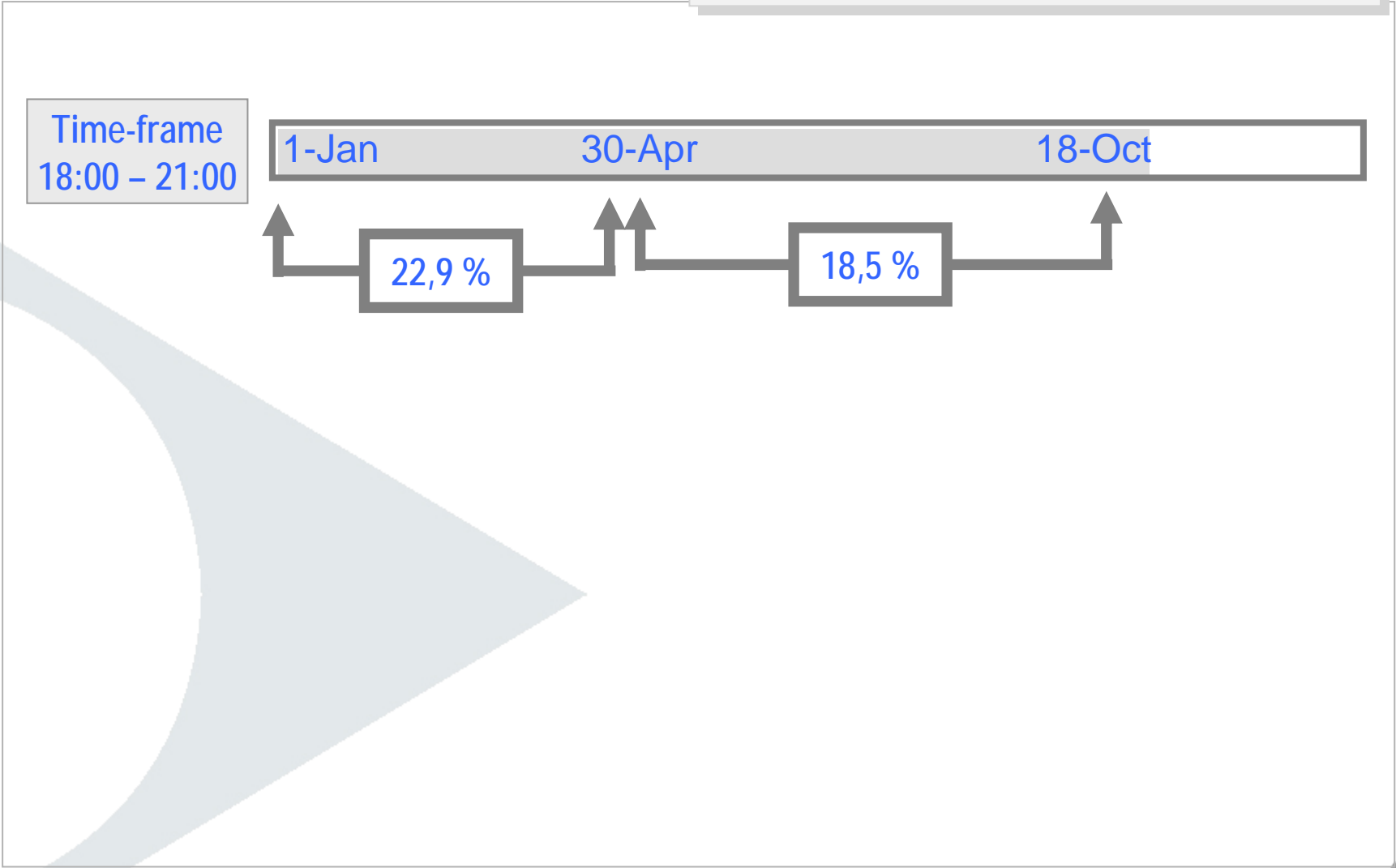


SOURCE: TNS SOFRES AM (2005)

2. Audience



Analysis of the time-frame 18:00-21:00



SOURCE: TNS SOFRES AM (2005)

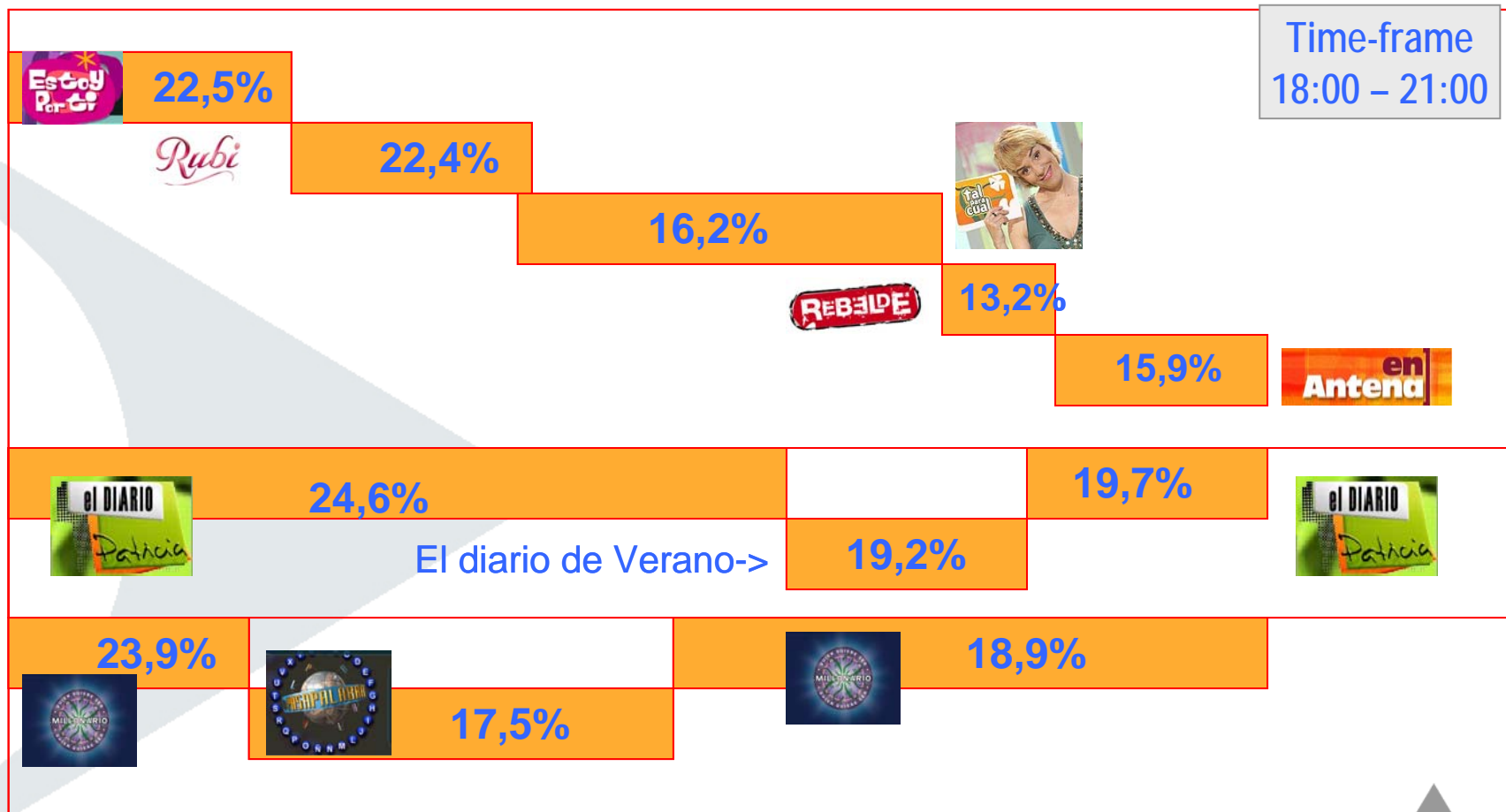


2. Audience

2006

ene	feb	mar	abr	may	jun	jul	ago	sep	oct	nov	dic
23,8	22,4	22,8	22,4	20,5	17,6	18,6	16,6	17,6	20,3		

18:00

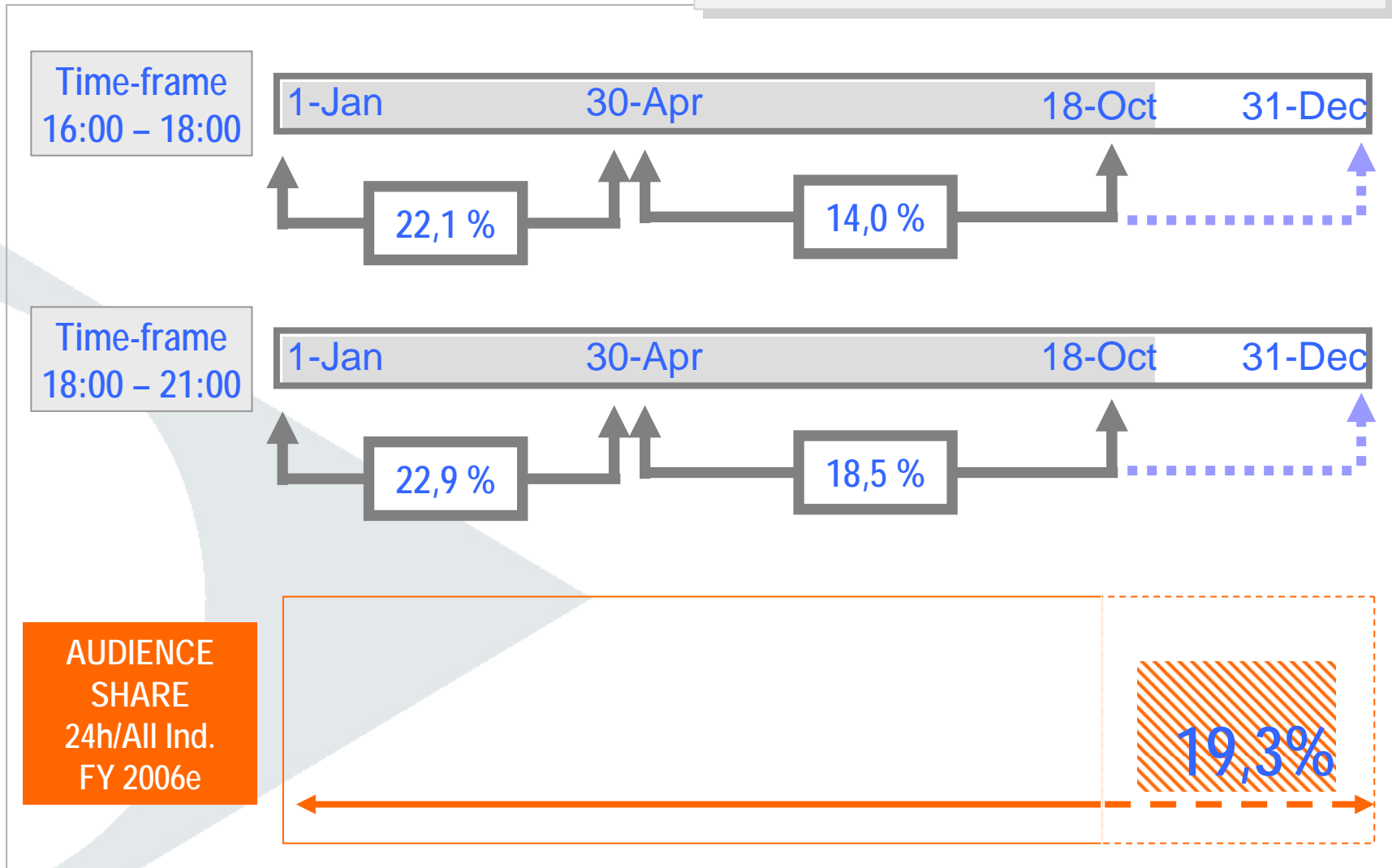


SOURCE: TNS SOFRES AM (2005)

2. Audience



Analysis of the time-frame 16:00-21:00

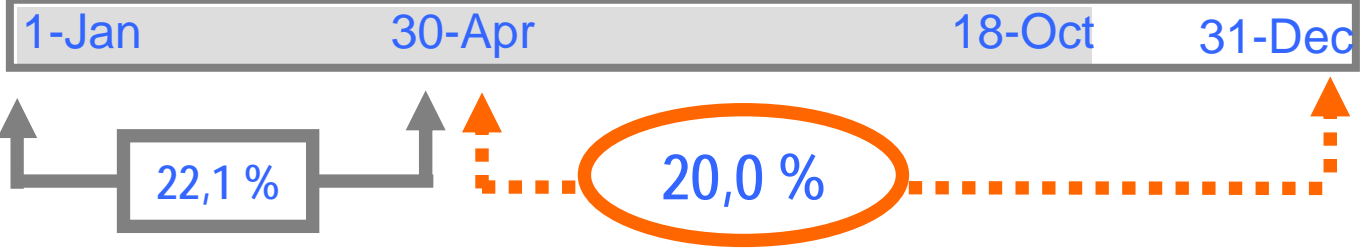


2. Audience

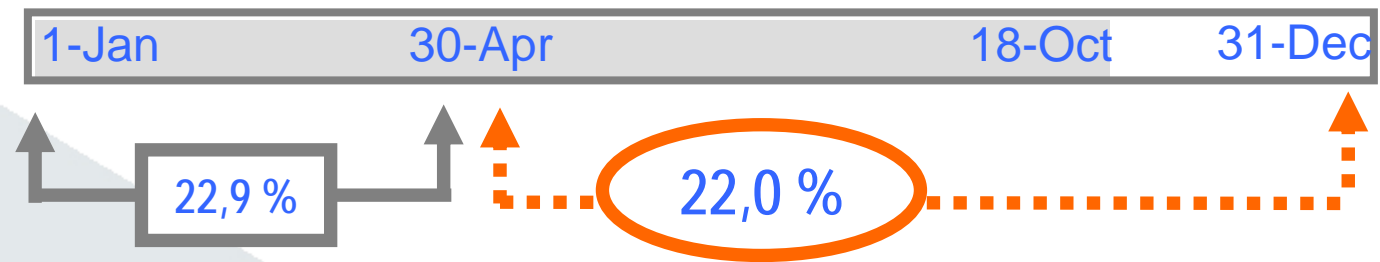


Analysis of the time-frame 16:00-21:00

Time-frame
16:00 – 18:00



Time-frame
18:00 – 21:00

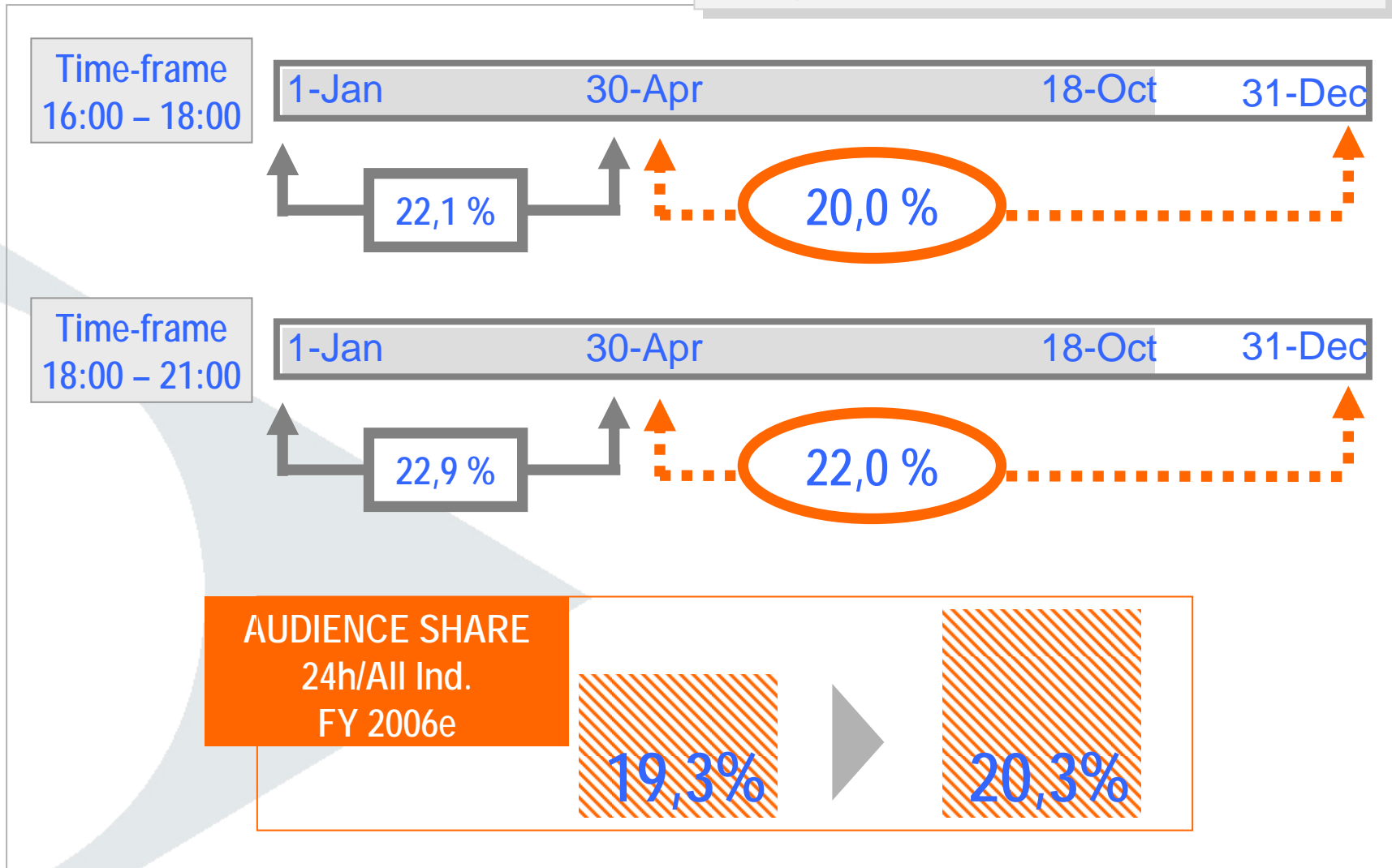


What if...?

2. Audience



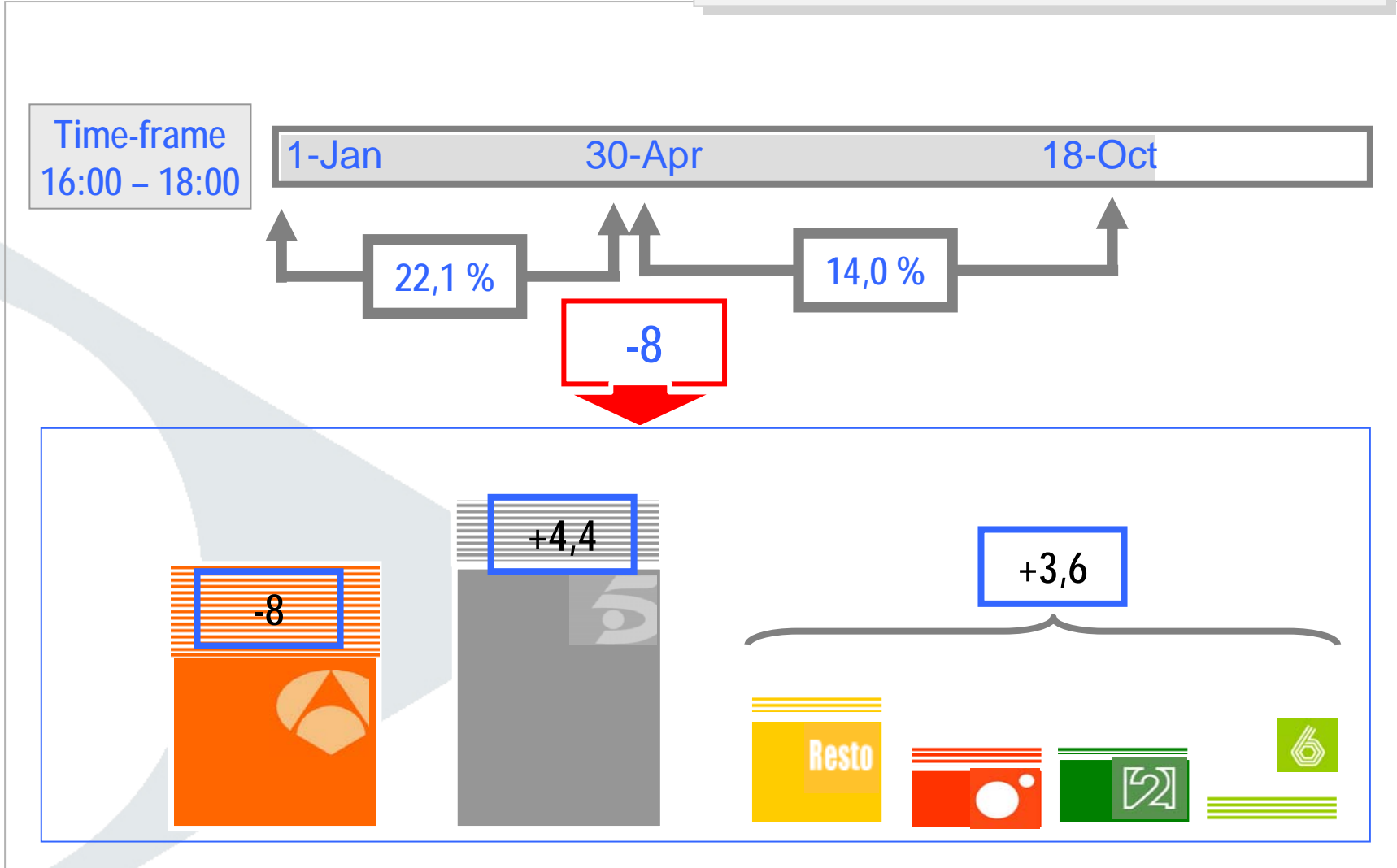
Analysis of the time-frame 16:00-21:00



2. Audience

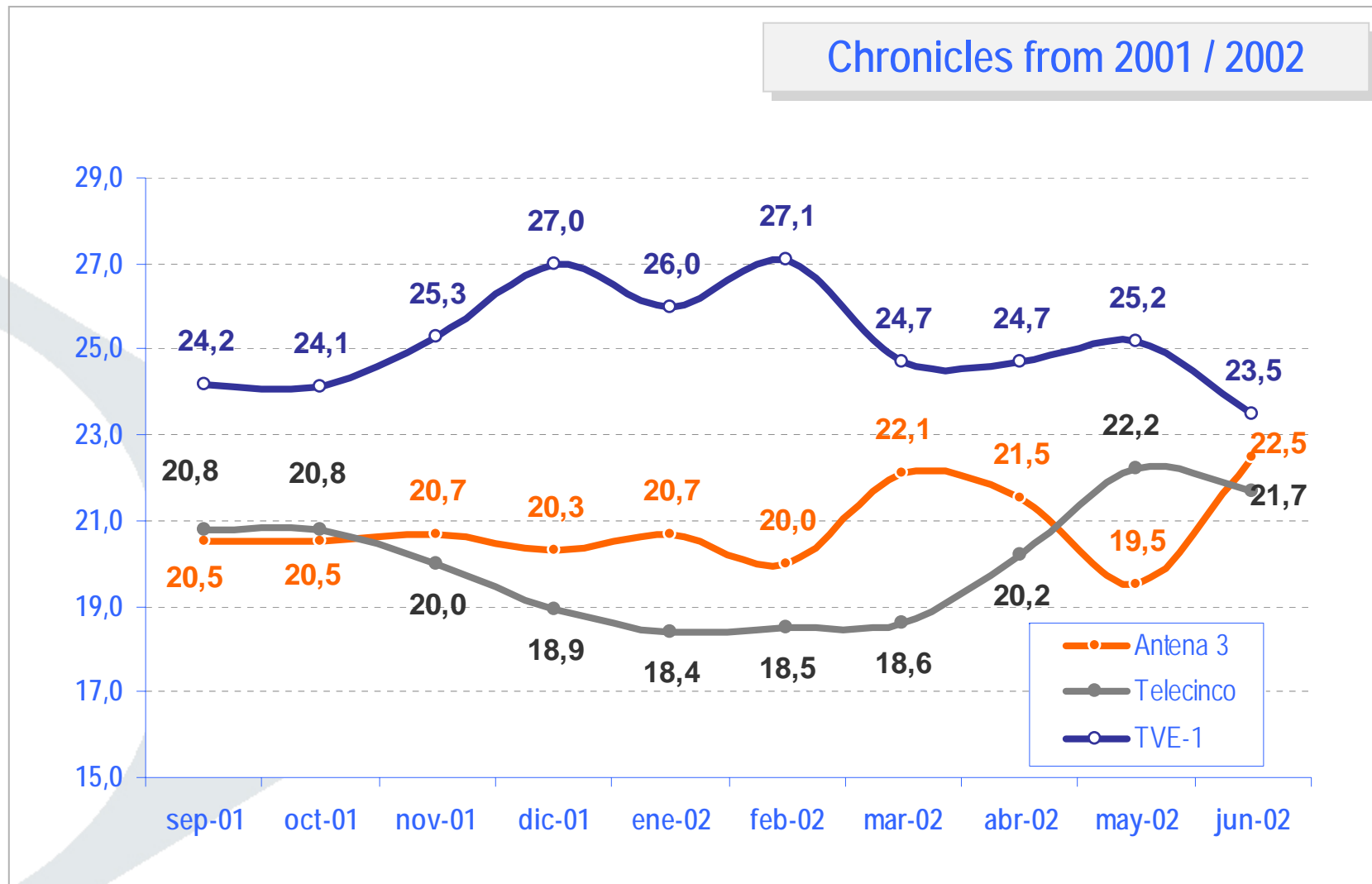


Analysis of the time-frame 16:00-21:00



SOURCE: TNS SOFRES AM (2005)

2. Audience

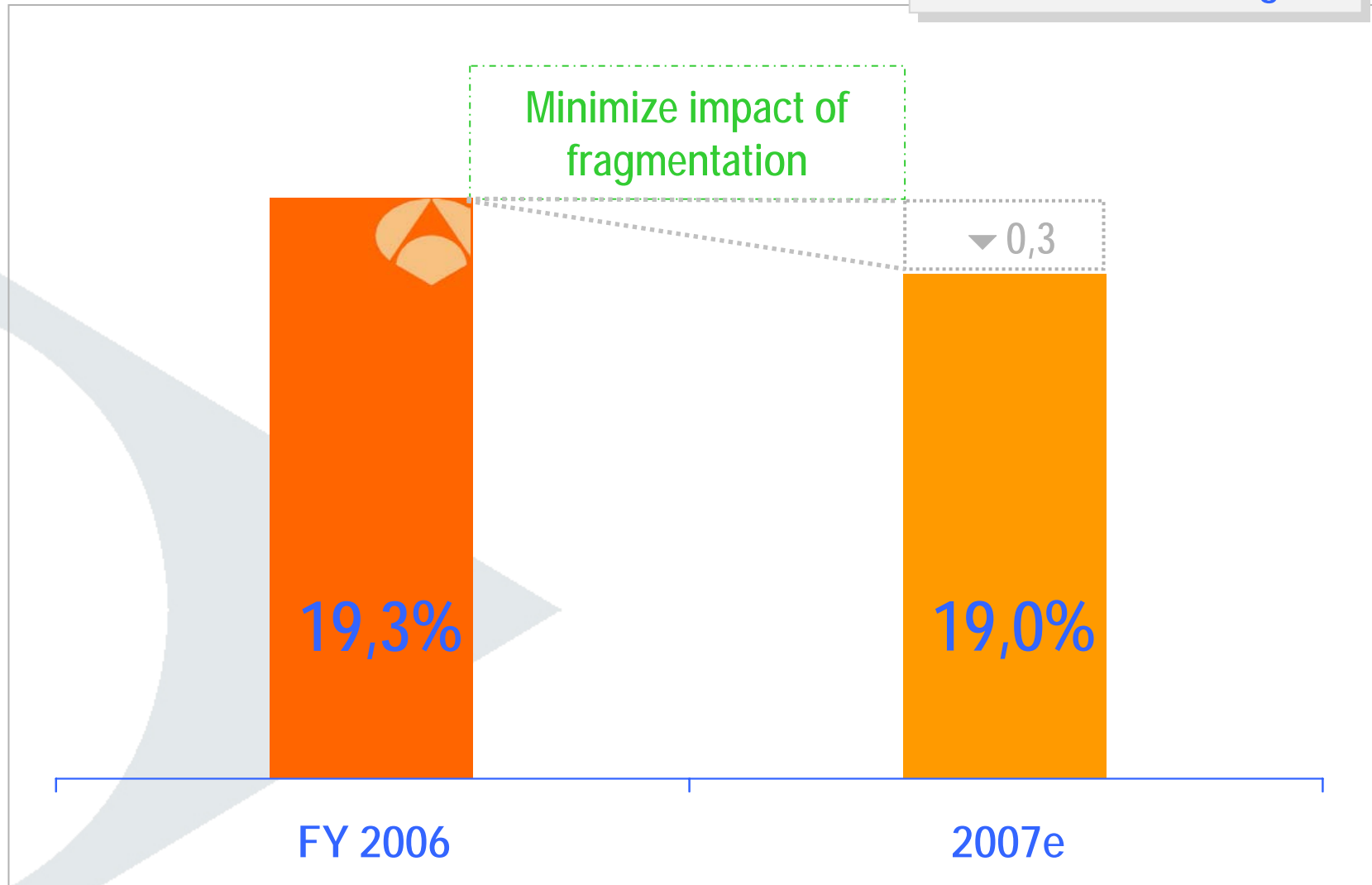


SOURCE: TNS SOFRES AM (2005)

2. Audience



2007 Audience target

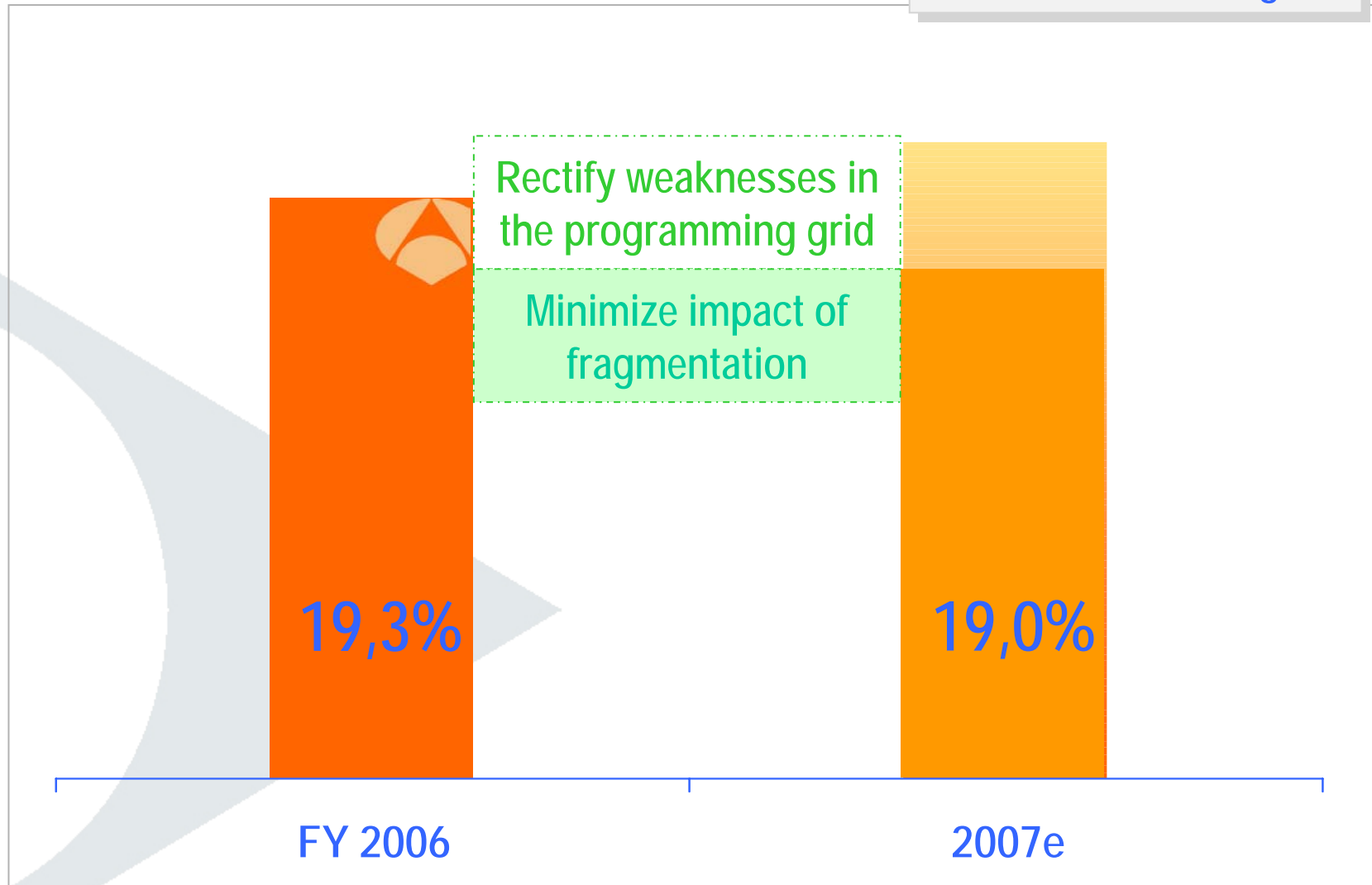


SOURCE: TNS SOFRES AM (2005) + MKTG Forecast. Antena 3TV

2. Audience



2007 Audience target

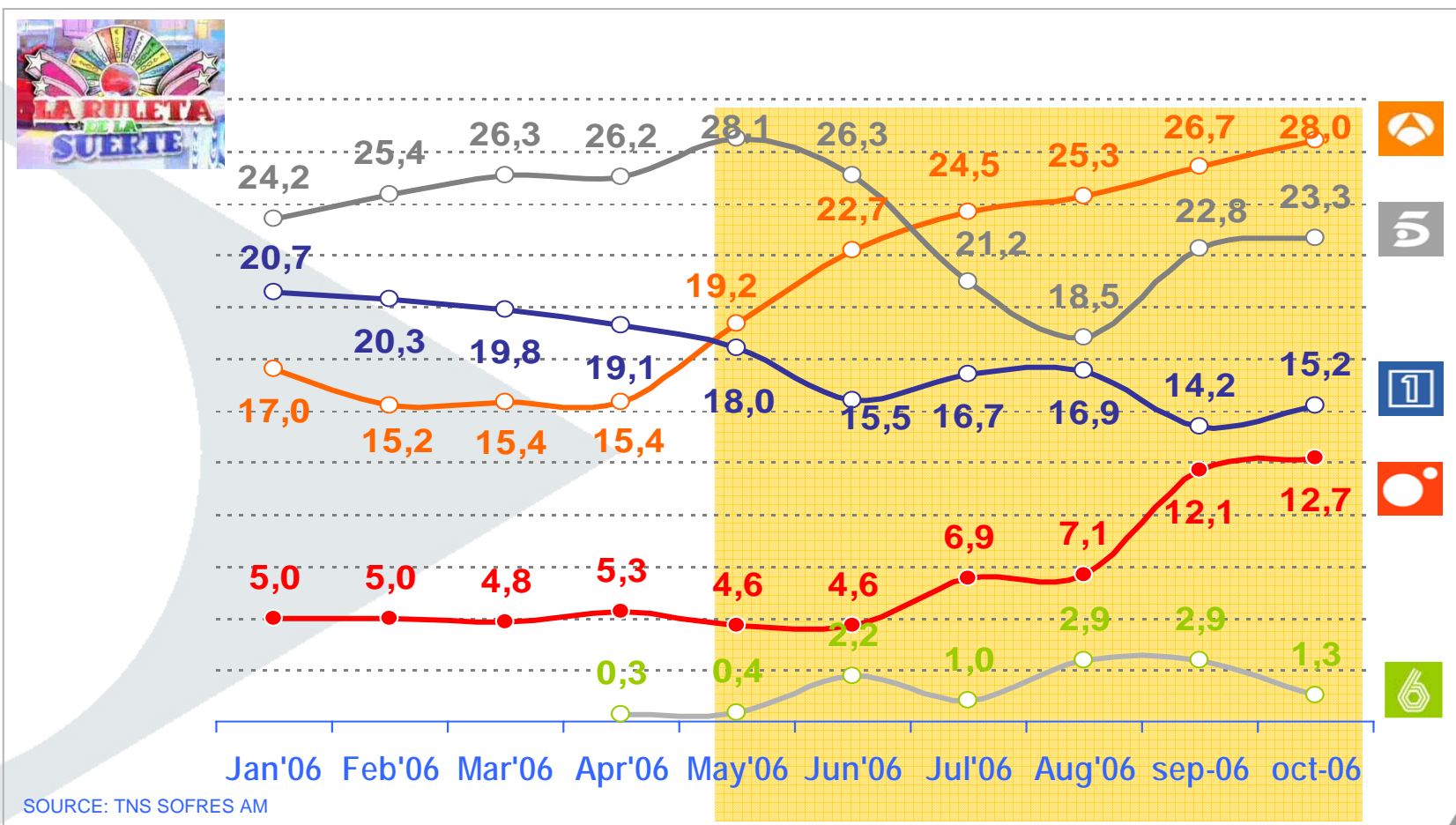


SOURCE: TNS SOFRES AM (2005) + MKTG Forecast. Antena 3TV



2. Audience

- "The wheel of fortune" was relaunched in April 2006 and achieved solid audience leadership from July 2006 onwards
- The format furthermore improves the audience shares of its follow-ups "The Simpsons" and "Antena 3 Noticias 1"



2. Audience



2007

- ✓ The audience decline related with specific programming issues has been detained
- ✓ The main structural erosion of audiences due to new competitors has already happened in 2006 and a new equilibrium has been set up
- ✓ Clear ambition to chase its implied upside potential for 2007

Analysing the TV Business



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REVENUE

- ✓ **Market**
- ✓ **Audience**
- 3. Price**
- 4. Competition**

COSTS

- 5. Programming Costs**
- 6. Structural Costs**

3. Price

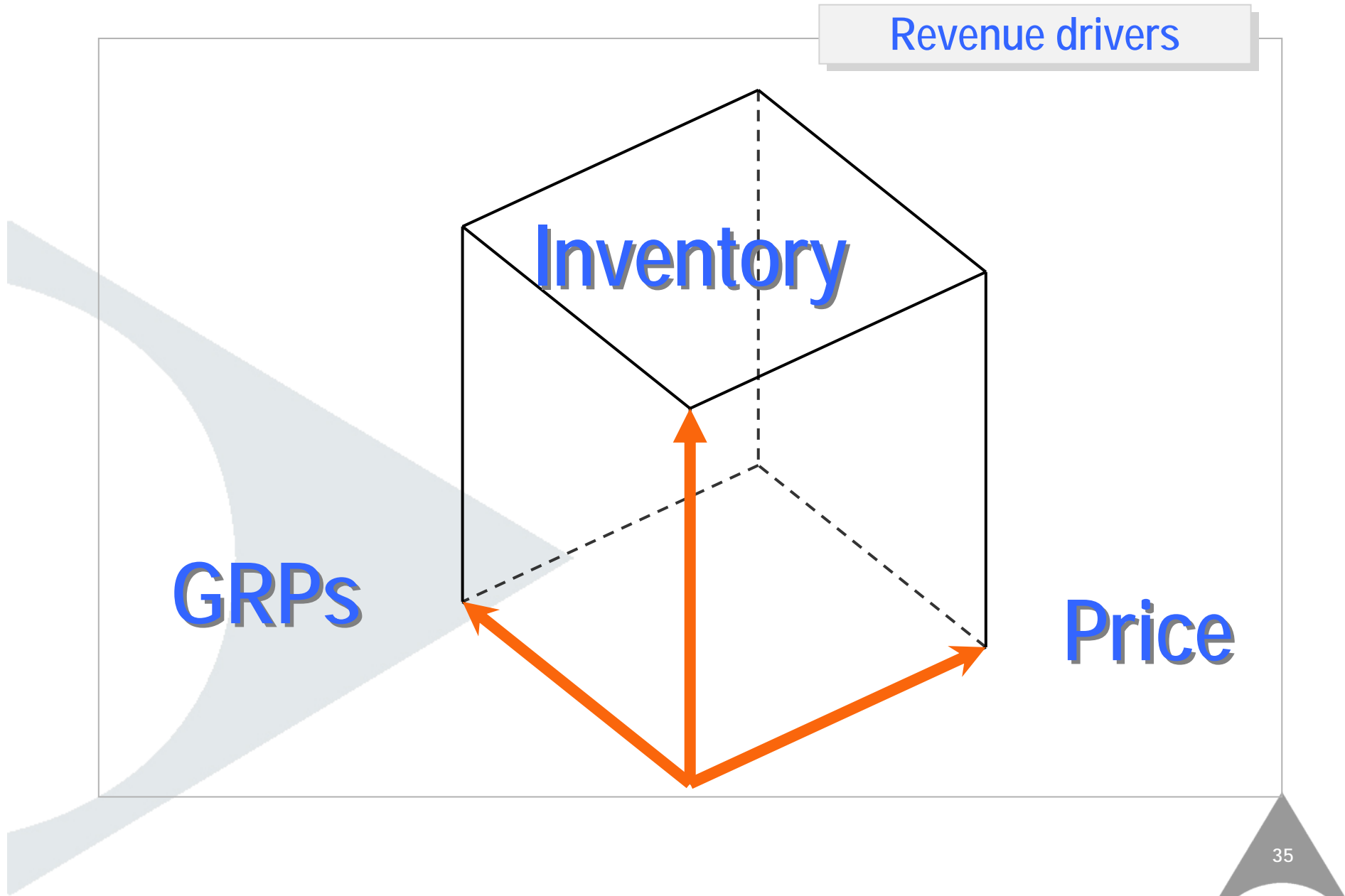


Revenue drivers

Inventory

GRPs

Price



3. Price

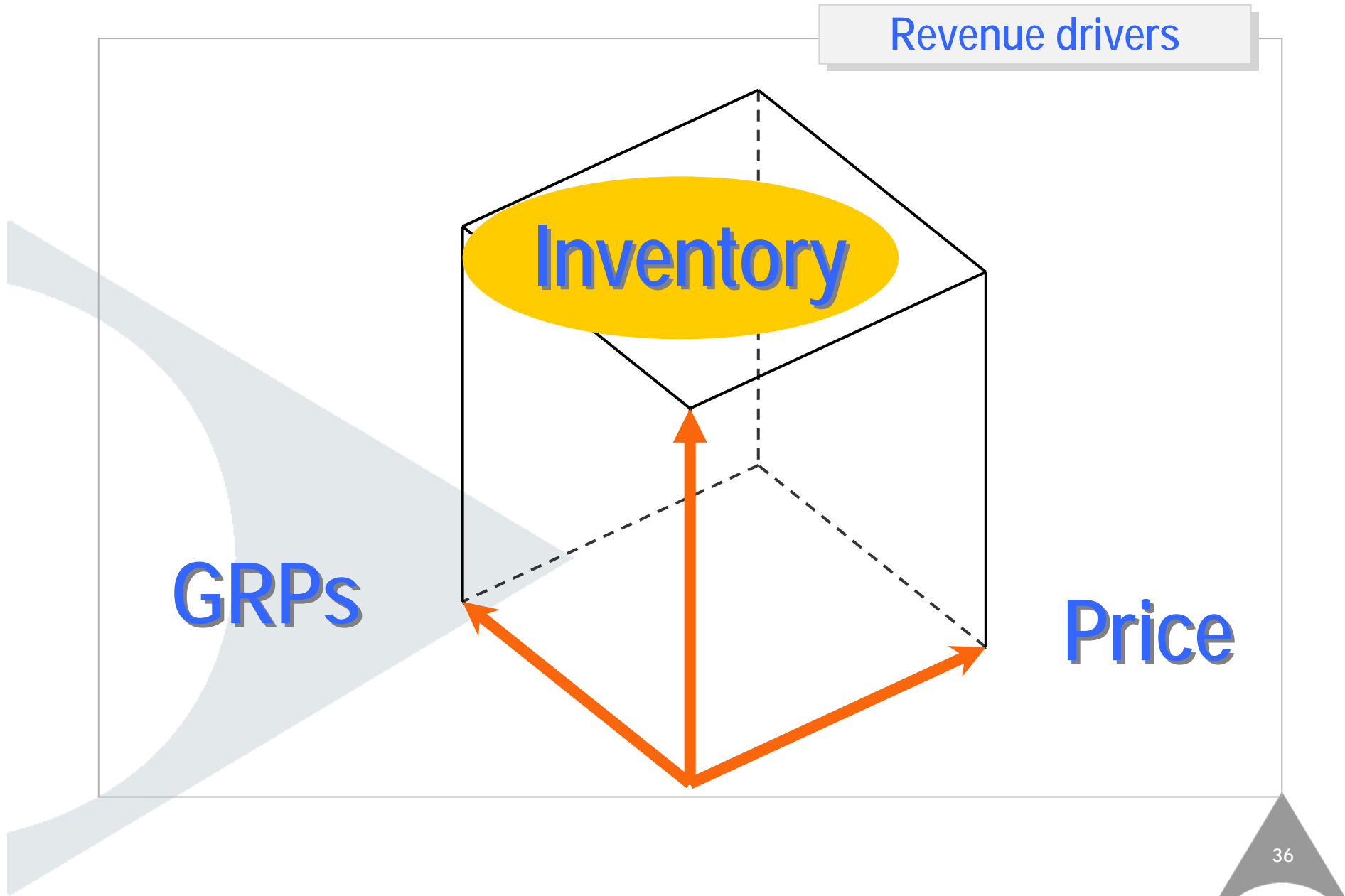


Revenue drivers

Inventory

GRPs

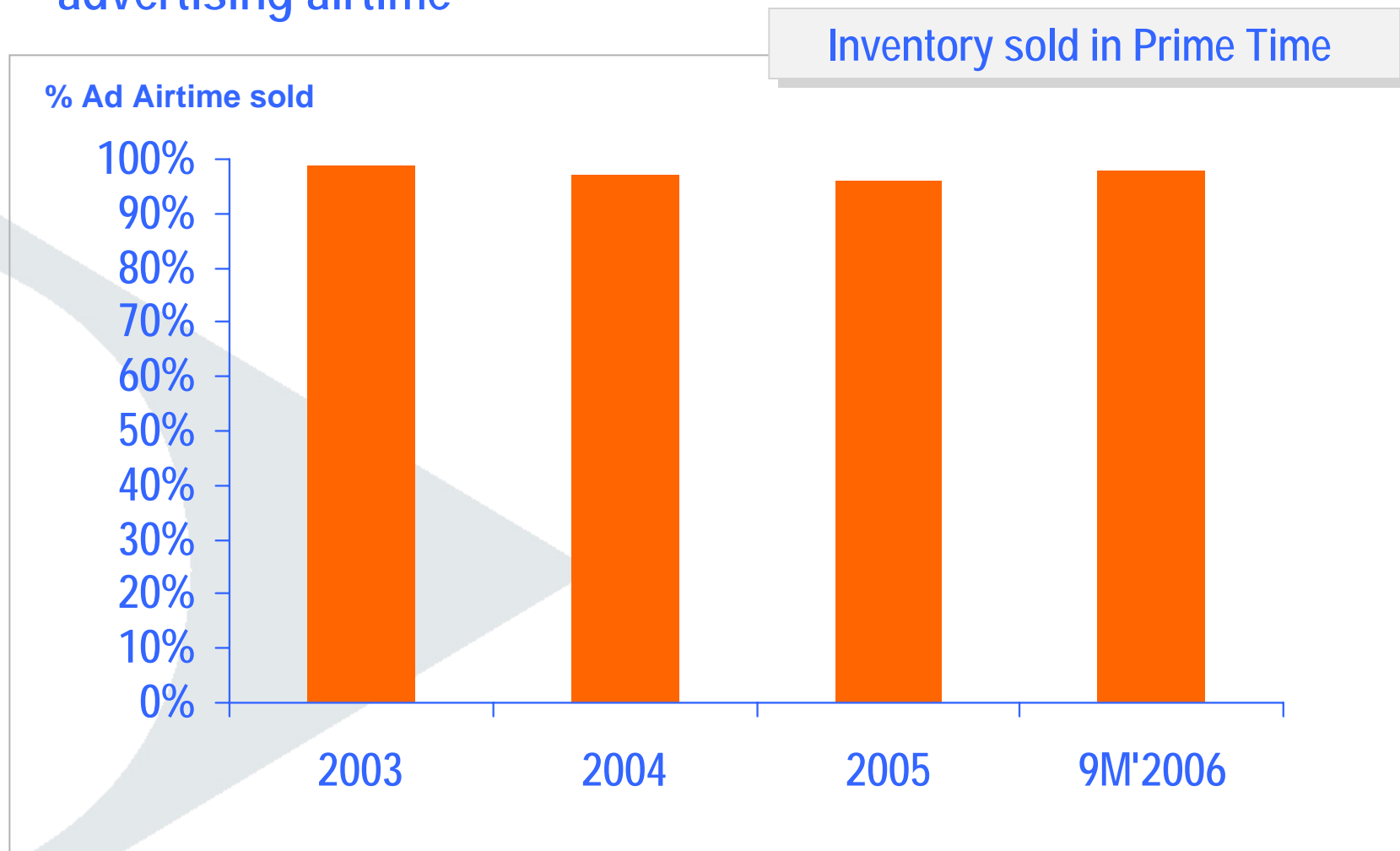
Price





3. Price

→ There is no significant upside in growing revenue by increasing advertising airtime



SOURCE: Departamento Marketing ATRES ADVERTISING

3. Price

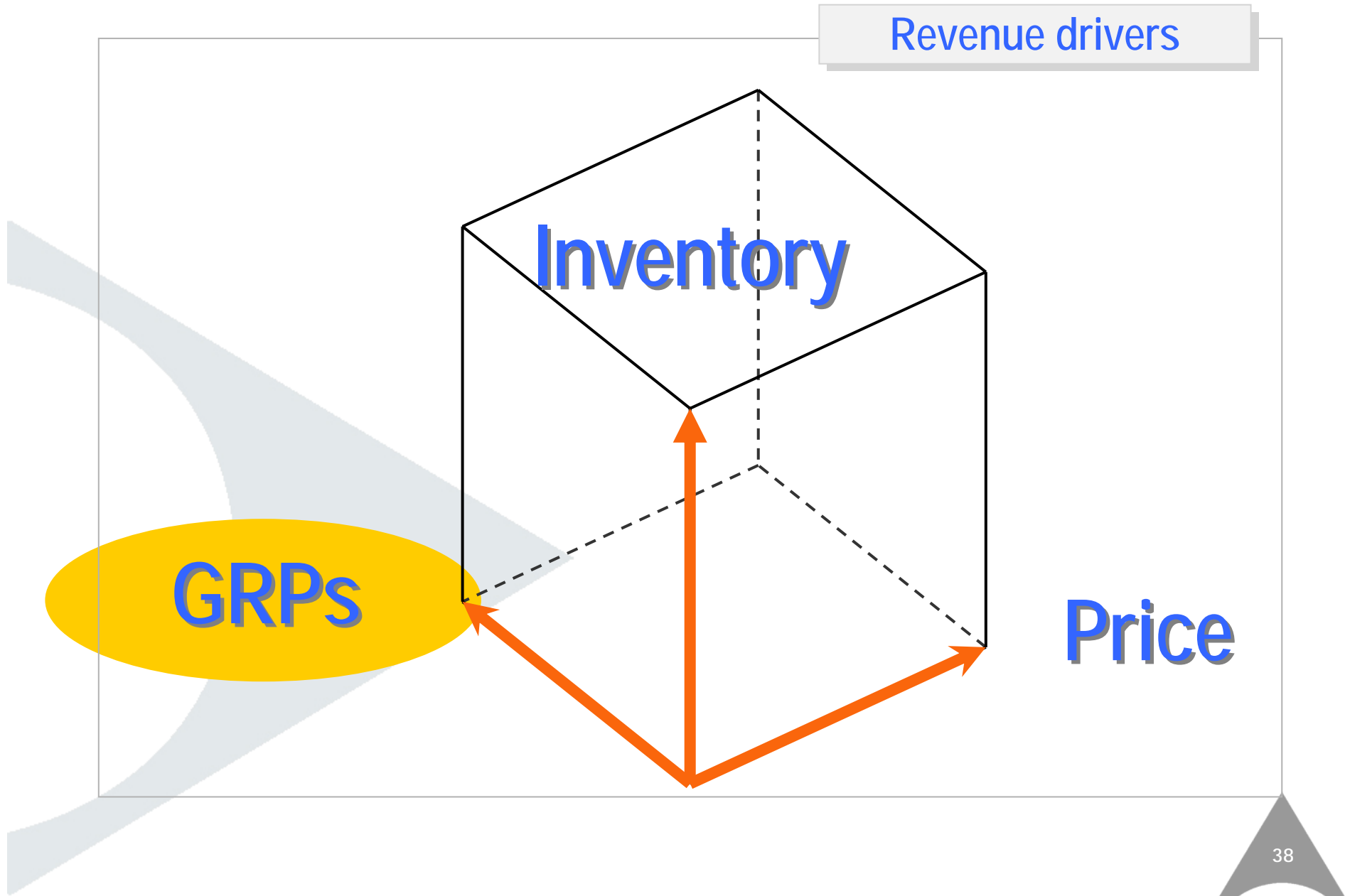


Revenue drivers

Inventory

GRPs

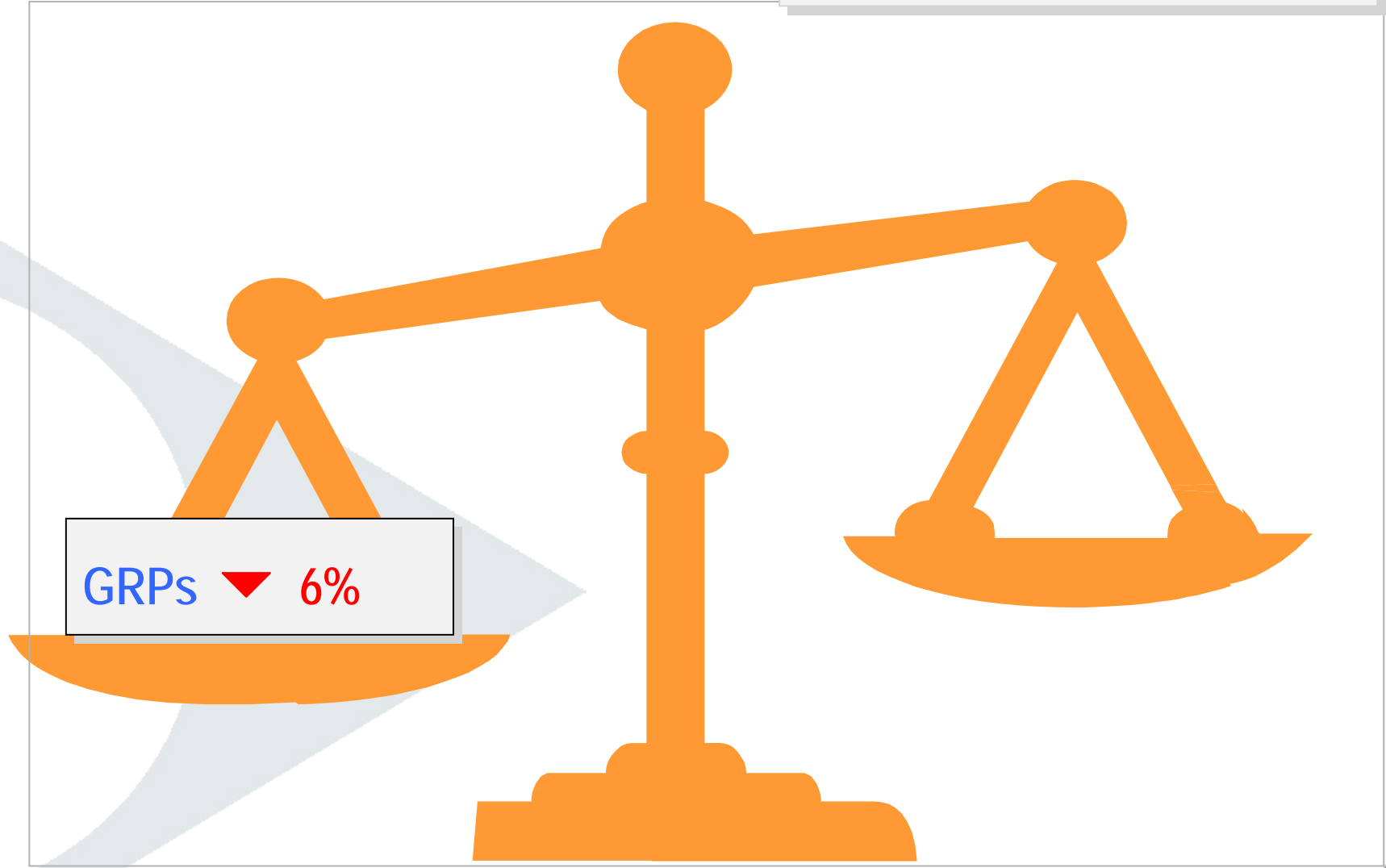
Price



3. Price



The balance of TV revenues



3. Price

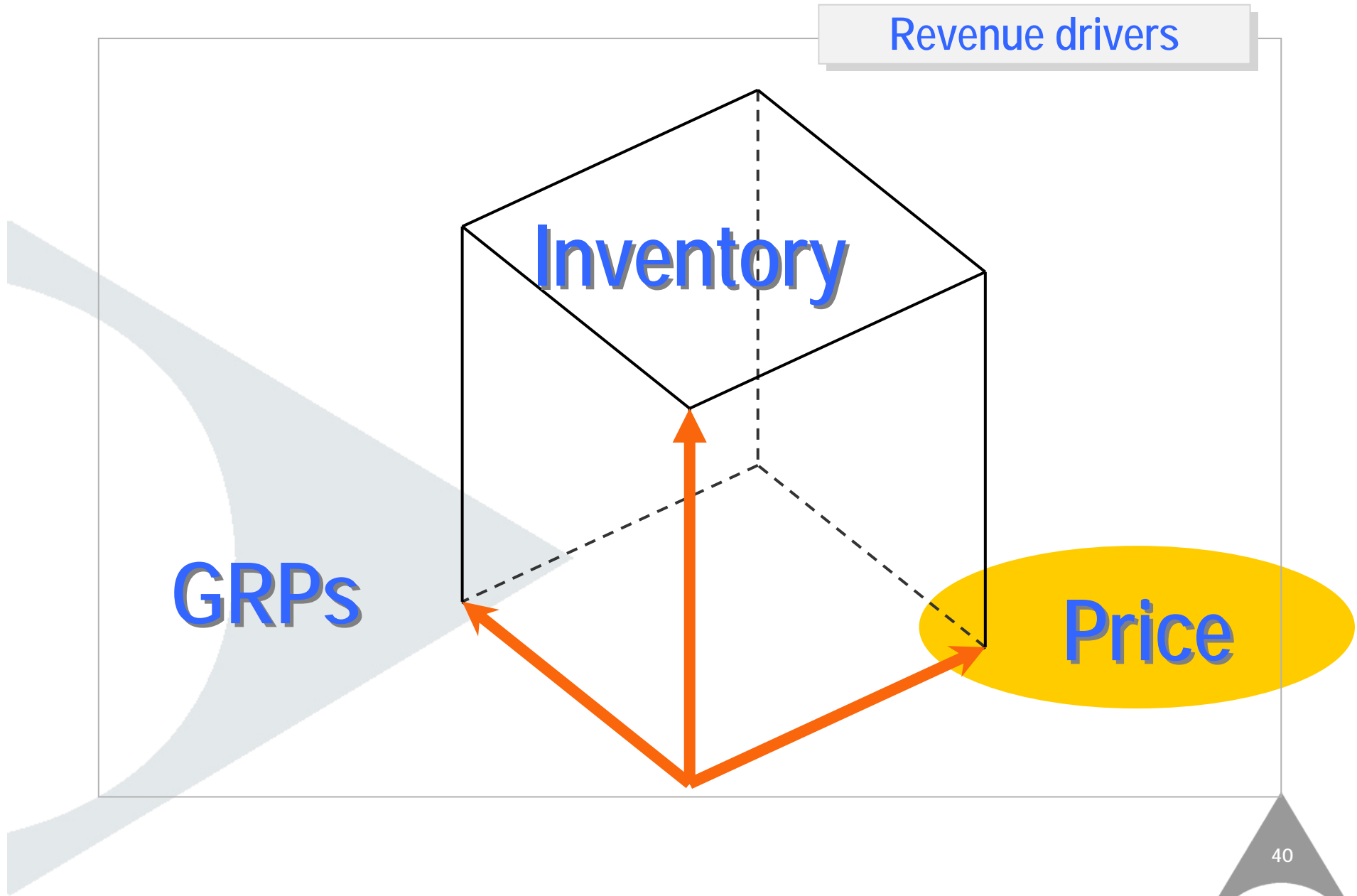


Revenue drivers

Inventory

GRPs

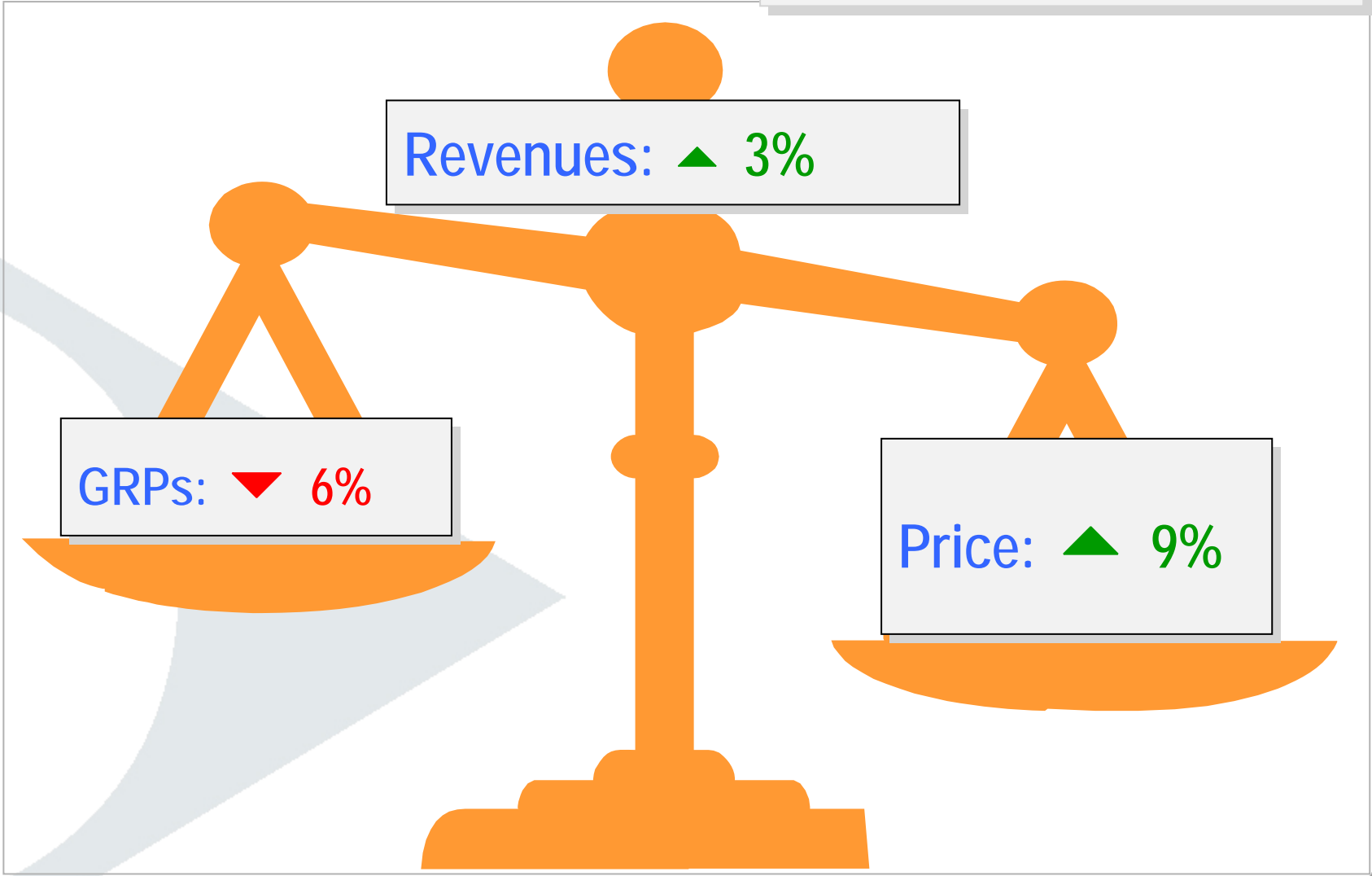
Price



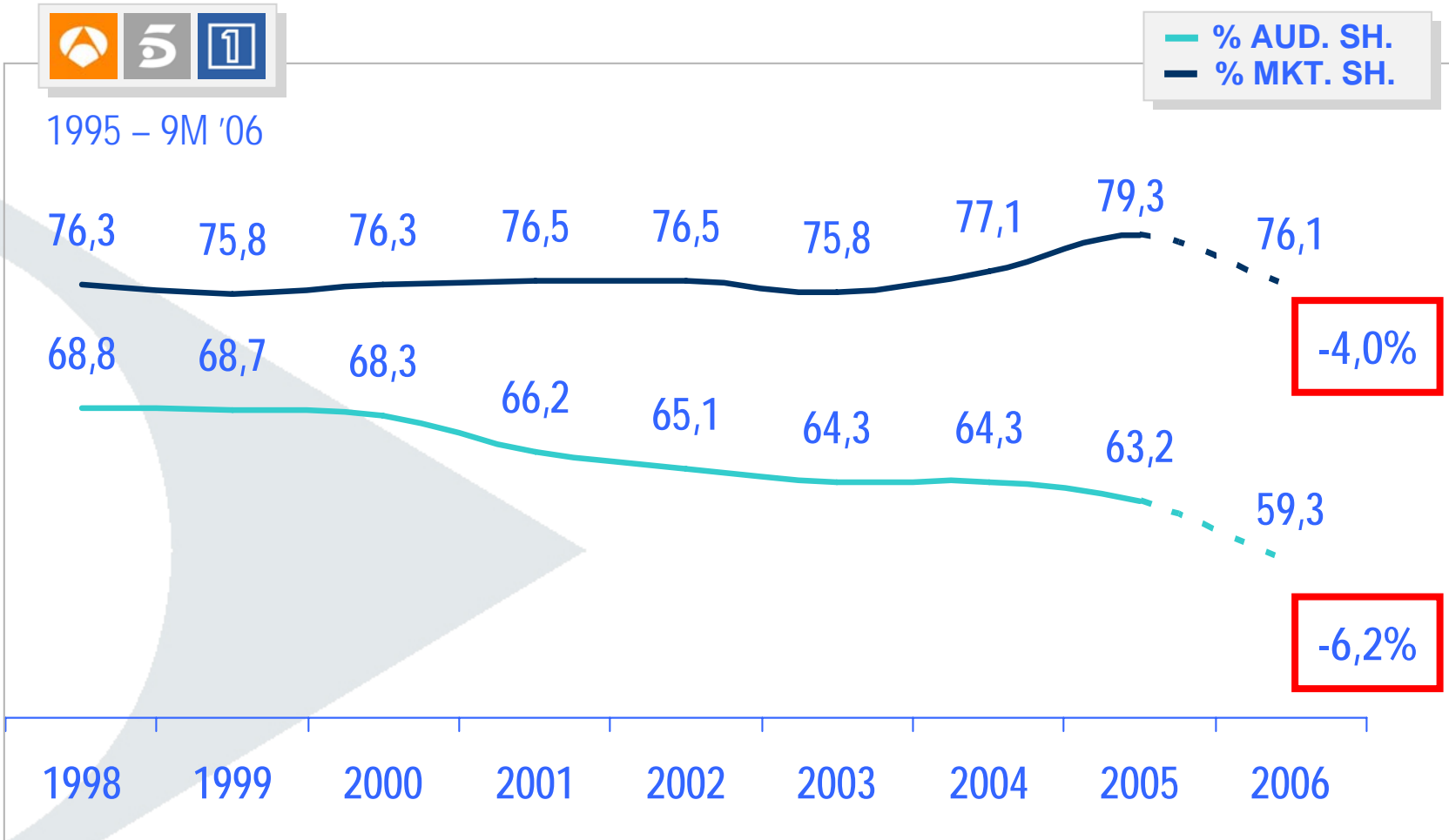
3. Price



The balance of TV revenues



3. Price



SOURCE: TNS + Infoadex + MKTG Forecast. ATRES advertising

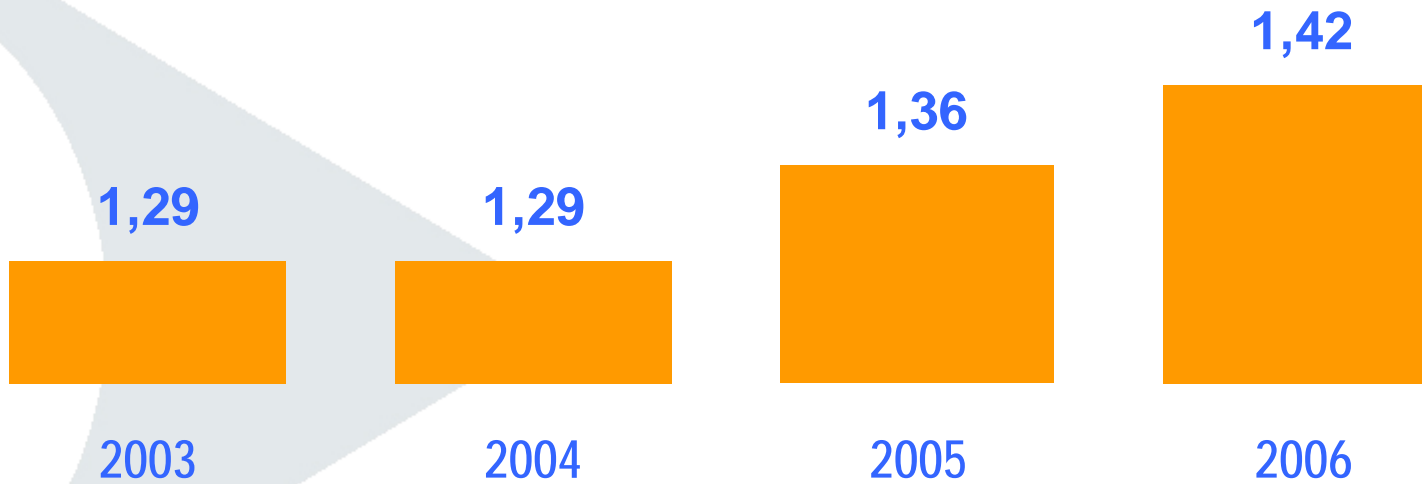
3. Price



Progression of the power ratio of A3TV

2003 – 9M '06

All Individuals



Source: Internal Estimates Marketing Department ATRES ADVERTISING

3. Price



Progression of the power ratio of A3TV month by month

Throughout 2006

All Individuals

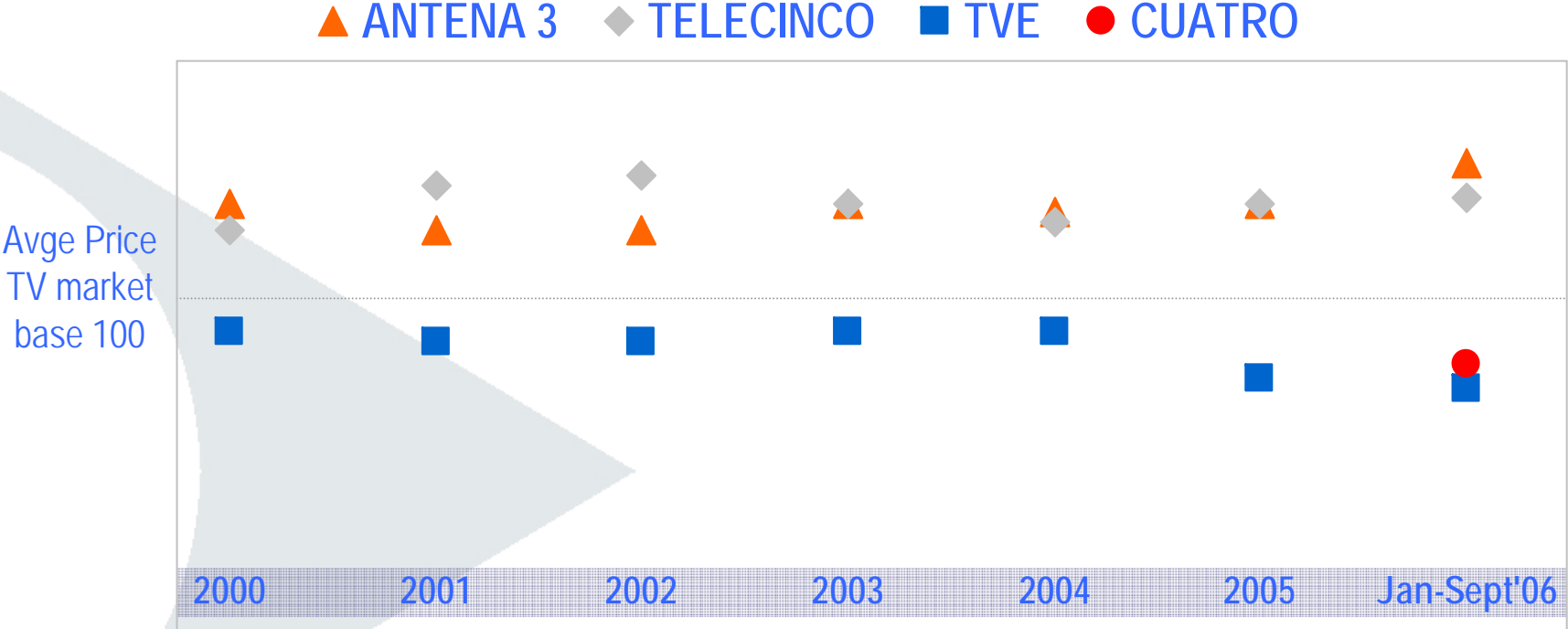


Source: Internal Estimates Marketing Department ATRES ADVERTISING

3. Price



Average Price per GRP; A3TV vs its competitors

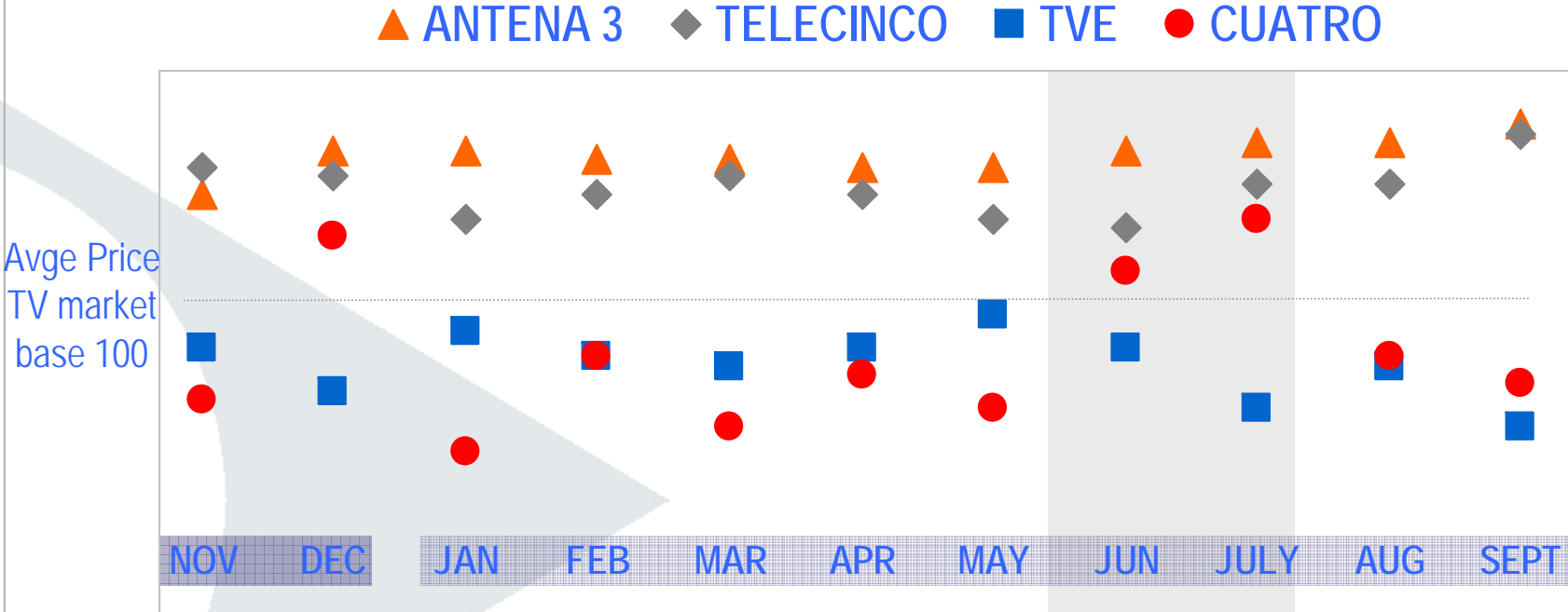


Source: ATRES ADVERTISING Marketing Department Estimates
 Natl. Conventional Prices. All GRP's evaluated for Adults

3. Price



Average Price per GRP; A3TV vs its competitors



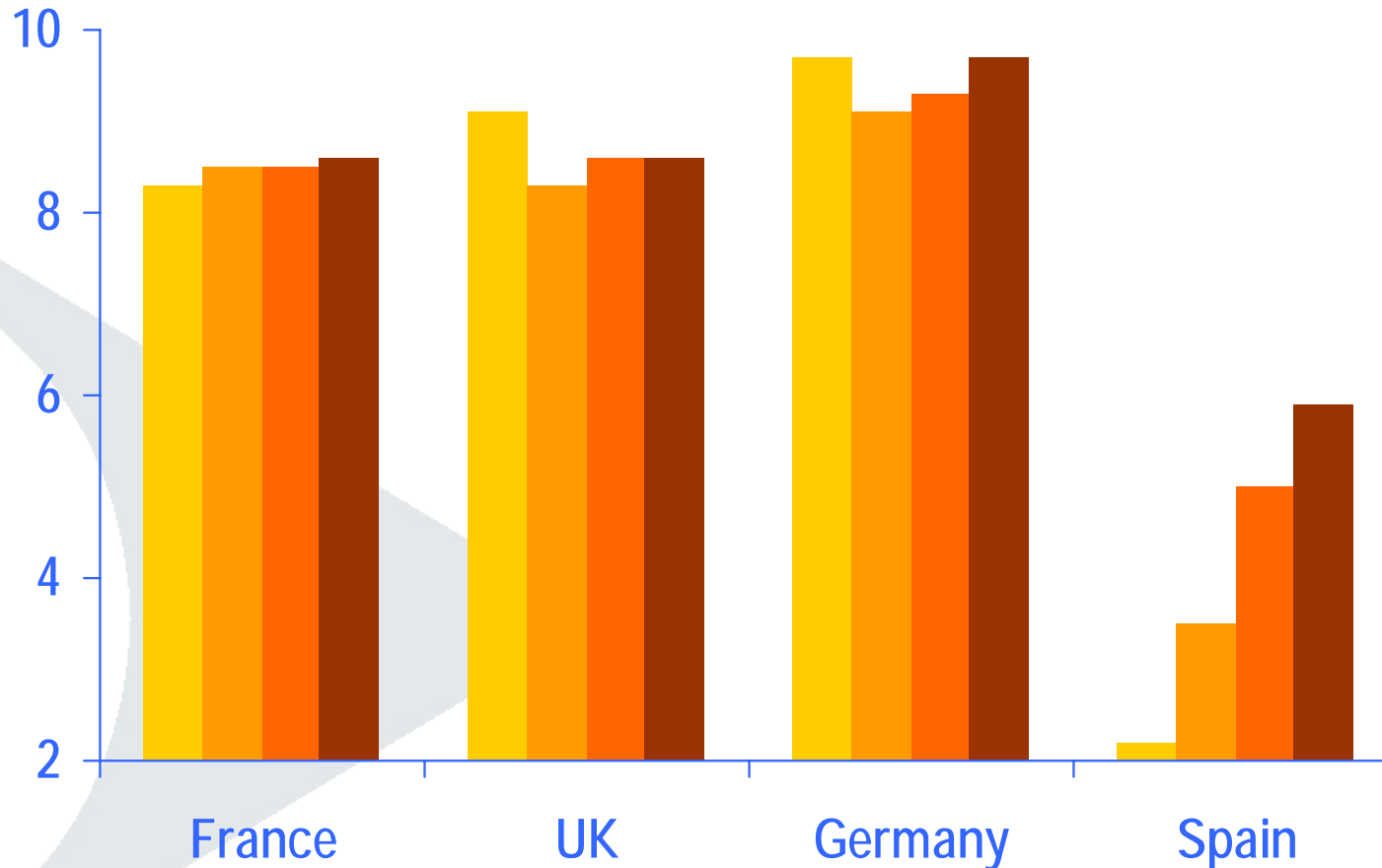
Source: ATRES ADVERTISING Marketing Department Estimates
 Natl. Conventional Prices. All GRP's evaluated for Adults

3. Price



Price comparison (CPT) in main European markets

Adults/ CPTs (€),
base spot 30sec



2002 2003 2004 2005

SOURCE: 2002: Anuario IP Network + Global Insights
2003: Internal Research

2004: EGTA (European Group for Television Advertising)
2005: EGTA 2005 / España: ATRES



3. Price

- ✓ Antena 3 TV is leading the TV ad market with its forceful pricing policy exploiting price rises as the main revenue driver
- ✓ Audience erosion due to fragmentation does not translate into a loss of ad market share of the same proportion, consequently an enhanced Power Ratio represent sustained growth
- ✓ There is still ample upside potential regarding further price rises, an assessment which will be reflected in ATRES advertising's sales strategy 2007

Analysing the TV Business



FUNDAMENTAL TV VARIABLES

REVENUE

- ✓ Market
- ✓ Audience
- ✓ Price
- 4. Competition**

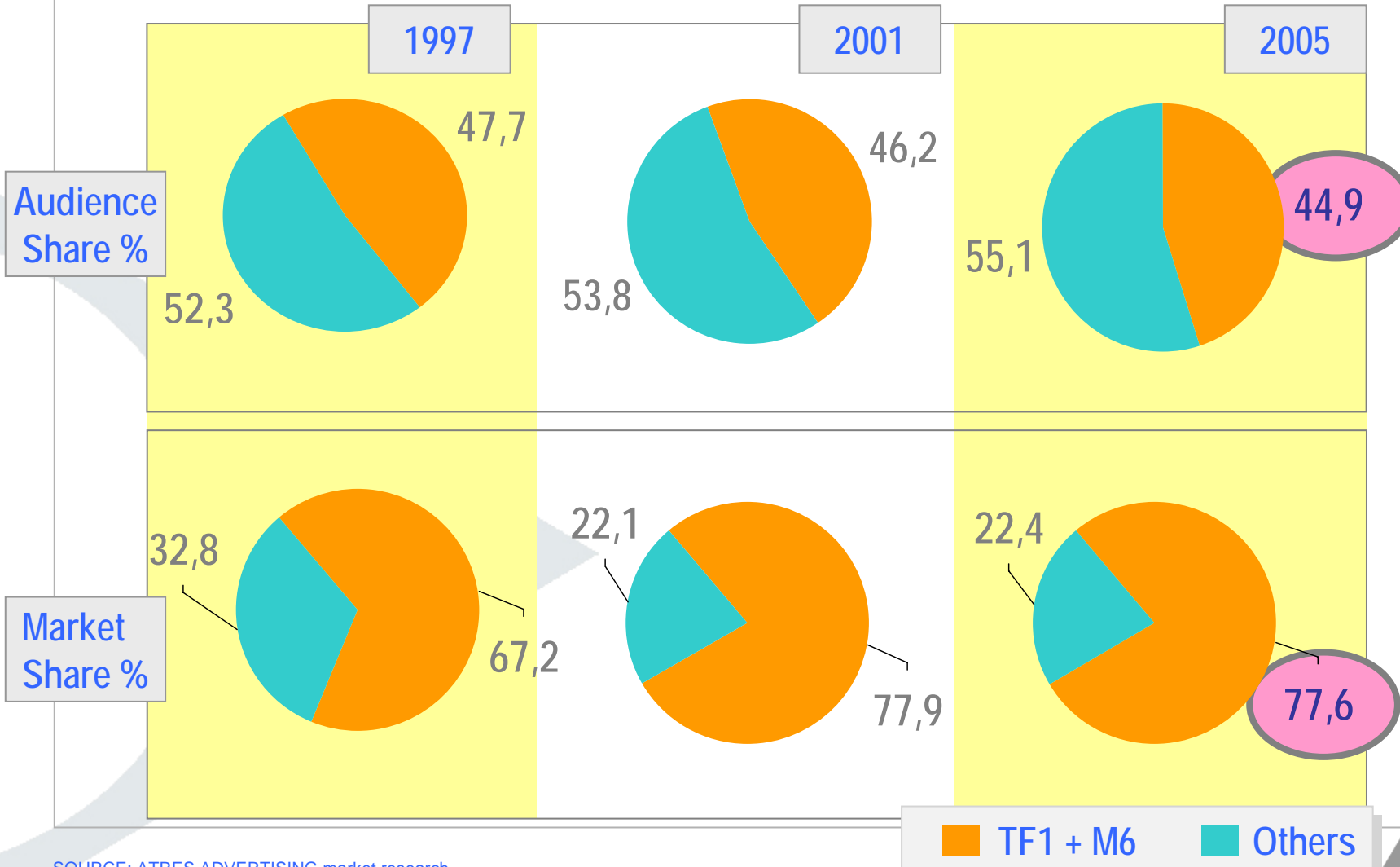
COSTS

- 5. Programming Costs**
- 6. Structural Costs**

4. Competition



Audience share & Ad market share: FRANCE

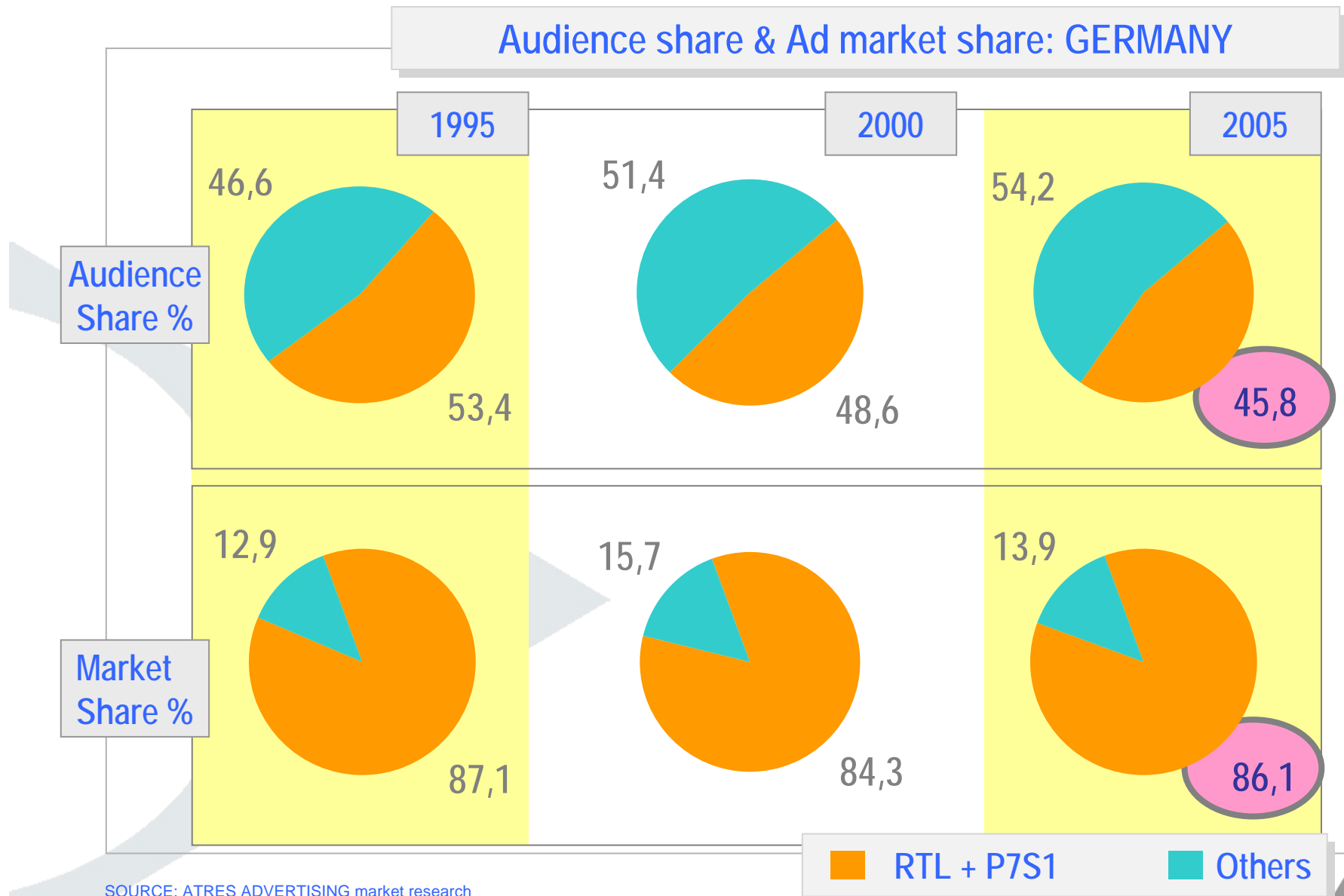


SOURCE: ATRES ADVERTISING market research

4. Competition



Audience share & Ad market share: GERMANY

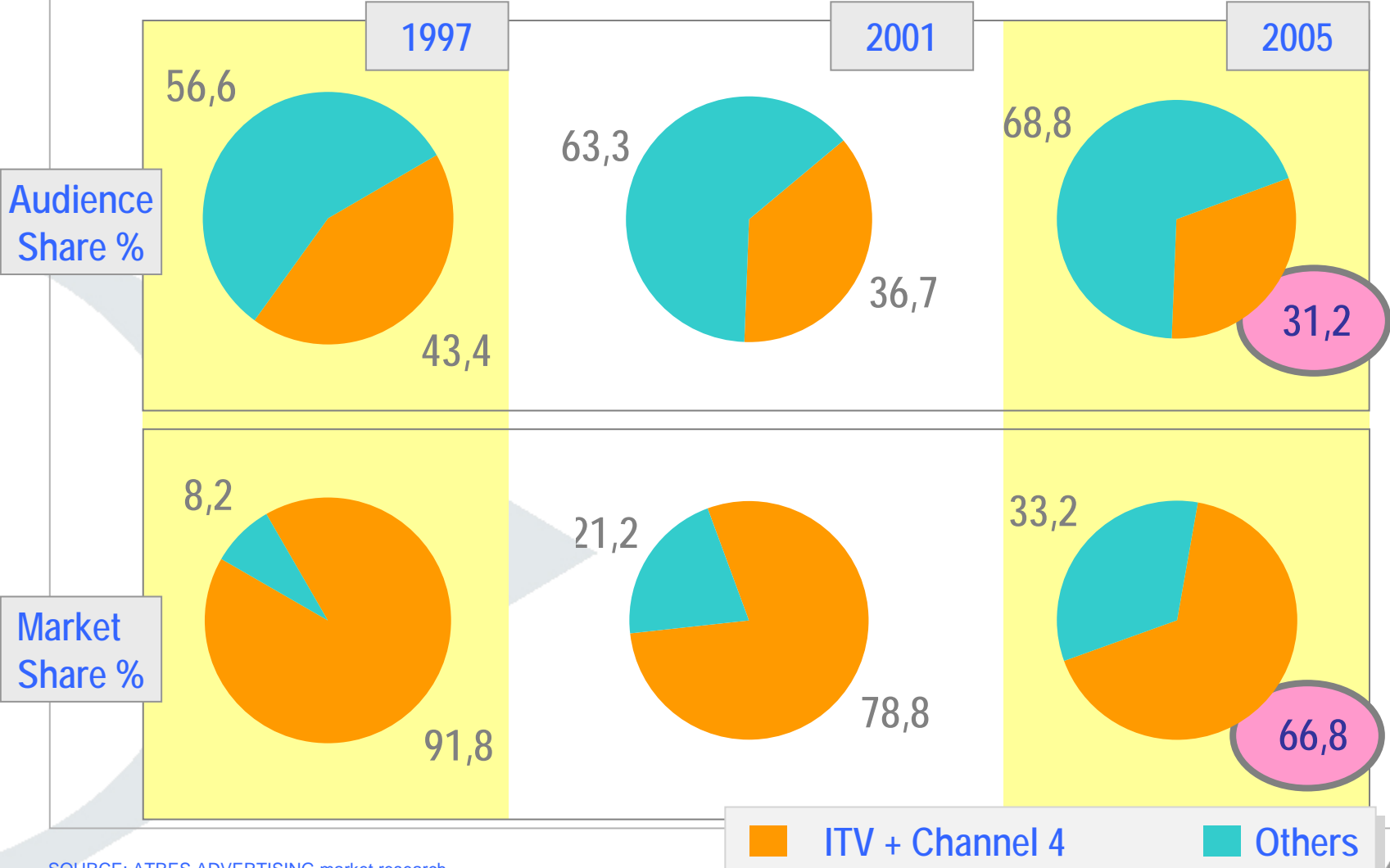


SOURCE: ATRES ADVERTISING market research

4. Competition



Audience share & Ad market share: UK

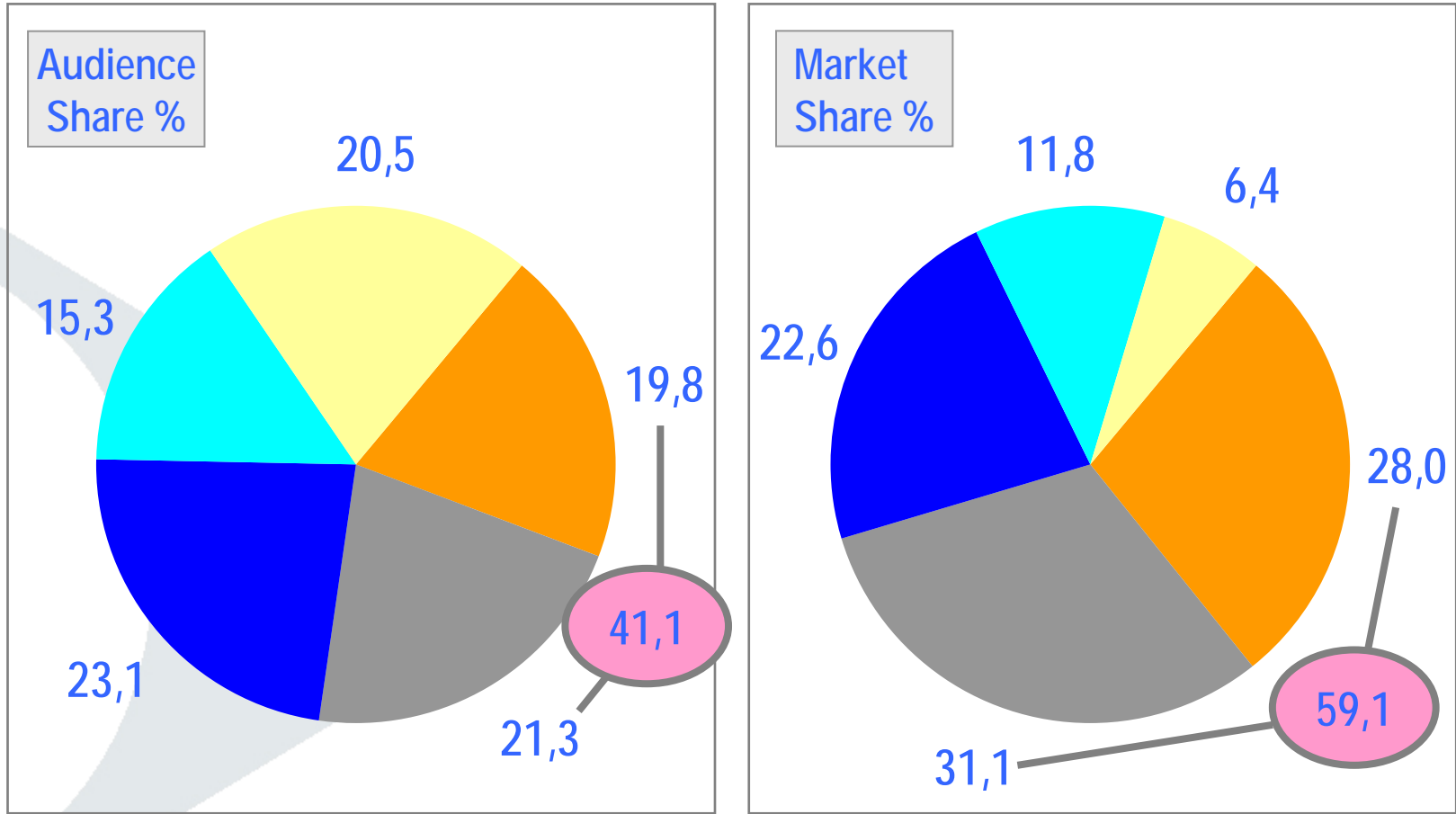


SOURCE: ATRES ADVERTISING market research

4. Competition



Competitive landscape in Spanish TV ; Jan-Sep 2006



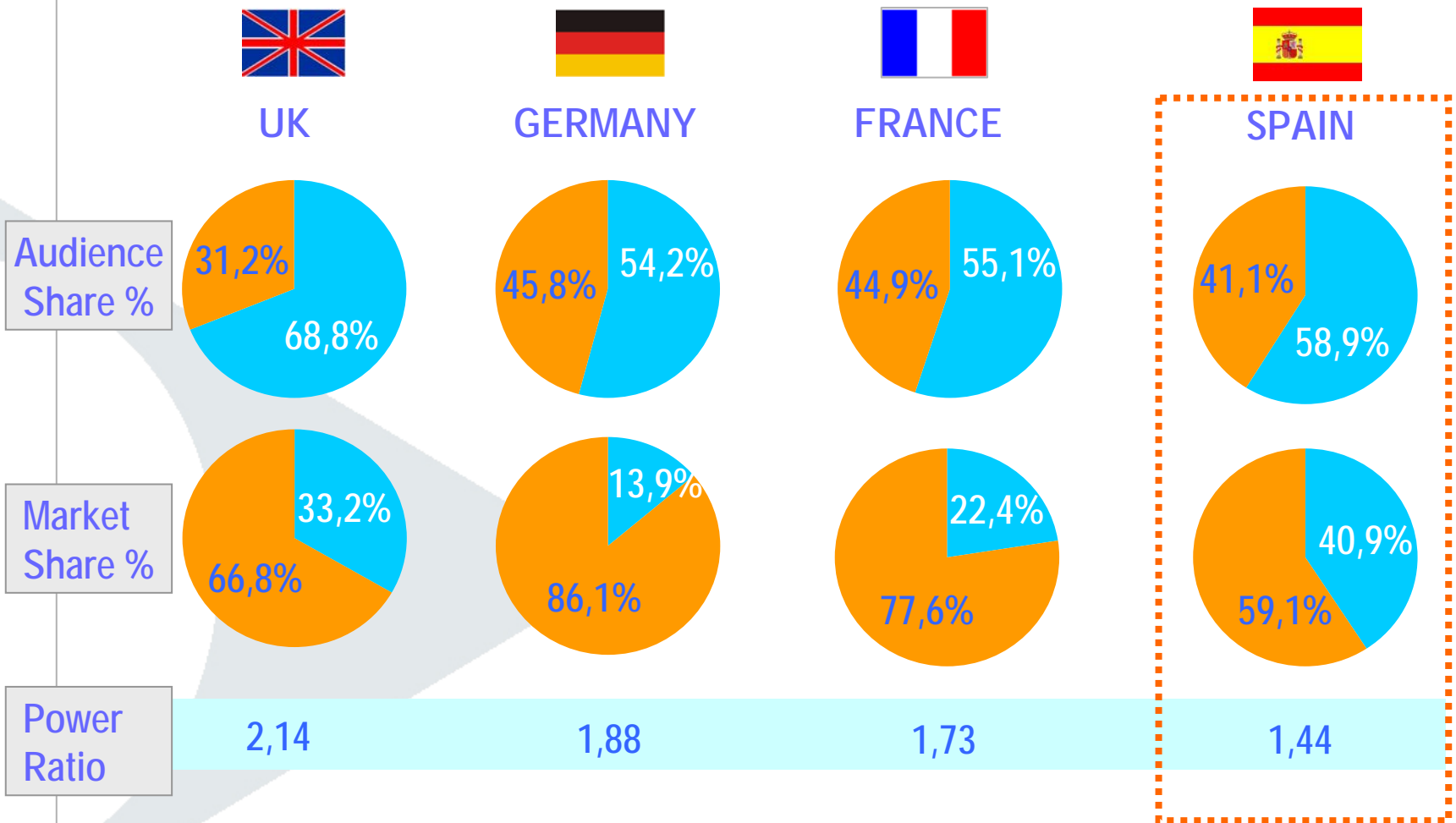
A3TV T5 TVE Forta Others

SOURCE: ATRES ADVERTISING market research

4. Competition



Comparison of the main European TV markets



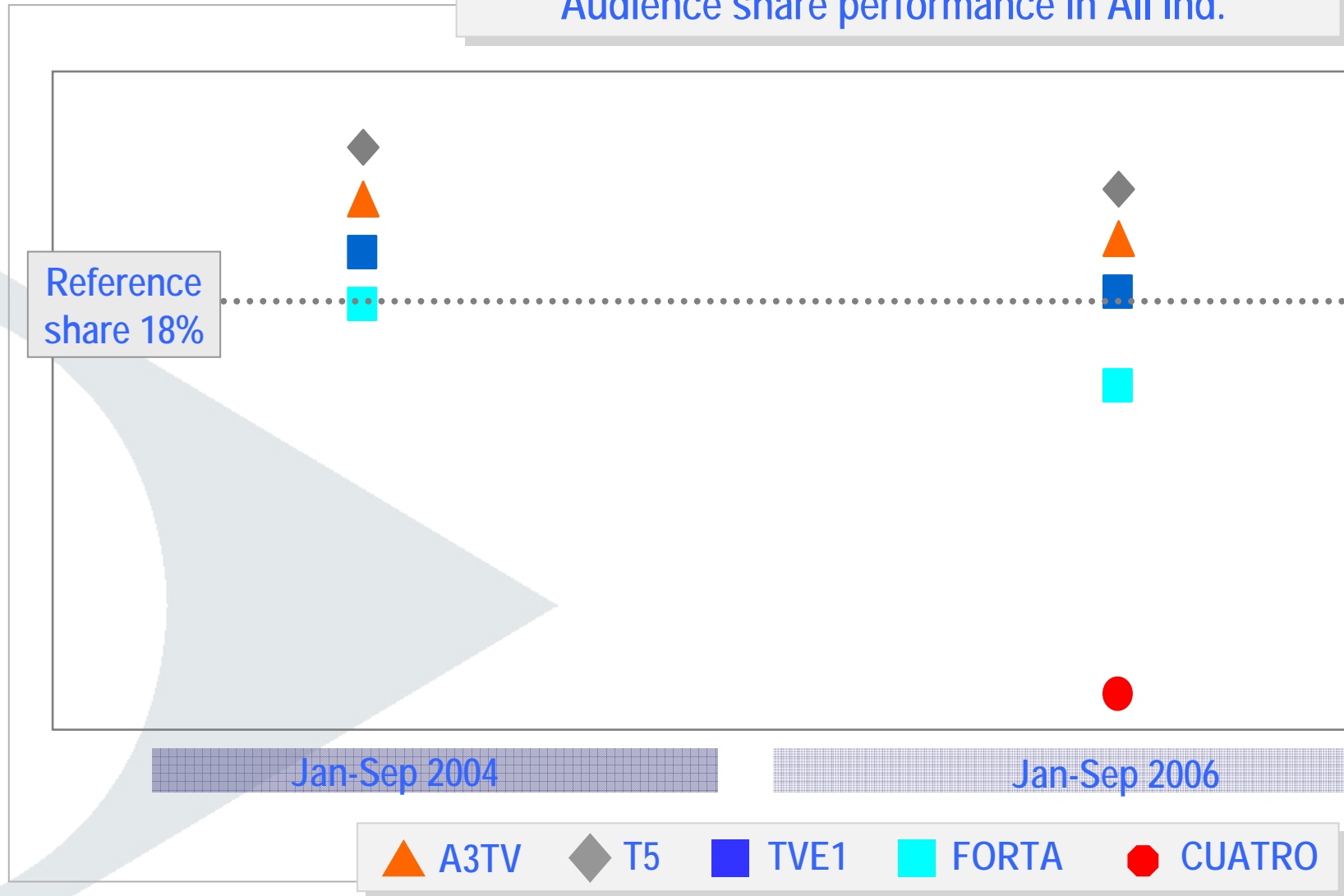
Two leading operators (orange) Others (teal)

SOURCE: UK, FRANCE & GERMANY (2005)
SPAIN (JAN-SEPT'06)

4. Competition



Audience share performance in All Ind.



Reference share 18%

Jan-Sep 2004

Jan-Sep 2006

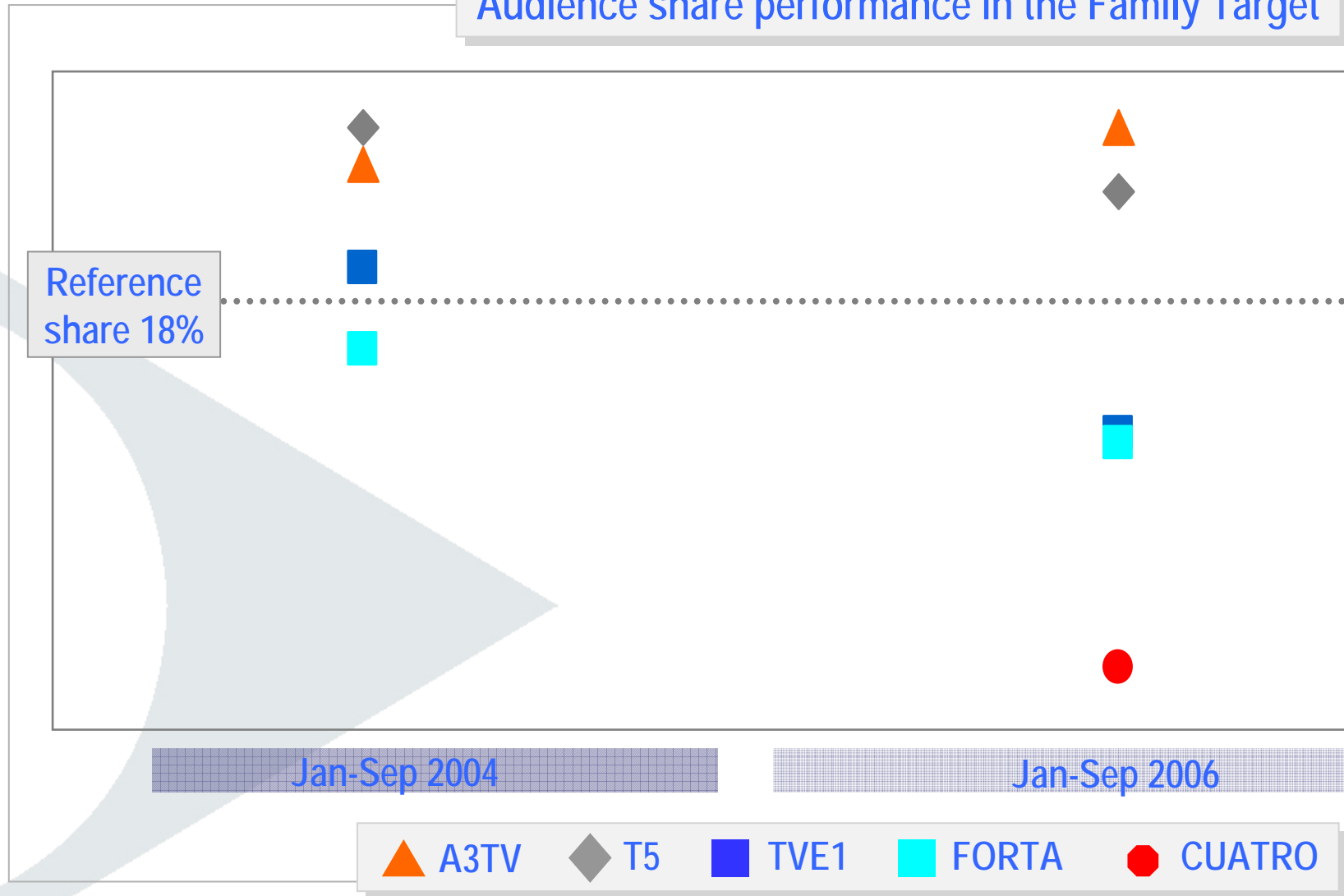
▲ A3TV ◆ T5 ■ TVE1 ■ FORTA ● CUATRO

SOURCE: TNS

4. Competition



Audience share performance in the Family Target



Reference share 18%

Jan-Sep 2004

Jan-Sep 2006

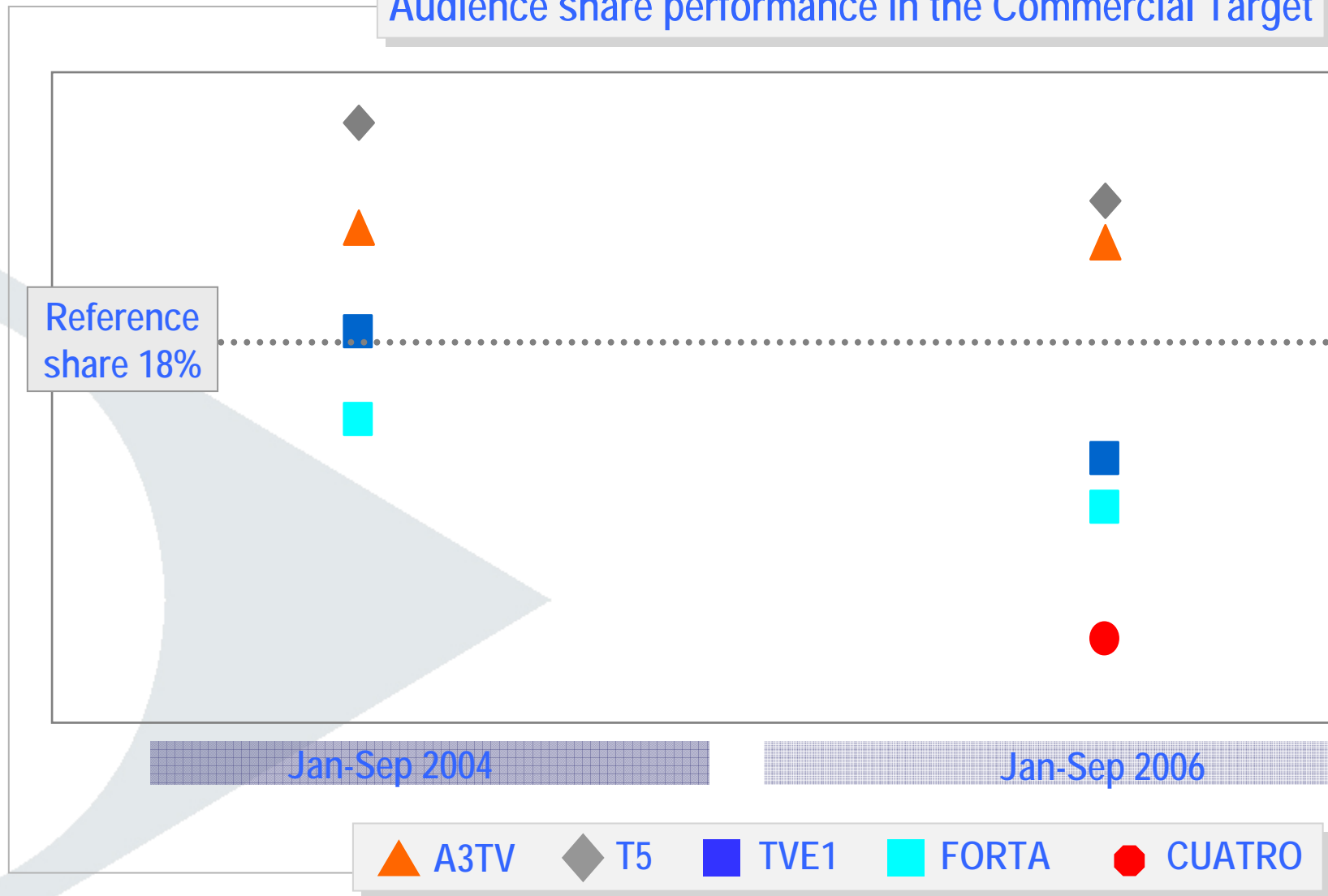
▲ A3TV ◆ T5 ■ TVE1 ■ FORTA ● CUATRO

SOURCE: TNS

4. Competition



Audience share performance in the Commercial Target



Reference share 18%

Jan-Sep 2004

Jan-Sep 2006

- A3TV
- T5
- TVE1
- FORTA
- CUATRO

SOURCE: TNS



4. Competition

- ✓ Advertisers are more dependent than ever before on the shares of the two big commercial broadcasters
- ✓ Neither the new competitors (lack of coverage) nor the PSB (poor profile) are feasible alternatives for advertisers to run national campaigns
- ✓ Spanish Television is approaching a market reality similar to all other relevant European TV markets: Two big networks dominating the scenery !
- ✓ Upside potential for A3TV's power ratio if compared to the ones posted by its main European peers.

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Costs



TARGETS

2004

Turnaround



2005

Zero % Cost Increase



2006

Cost increase = Inflation

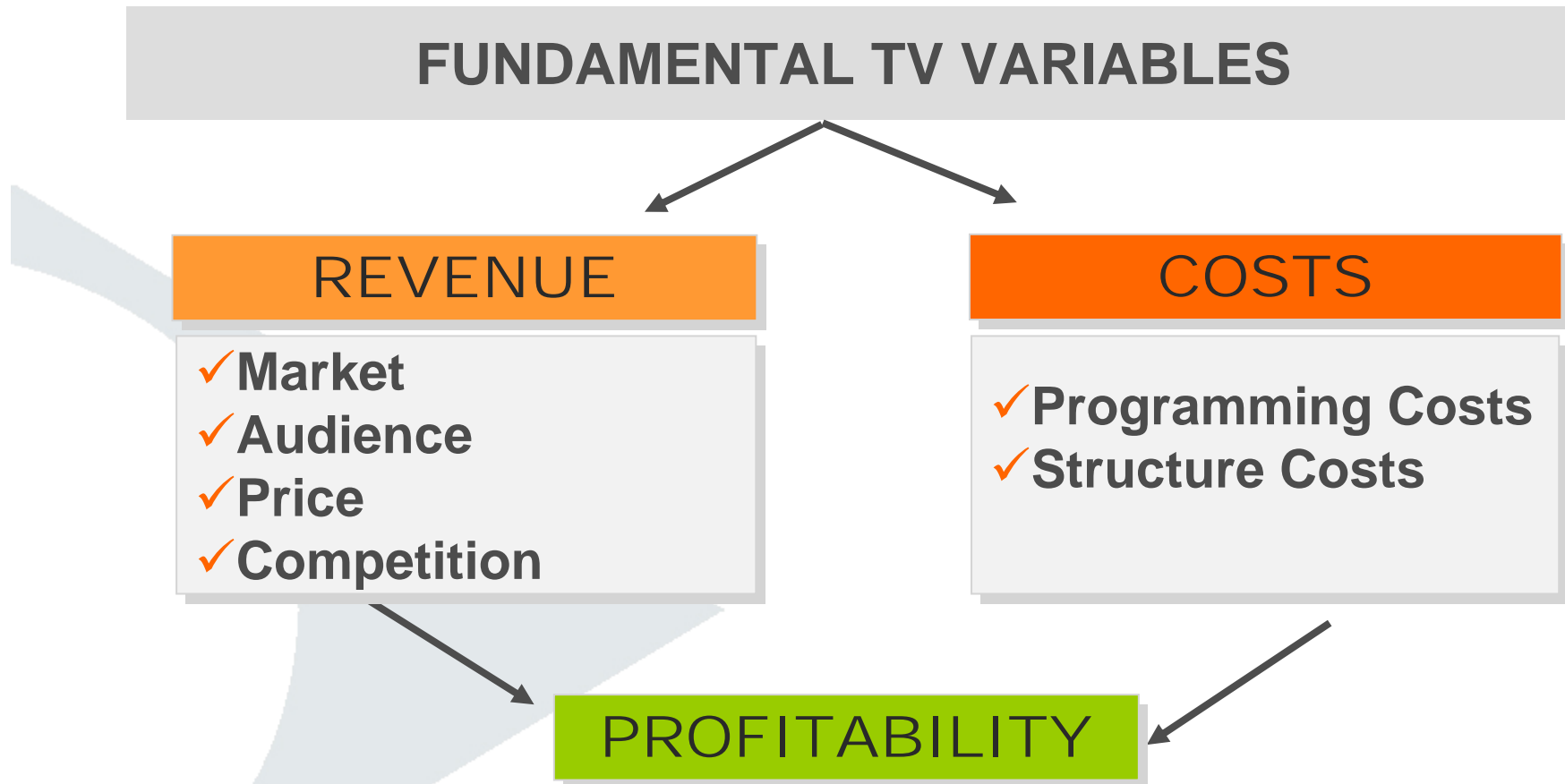


Overdelivery!

A3TV posts excellent cost performances year after year!

Cost control targets are effectively treated as a strong management commitment with the financial markets

Analysing the TV Business



7. Profitability



Profitability parameter

Antena 3 TV

9M'03
Base 100

100

2,5

2

0

19,6%

20,5%

21,0%

19,8%

9M 03

9M 04

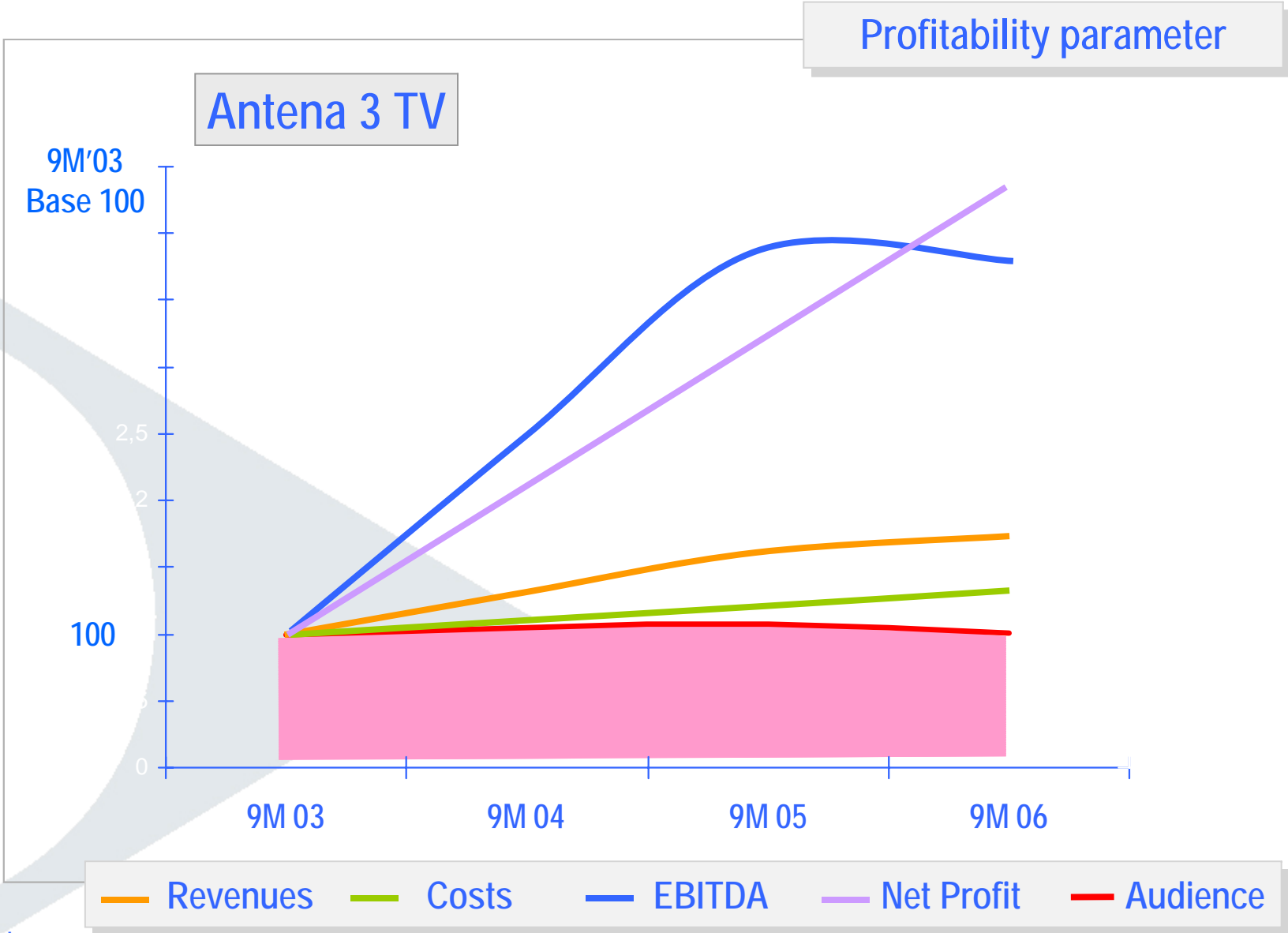
9M 05

9M 06

Revenues Costs EBITDA Net Profit Audience

* Excl. Net Profit: (9M'04 Base)

7. Profitability



* Excl. Net Profit: (9M'04 Base)

7. Profitability



➤ The audiovisual panorama of 2006:

- ✓ Merger of the two Cable TV Platforms (ONO and AUNA)
- ✓ Emergence of IPTV players: Imagenio, Jazztelia, Orange TV
- ✓ Launch of new regional FORTA Channels
 - ❖ Balearic Islands, Asturias, Murcia, Extremadura and Aragon
- ✓ New analogue national FTA licences awarded to
 -  Cuatro
 -  Sexta
- ✓ Re-launches and Start-ups of new DTT channels
- ✓ Granting further DTT license of local and regional nature



7. Profitability



Formula 1
Fernando Alonso



Basketball World Championship
World Champion: Spain



Tennis (Roland Garros, Master Series, Davis Cup)
Rafa Nadal



Football: Champions League
Winner: FC Barcelona
Football: UEFA CUP
Winner: FC Sevilla



FIFA World Cup Germany 2006



Motorcycle
Dani Pedrosa
Álvaro Bautista
Sete Gibernau
Héctor Barberá
etc...



Tour de France
Oscar Pereiro

7. Profitability



➤ In this unfavorable cycle Antena 3 TV expects:

- ✓ Increases its revenues
- ✓ Succeeds a cost containment performance below inflation rate
- ✓ Obtains a net profit which comes in way better than in the previous year

Analysing the TV Business



1. We prove our high capability of understanding and forecasting macro-economic tendencies and sector specific phenomenon

2. We are leaders within the market, regarded by the advertising players as most capable in taking risks and being proactive

3. We manage the cost structure better than anybody else

4. We interpret the competitive framework more accurately than others