



TELECINCO

**RESULTS
FIRST QUARTER 2008
(January – March)¹**

Madrid – 8 May, 2008

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¹ 2007 and 2008 accounts not audited



1. Financial and operating highlights

Consolidated financial highlights for the year to March, include:

1. **Total Net Revenues** have reached €248.98 million whereas in the same period last year were €251.13 million, this flat result been driven by the evolution of the advertising market in the first quarter. The General Elections and Easter Holiday have both had an important impact in advertising in the month of March as it held back some investments, and in the case of Telecinco it was entirely recouped in April. The “Gross Advertising Revenues of Telecinco” in the period amount to €237.97 million while the “Advertising Revenues of Other Media” reached €4.19 million. Finally, the “Other Revenues” amount to €17.25 million which is in line with result of the same period last year.
2. The average 19.1% **audience share** during the first three months of 2008, total-individuals (total day), confirms Telecinco as the leading television network ahead of TVE-1 (16.8%) by 2.3 pp. Antena 3 (16.5%) is in third position in the ranking, 2.6 pp from Telecinco.

Telecinco reaches, in total-individuals, a prime time² audience share of 20.6% distancing ourselves by 4.2pp from Antena 3, second in the ranking, and increasing last year’s figures. Considering the fragmentation of audiences and the weight of “Prime Time” in the total advertising revenues the number is of great relevance. Again, Telecinco continued to be a leader across all segments of audience share for advertisers, and achieving a total individual audience in “commercial target” of 20.8% for the total day and 22.8% in Prime Time, separating 4.2pp and 6.7pp respectively from Antena 3.

Telecinco's **programming** continued to demonstrate its strength and stability with high audience share figures across all slots being leader in the majority of them. Notable audience shares³ were obtained for the programmes “Yo Soy Bea” (24.8%), “Aída” (31.1%), the American series “CSI Las Vegas” (24.4%), Survivor (27.0%) “Camera Café” (21.2%), “Escenas de Matrimonio” (21.4%), The Formula 1 Championship has achieved an audience share of 68.4% improving the share of the same period of 2007.

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

³ January-March average audience share.



3. **Total operating costs** were reduced in the first quarter by 1.6% reaching €131.06 million versus €133.16 millions of last year. This reduction is mainly due programming costs very much in line with those of last year and a lower cost of sales relating to “Other Revenues”. Once again Telecinco improves its operating margins over net revenues on a percent basis from 47.5% to 48.3% (**adjusted EBITDA margin**) and from 47.0% to 47.4% (**EBIT margin**) confirming that we are one of the most profitable TV companies in Europe.

4. **Net profit**, after tax, was €81.48 million while the same time last year the figure was €86.06 million. The net profit margin reached 32.7%. In a consisting comparison with the same period of 2007, the accounting impact (after taxes) of the amortization of the intangibles resulting from the “Purchase Price Allocation” (PPA) of the Endemol acquisition, the adjusted net result would improve by €6.36 million, reaching €87.84 million, 2.1% more than the same period 2007, with a margin over Net Revenues of 35.3%

5. **Free cash flow** was €104.77million (increasing €4.44 million versus last year), being noteworthy the positive impact of working capital of €46.65 million, €30 million more than the same period in 2007.

6. **The net financial position** as of March 31st 2008 was €99.60 million and that is after the financial investment of €21.50 million in the Spanish speaking American TV company “CaribeVision”.



2. Profit and loss account

Table 1: Consolidated Profit and Loss Account

	2008	2007	% change
Millions of €			
TOTAL NET REVENUES	248,98	251,13	(0,9%)
Rights Amortisation	(32,53)	(41,30)	(21,2%)
Personnel	(20,84)	(19,71)	5,8%
Other operating costs	(75,45)	(70,82)	6,5%
Adjusted EBITDA	120,16	119,30	0,7%
Other amortisations, provisions	(2,24)	(1,33)	68,1%
EBIT	117,92	117,97	(0,0%)
Equity consolidated results	(8,30)	0,48	nd
Financial results	0,62	4,18	(85,2%)
Pre-tax profits	110,24	122,62	(10,1%)
Income taxes	(29,74)	(36,52)	(18,6%)
Minority interests	0,99	(0,05)	nd
Net profit	81,48	86,06	(5,3%)
Adjusted Net profit	87,84	86,06	2,1%

As mentioned before, compared with the same period last year and under consistent conditions, the Adjusted Net Profit increased to €87.84 million.

The difference of €6.36 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, which remains solid from an operational perspective.



2.1. Revenues

Table 2: Revenues

	2008	2007	% change
Gross advertising revenues	242,16	244,40	(0,9%)
- <i>Telecinco</i>	237,97	240,44	(1,1%)
- <i>Others</i>	4,19	3,96	5,7%
Discounts	(10,43)	(10,84)	(3,8%)
Net advertising revenues	231,74	233,56	(0,8%)
Other revenues	17,25	17,56	(1,8%)
TOTAL NET REVENUES	248,98	251,13	(0,9%)

Gross advertising revenues in the first quarter of 2008 achieved €242.16 million.

Telecinco's Gross advertising revenues reached €237.97million versus €240.44 million for the same period 2007. General Elections and Easter Holyday, which affected the month of March revenues, are the main reasons for flatness of the first quarter's figures. The above mentioned impact has been entirely recouped in the month of April.

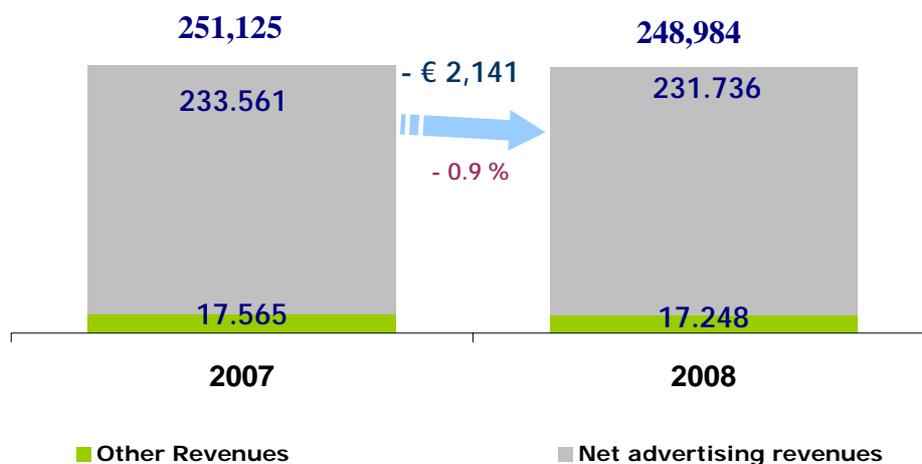
The **Other advertising revenues** reached €4.19 million increasing by 5.7% compared to 2007 and include advertising revenues from other platforms such as the Internet, thematic and digital channels and Teletext.

Net advertising revenues after commissions and allowances reached €231.74

“**Other revenues**”, which includes mainly the sale of coproduction film rights, merchandising rights and audio text services, amounted to €17.25 million in line with those of same period last year.

Finally, **Total Net Revenues** amounted to €248.98 million, in line (-0.9%) with the same period of the previous year.

Total Net Revenues, Advertising and Other Revenues





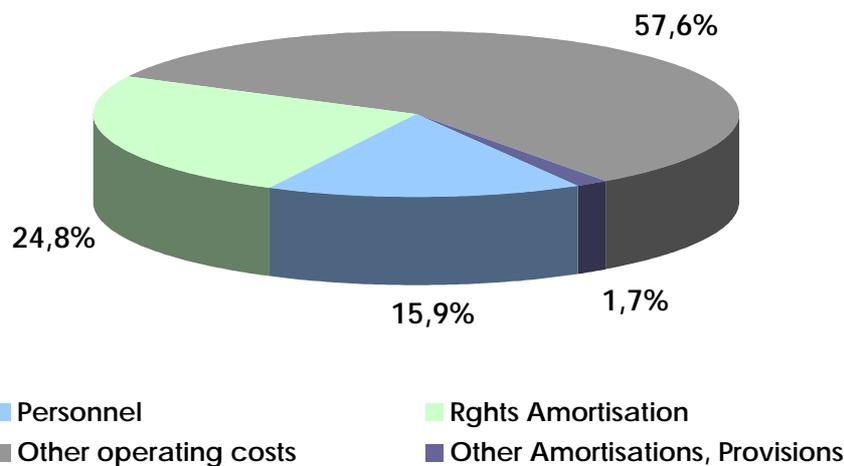
2.2. Operating costs

Total operating costs, which amounted to €131.06 million, decrease by 1.6% mainly due to a programming cost which hardly grows when compared to last year and to a reduction in cost of sales related to non-advertising revenues.

Table 3: Operating costs

Millions of €	2008	2007	% change
Personnel costs	20,84	19,71	5,8%
Rights amortisation	32,53	41,30	(21,2%)
Other operating costs	75,45	70,82	6,5%
Other amortisation and provisions	2,24	1,33	68,1%
TOTAL OPERATING COSTS	131,06	133,16	(1,6%)

Operating Costs



Telecinco's in-house production continues to dominate the network's programming in terms of broadcasting hours. In the first quarter of 2008, 85.0% of broadcasted programmes were in-house production and the remaining 15.0% was external production (compared with a 85.8% and 14.2% for the same period of 2007).



2.3 Operating profit and margins

Adjusted EBITDA⁴ reached €120.16 million, up by €0.86 million or 0.7% vs. 2007.

Net operating profit (EBIT) was €117.92 million.

The resulting margins are as follows:

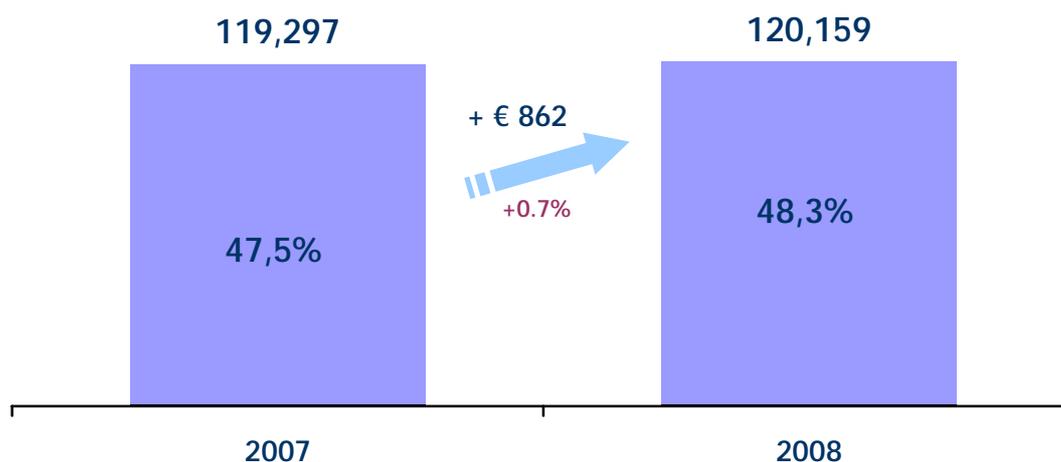
Table 4: Margins

Millions of €	2008	2007	% change
Total net revenues	248,98	251,13	(0,9%)
Adjusted EBITDA	120,16	119,30	0,7%
EBIT	117,92	117,97	(0,0%)
Net profit	81,48	86,06	(5,3%)
Adjusted Net profit	87,84	86,06	2,1%
Adj.EBITDA / Total net revenues	48,3%	47,5%	
EBIT/ Total net revenues	47,4%	47,0%	
Net profit / Total net revenues	32,7%	34,3%	
Adj. Net profit / Total net revenues	35,3%	34,3%	

Even though, as explained before, the net revenues remained flat in 1Q08 the operating margins (**EBITDA and EBIT**) have increased in percentage basis, demonstrating the efficiency of the business model concerning cost control sustainability of margins under changing market conditions.

EBITDA adjusted (million €)

EBITDA/Total Net Revenues (%)



⁴ (EBITDA post-rights amortisation)
www.inversores.telecinco.es



2.4. Financial result and equity consolidated companies

Financial income totalled €0.62 million decreasing by 85.2% compared with the previous year. This reduction is explained by the Group's investment in 2007 for the acquisition of their share in Endemol that took place in Q3. This investment has been financed by the Group, and has resulted in a reduced amount of cash investment and in lower interest income subsequently generated.

A negative result is shown from **equity consolidated companies**⁵ totalling €8.30 million. This negative result is explained almost entirely by the impact of amortization of intangibles following the Purchase Price Allocation (PPA) and, as explained above, does not affect the value or the cash flow of the Endemol Group

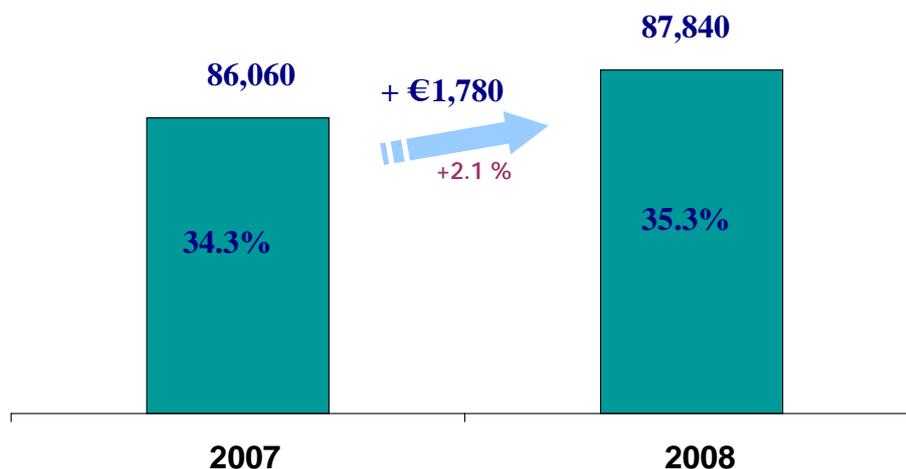
2.5. Profit for the period January-March 2008

Pre-tax profit corresponding to the first quarter of 2008 reached €110.24 million versus €122.62 million for the same period of 2007, which represents a reduction of €12.39 million (-10.1%). This is due to the less financial income and negative result of participated companies which have been explained before.

After €29.74 million of corporate income tax expense (compared with €36.52 million in 2007), the **net profit after minority interests** reached €81.48 million, a slight decrease of €4.58 million or -5.3% over 2007.

Eliminating the impact of the amortization of intangibles following the "PPA" of Endemol, amounting €6.3 million, the Adjusted Net Profit reaches €87.8 million.

Adjusted Net Profit (million €)
Adjusted Net Profit /Total Net Revenues (%)



⁵ 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), La Fábrica de la Tele S.L. (30% indirect shareholding), Edam Acquisition Holding Coöp (33% indirect shareholding).



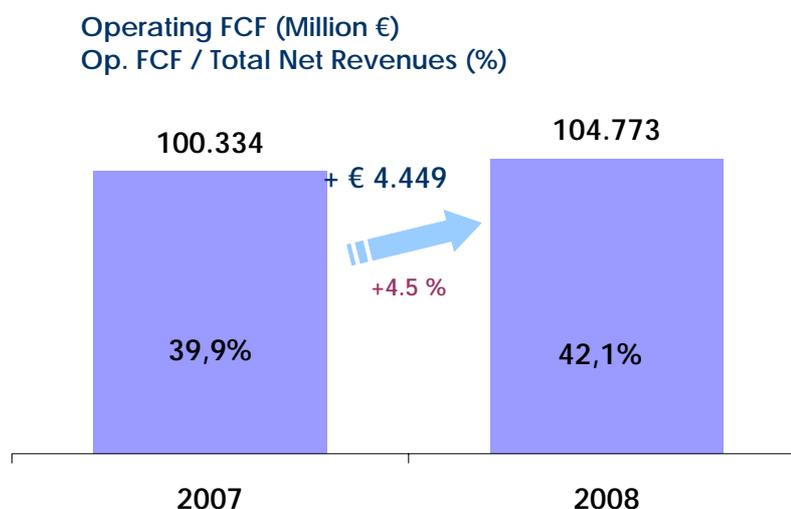
3. Cash flow generation

Cash flow generation has been positively affected by the strong movement in working capital performance. **Operating free cash flow** amounts to €104.77 million, increasing by €4.44 million compared with the same period of 2007.

Table 5: Cash Flow

Millions of €	2008	2007	Change in millions of €
Net profit	81,48	86,06	(4,58)
Amortisation:	34,07	42,52	(8,45)
- Rights	32,53	41,29	(8,76)
- Other	1,54	1,23	0,31
Provisions	0,70	0,10	0,60
Other	(4,05)	3,11	(7,16)
OPERATING CASH FLOW	112,20	131,79	(19,59)
Investment in rights	(53,01)	(46,53)	(6,48)
Investments, other	(1,07)	(1,08)	0,01
Change in working capital	46,65	16,15	30,50
OPERATING FREE CASH FLOW	104,77	100,33	4,44
Change in Equity	4,89	(0,03)	4,92
Financial investments	(23,22)	1,49	(24,70)
Dividends received	0,00	0,00	0,00
Dividend payments	0,00	0,00	0,00
Net cash increase	86,45	101,79	(15,34)
INITIAL FINANCIAL POSITION	13,15	396,14	(382,99)
FINAL FINANCIAL POSITION	99,60	497,93	(398,33)

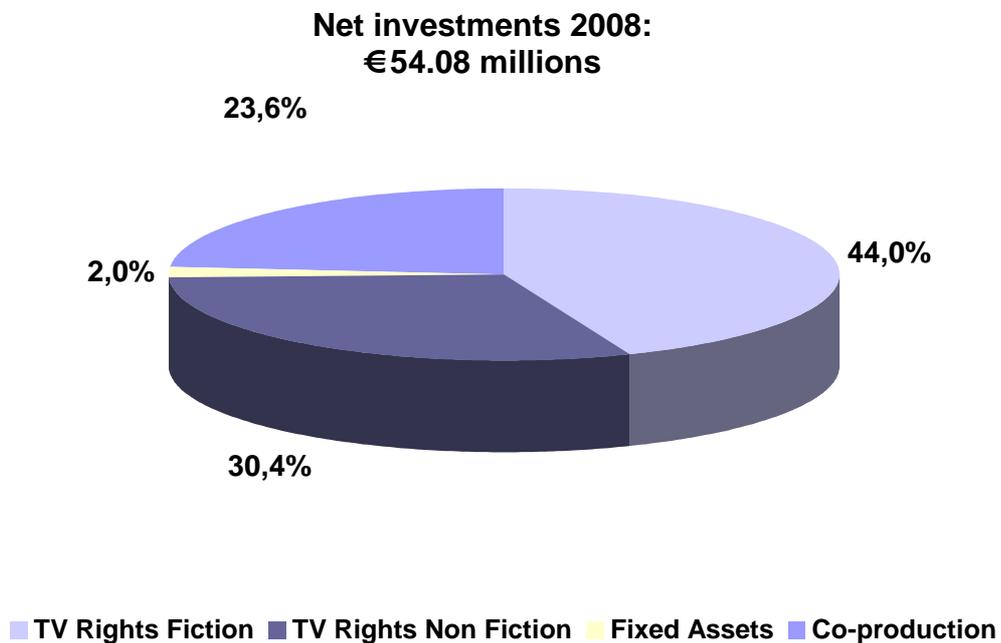
As a result of the strong generation of **operating free cash flow**, the free cash flow conversion ratio (Free Cash Flow as a % of total net revenues) has reached 42.1%





The Cash Flow includes the financial investment in CaribeVision of €21.5 million. CaribeVision is a start-up Spanish-speaking USA TV chain operating in Miami, New York and Puerto Rico. Telecinco has an indirect shareholding of 29.4% of the network.

Total net investment increased by €6.47million in 2007, reaching €54.08 million, mainly by investment in Spanish fiction and co-production (+€20.57 million), while there was a decrease in investment in in third party rights (-€14.09 million). All the above is in line with the business strategy of the Group, as explained by the following chart:





4. Balance Sheet

Table 6: Summary Balance Sheet

	<i>March 2008</i>	<i>December 2007</i>
Millions of €		
Tangible assets	552,89	532,80
Audiovisual rights and Pre-payments	206,14	186,12
- Third parties	113,42	104,67
- Fiction	29,05	29,34
- Co-production / Distribution	63,67	52,11
Pre-paid taxes	15,91	19,56
TOTAL NON-CURRENT ASSETS	774,94	738,48
Current assets	218,80	269,14
Financial investments and cash	161,88	74,84
TOTAL CURRENT ASSETS	380,68	343,98
TOTAL ASSETS	1.155,62	1.082,46
Shareholders` equity	748,86	662,49
Non-current provisions	82,92	90,09
Non-current payables	0,99	0,67
Non-current financial liabilities	61,36	60,60
TOTAL NON-CURRENT LIABILITIES	145,27	151,37
Current payables	260,56	267,51
Current financial liabilities	0,93	1,10
TOTAL CURRENT LIABILITIES	261,49	268,61
TOTAL LIABILITIES	1.155,62	1.082,46

The evolution of the **library** in the period is in line with business' strategy and the investment's policy of the company. It shows a decline in the library of third party rights, a flat evolution of Spanish fiction rights (in-house production) and an increase in movie co-productions rights. This originates from the legal obligation to invest in Spanish and European movies.

Current Assets, have risen due to a higher cash position generated by the normal flow of the business in the period.

Current liabilities have slightly decreased due to a modest reduction in amounts due to commercial suppliers.

Net financial position reached, at the end of March 2008, €99.60 million.



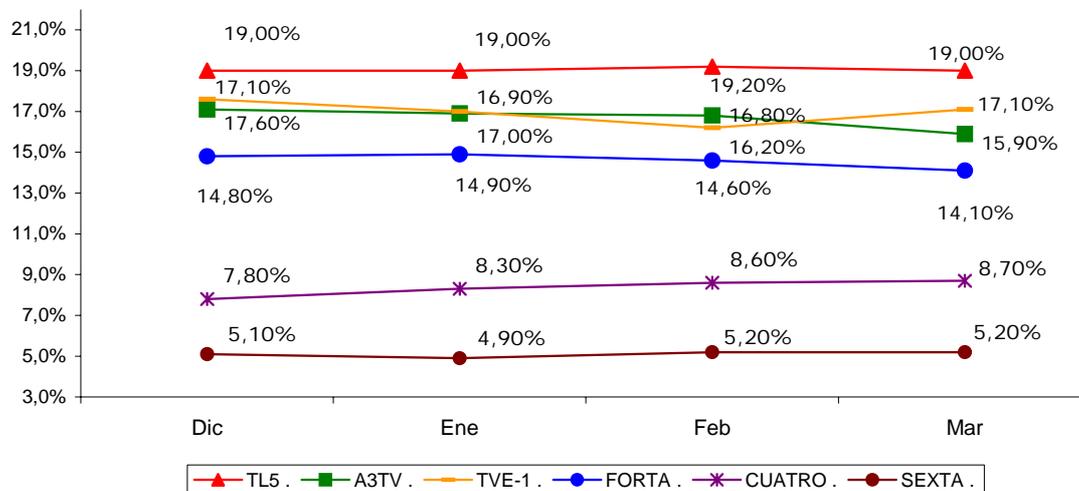
5. Audience share performance

Table 7: January-December average audience share

		2008	2007
Totals Individuals	Total Day	19,1%	20,3%
	PRIME TIME	20,6%	20,4%
	DAY TIME	18,3%	20,2%
Commercial Target	Total Day	20,8%	22,4%
	PRIME TIME	22,8%	23,3%
	DAY TIME	19,7%	21,9%

Telecinco has a leading audience share of 19.1% at the close of the first quarter with a significant advantage well ahead of TVE1 (16.8%) and Antena 3 (16.5%). During the first quarter of 2008 Telecinco has consolidated its leadership position as well as maintaining the gap with the main competitors. At the end of March, Telecinco had accumulated 25 consecutive months of leadership in audience.

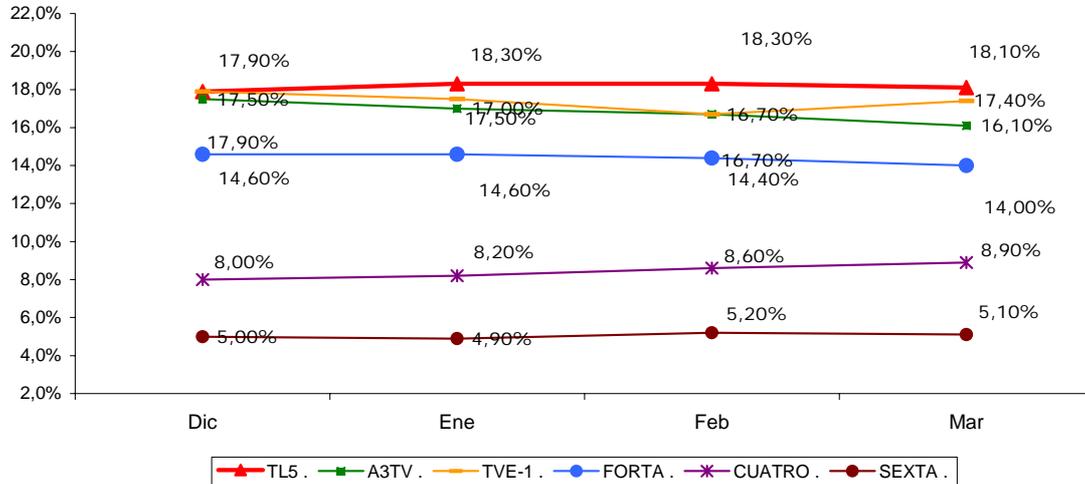
Audiencias, 24 Horas, Total Individuos en %





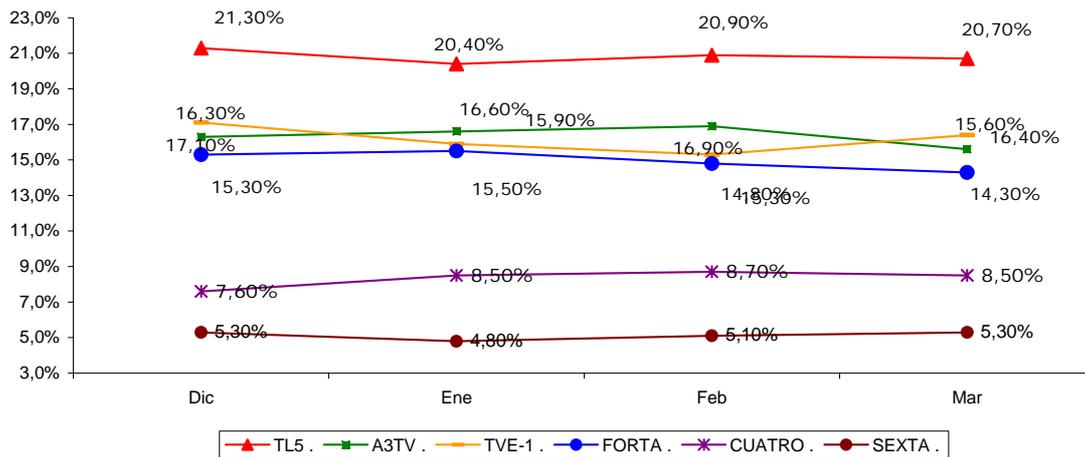
With regard to “day time” audience share, Telecinco consolidated its leadership and managed to keep the audience above 18%, reaching an average of 18.3% at the end of the first quarter 2008 keeping its competitive advantage versus other TV stations.

Audiencias, Day Time, Total Individuos en %



Telecinco's prime time total-individuals audience share also beats TVE-1 and Antena 3, consolidating the leadership far ahead of its competitors, being the only channel to exceed a 20% audience. In March 2008 the distance with its immediate competitor has grown by 4.2 points.

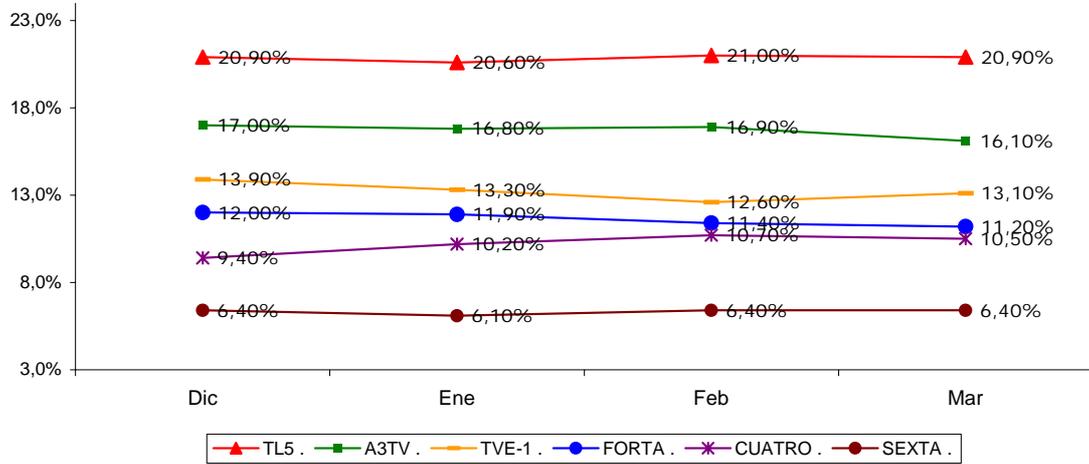
Audiencias, Prime Time, Total Individuos en %



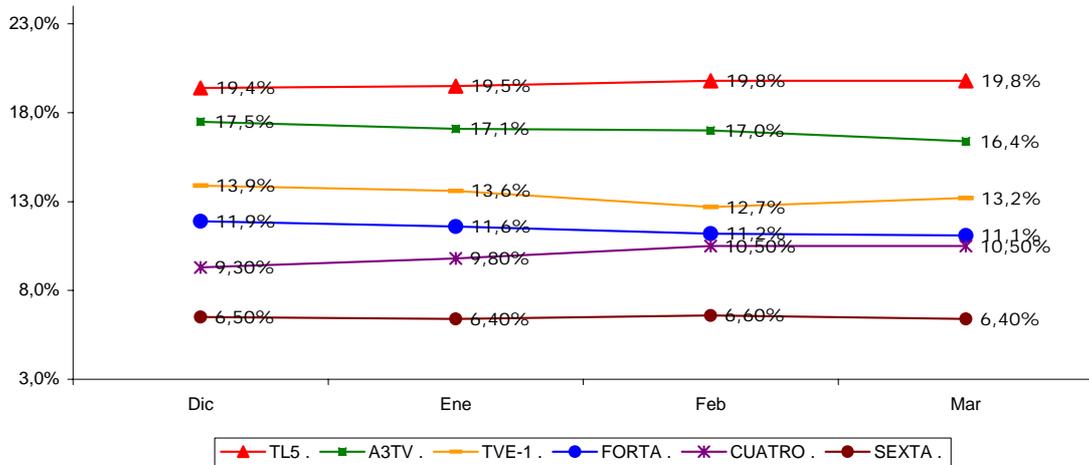


With regards to the commercial target audience share for 24 hours, day time and prime time, Telecinco maintains the lead, which is also reinforced by the audiences in the first quarter of 2008.

Audiencias, 24 Horas, Target Comercial en %



Audiencias, Day Time, Target Comercial en %





Audiencias, Prime Time, Target Comercial en %

