



Investor's Day 2007

INTRODUCING ABERTIS TELECOM

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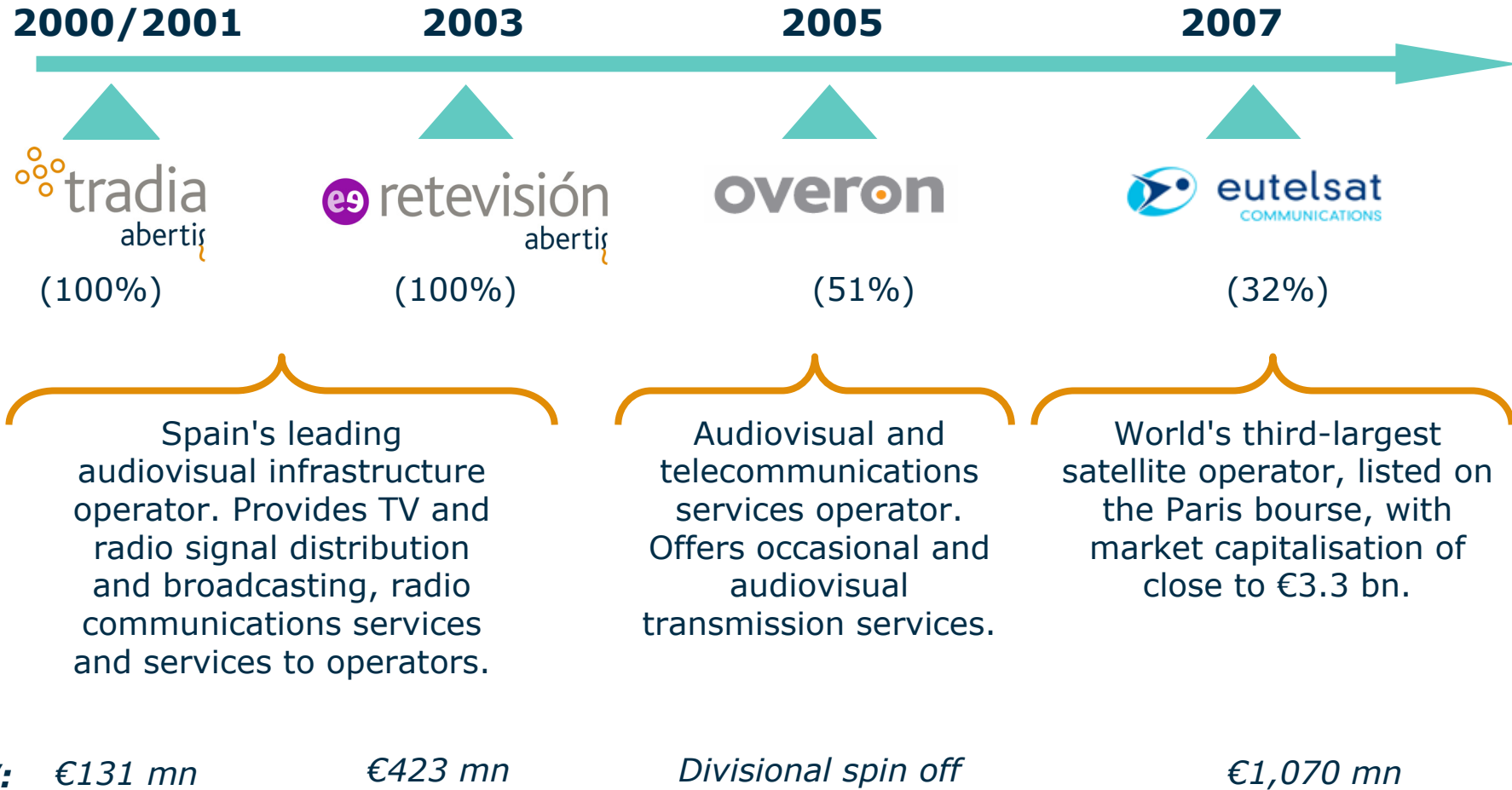


1. Introduction and overview
2. Strategy
3. Financial brief
4. Eutelsat: State of investment
5. Conclusions

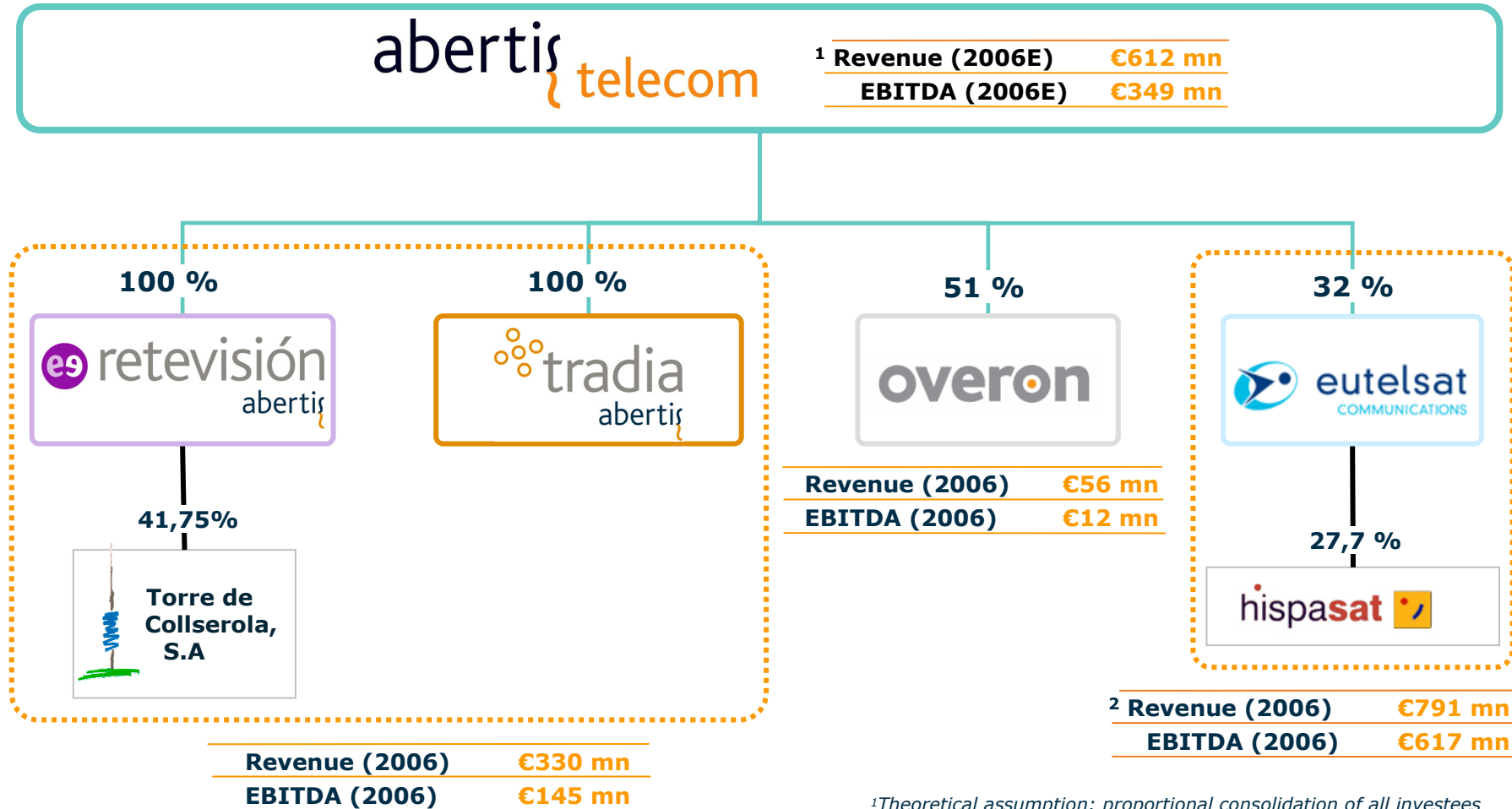
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Structure of abertis telecom and 2006 pro forma figures



¹Theoretical assumption: proportional consolidation of all investees
² Fiscal year June '05 – June '06

- **Track record of technological excellence**
- **Business based on high-quality facilities and service**
- **Strong client relationships:**
 - Leading transmission provider for public and private broadcasters
 - Long-term deals with mobile network operators
 - Leading provider of public-sector security services
- **Stable, predictable cash flows from long-term contracts**
- **High-quality management and employees**
 - Management has achieved average revenue growth of 11% since 2003
- **Investments tied to signed contracts**
 - Investments committed only after securing revenue under contract
- **New opportunities involving large revenues**
 - Analogue to digital transition
 - Continued growth in the mobile telecommunications market
 - Mobile TV, high definition and new platforms

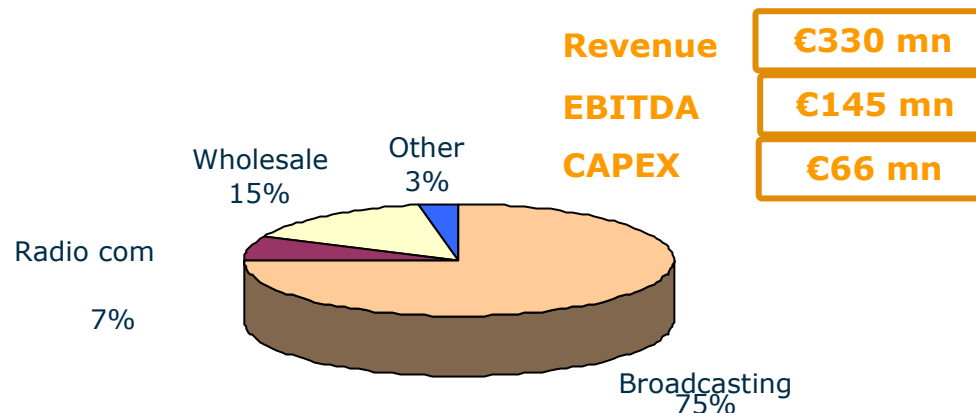
Leads Spanish audiovisual market

- **65%** share of broadcasting market
- **89%** share of television broadcasting market
- Analogue television covers 99% of population
- 85% DTT (digital terrestrial television) coverage

Key activities

- Analogue and digital television broadcasting
- Analogue and digital radio broadcasting
- Radio communications
- Transport
- Co-location
- Other (O&M, engineering, etc)

**Financials:
aggregate 2006 for Retevisión and Tradia**



National coverage of digital and analogue infrastructure with a large network of transmitters/re-transmitters

Analogue TV

- **99%** coverage
- 10,658 service centres across **2,436** sites
 - National
 - Regional
 - Local

Analogue radio

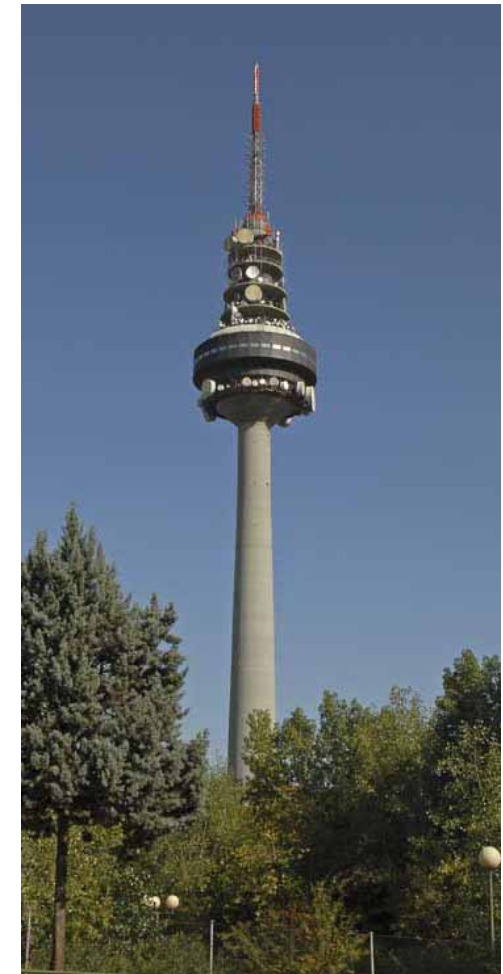
- **99%** coverage
- 550 service centres across 208 sites
 - National
 - Regional
 - Local

Digital TV

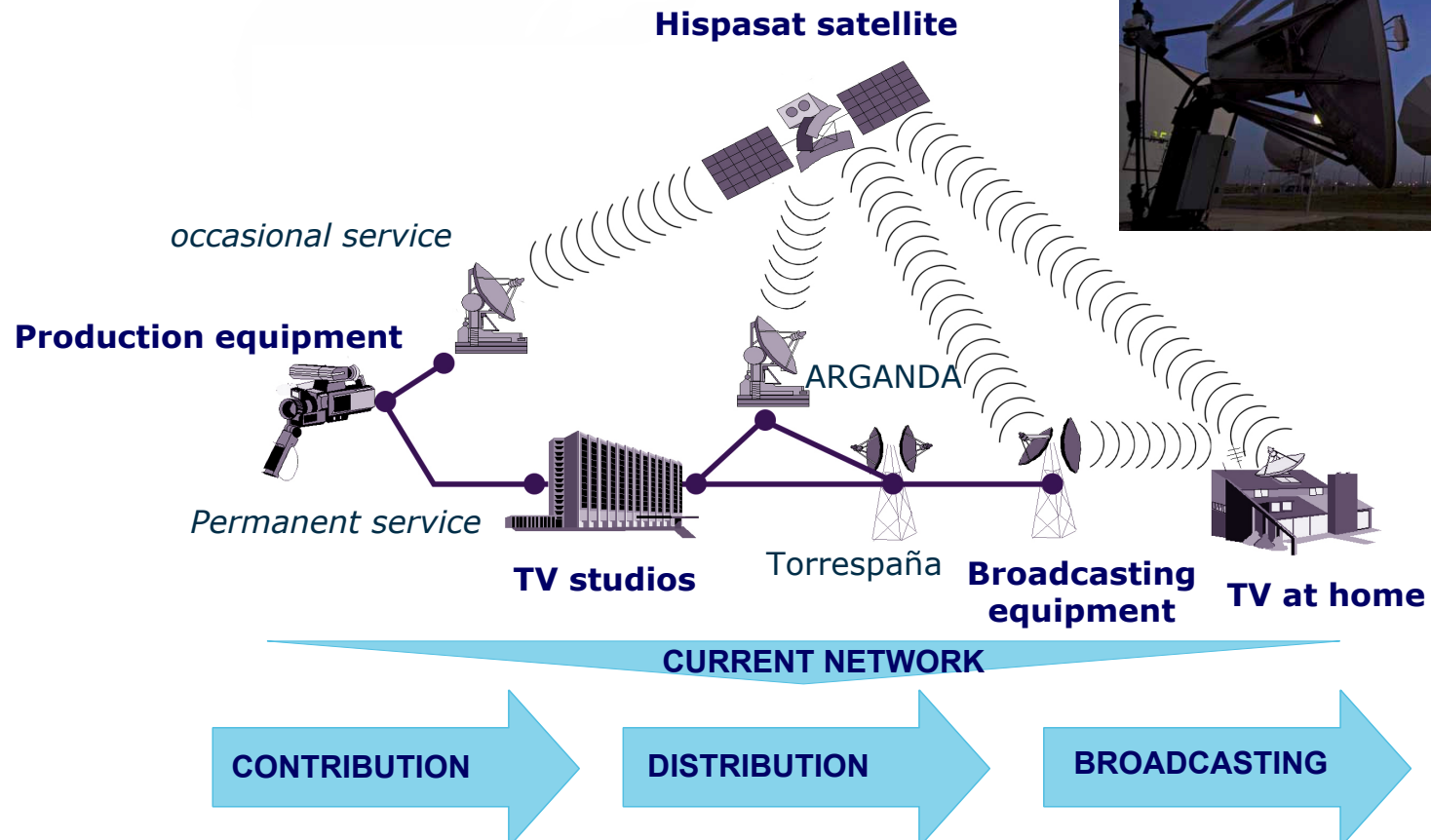
- **85%** coverage
- 741 service centres across 147 sites
 - 4 national MUX SFN
 - 1 national MUX MFN

Digital radio

- **53%** coverage
- 69 service centres across **23** sites
 - 2 national MUX MFN (MFI & MFII)
 - 1 MUX SFN (FU-E)



- Television and radio distribution and broadcasting
- Permanent and occasional services
- Satellite and terrestrial transmission
- Multimedia



	2003	2004	2005	2006	CAGR '04-06
Revenue	247,379	268,897	274,513	330,231	+10.8%
Expenses	-182,854	-178,330	-178,075	-185,303	+1.9%
EBITDA	64,525	90,567	96,438	144,928	+26.5%
% EBITDA/Revenue	26.1%	33.7%	35.1%	43.8%	

NOTE: Data in thousands of €. Aggregate figures for Retevisión + Tradia





A horizontal technology platform offering advanced MHP-compatible interactive TV, government services and conditional access services using smart cards



Distribution platform for *Bouquet DTT* over the web, based on an enriched client interface and creating an aggregated DTT portal in Spain. In partnership with Microsoft



High definition as core service. Development of the single platform concept to optimize use of new technologies at receivers (MPEG4 SD/HD, PVR and broadband)



Deployment of DVB-H network for mobile television. New, genuinely convergent service where radio broadcasters and mobile operators must create a cooperation framework

- In 2006, CMT (the Spanish telecommunications regulator) issued its review of **Market 18** (wholesale broadcasting transmission services) in Spain, in which it stated its conclusion that **abertis telecom was a designated operator with significant market power in its market.**
- The remedies imposed include giving other operators **access** to **our basic infrastructures** (masts and shelters) and, subsidiarily only, to our network design (interconnection mode).
- CMT is **now reviewing** the cost model. We expect the model to be in place and operational by the end of this year.
- A number of key aspects of the model remain to be specified, but we expect CMT to take a balanced view that takes account of the challenges faced by the industry in the transition to a digital environment.

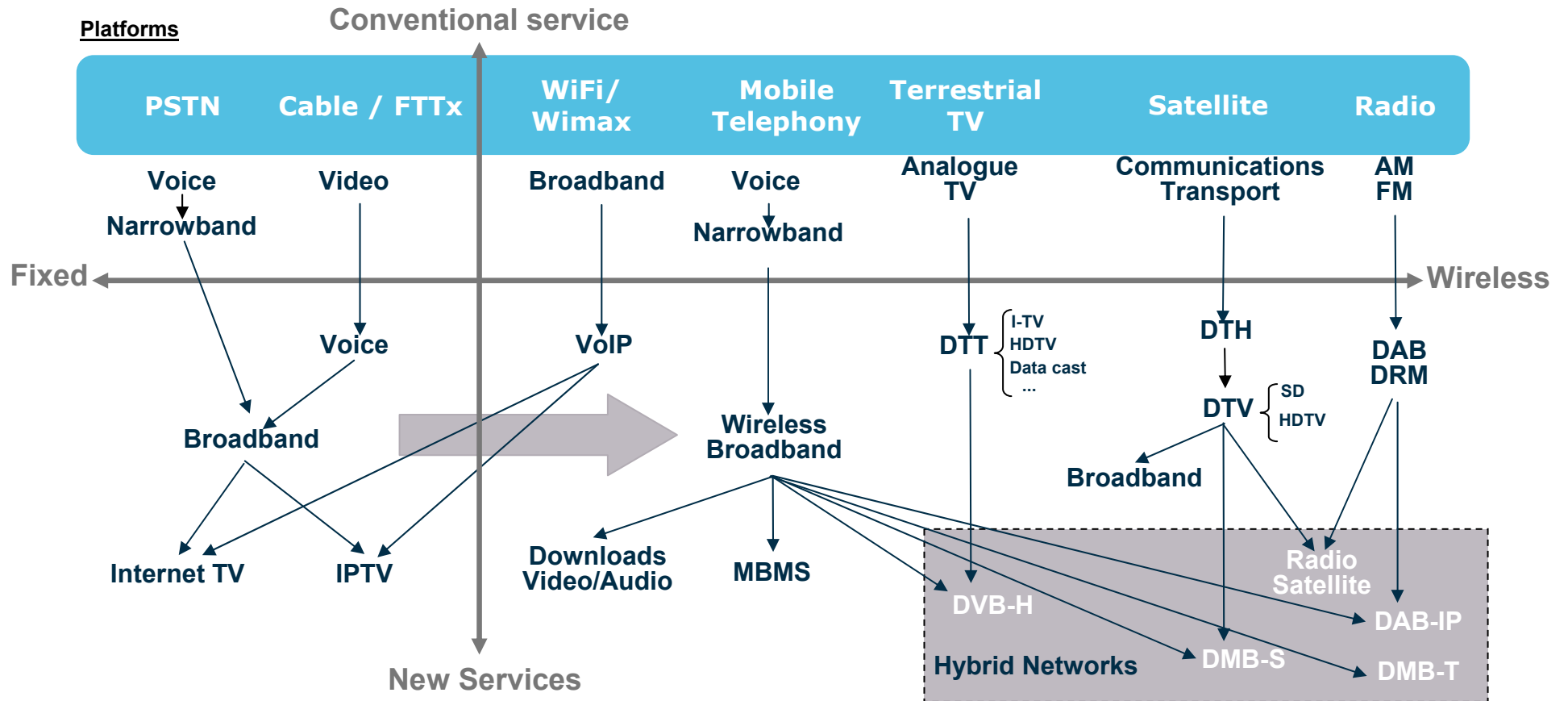
- **Technology and operations:** Speed up the deployment of DTT at the national, regional and local levels to ensure we meet the switchover timetable.
- **Product development:** Boost DTT-related services to increase penetration, value contribution and services over hybrid terrestrial/satellite networks.
- **Client-oriented:** Widen the framework for partnership and cooperation with clients and strengthen ties for mutual benefit.
- **Business development:** Proactive involvement in the deployment of DVB-H and seek other opportunities to extend the value chain.
- **Regulatory framework:** Continue to work with regulatory body to build the right reference frame for the audiovisual infrastructure industry.

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	Today	Short-term	Long-term
Closed systems	Cable/ DTH / IPTV Monthly subscription	IP-DTT/satellite hybrid STBs Joost/Babelgum Micro subscription	Trend toward broadband television
Open systems	DTT Websites for video content	DTT TV sites for certain devices (e.g., iTunes store) Broadband TV (BBTV)	DDT/BBTV hybrid STBs Multiple devices Standardisation Mobile TV
Advertising	"30-second ads" Web-based advertising	Smart PVRs Pre-launch of on-demand services Development of artificial intelligence	Fully interactive (targeted, measurable, click-thru)
Consumer choice patterns	Linear TV PVR Internet using PC	PVR network Migration from linear to on-demand TV	Personalisation Communities Empowered Media surfing
Channels	TV as single channel	Development of IP-based interactivity	Broadband limited to news/sport and certain specific content Convergence of channels and websites



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MARKETS

SERVICES

Audiovisual market



Telecommunications operators market



Service and institutional market



Broadcasting

Analogue TV broadcasting Digital television
Analogue and digital radio

Radio communications

Radio communications services

Control centres Tele control

Transport

Dedicated lines TV signal transmission
Radio transmission Other

Co-location

Multi-service centres Special centres
Operation centres Technological services

Other services

Consultancy/engineering services
O&M services

Key features of the business

- Duration of contracts: Normally five to ten years
- Project profitability based on IRR and contribution margin
- Price review: annual consumer price index
- Investment tied to signed contract, not made in advance.
- Infrastructure ready: mostly built up in previous years.

Parameters driving business development

- | | |
|----------------------|--|
| Television | <ul style="list-style-type: none"> • Number of MUXs • Coverage • DTT technical plan • New platforms (DVB-H, etc) |
| Radio | <ul style="list-style-type: none"> • Number of available analogue frequencies • DAB deployment |
| Radio-communications | <ul style="list-style-type: none"> • Number of networks awarded to regional and local governments • Number of TBSs per network |
| Wholesalers | <ul style="list-style-type: none"> • Number of co-locations • Extent of operators' outsourcing of O&M services and infrastructure. |

- DTT launched in **November 2005**
- **Coverage of 80% at year-end 2006** on 5 national multiples.
- **Distribution of multiples per client** awarded by government as follows:

RGN	66	67	68	69

- **Technical plan** for national DTT and analogue switch-off

	2005	31 July 2007	31 July 2008	31 Dec 2008	30 June 2009	31 July 2009	31 Dec 2009	3 April 2010	2011
DTT SFN coverage	80%			90%				95%	96%
DTT MFN coverage	80%	85%	88%	90%		93%		98%	
Analogue switch-off				1%	11,6%		19,8%	67,6%	

	Present situation	Situation at analogue switch-off*	Post-switch-off situation
National multiplexes	<p>1 MFN multiplex with 85% coverage</p> <p>4 SFN multiplexes with 85% coverage</p>	<p>1 MFN multiplex with 98% coverage</p> <p>4 SFN multiplexes with 95% coverage</p> <p>1 MUX DVB-H</p>	<p>1 MFN multiplex with 98% coverage</p> <p>4 SFN multiplexes with 96% coverage</p> <p>3 SFN multiplexes</p> <p>1 or more DBV-H MUXs</p>
Regional multiplexes	<p>56 programmes awarded or in the process of being awarded, of which 36 are airing.</p>	<p>1 regional MUX for each region, and a second MUX if spectrum availability allows</p>	
Local multiplexes	<p>652 programmes awarded or in the process of being awarded, of which 50 are airing.</p>	<p>1,008 programmes, equivalent to 252 MUX.</p>	<p>Growth dependent on spectrum availability</p>

*3 April 2010, except local TV, where switch-off takes effect in 2008

Parameters driving service development

- Number of **analogue FM frequencies** available.
- **No** analogue switch-off date.
- Number of available digital multiples: **3 at national level.**
- Technical plan for DAB development:
 - Present coverage of 50%
 - Licensees under obligation to achieve **80% coverage by 31 December 2011.**
 - Must achieve **95% coverage by 31 December 2031.**

DAB service

- **DAB has failed to take root in Europe** other than in the UK, where the offering is far better.
- There is very low demand for DAB in Spain, mainly because consumers are unaware of it and businesses and institutions offer little support.
- **abertis telecom** will comply with regulatory requirements, always under contract with clients.
- New solutions may be deployed, such as access to the present TV business over DAB and data services.

FM analogue radio service

- Business still at the growth stage in terms of frequencies and advertising revenue.
- Spanish ministry of industry intends to increase the present number of frequencies to encourage a far more wide-ranging radio market.
- Publication of new **national FM plan in September 2006**, introducing **870 new radio frequencies.**

Parameters driving service development

- Award of **security and emergency networks** for regional and local governments:
 - Number of awarded networks.
 - Number of TBSs per TETRA network.
- Development of **Tetra Rescat network in Catalonia** (includes service to fire department, ambulance services, rural officers, etc)
- Potential for growth into other sectors, such as transport and logistics.

Security and emergency networks

- Present clients of **abertis telecom**:
 - Jerez, Seville and Valencia city councils.
 - Valencia, Balearic Islands and Murcia regional governments.
 - Mossos d'Esquadra (Catalan regional police force) and Rescat networks
- Potential **new networks** in Madrid, Cantabria, Asturias, Castile-León and/or Aragón.

Other sectors

- **Tetra is the chosen network at airports**, such as Hannover Airport, Granada Airport and part of the AENA group, and in the transport sector (**rail, buses and taxis**) of several European countries.

Parameters driving service development

- **Number of system co-locations** at our facilities (3,200 sites across the country) requested mainly by telecommunications operators and audiovisual operators.
- **Extent of telecommunications operators' outsourcing** of O&M services.

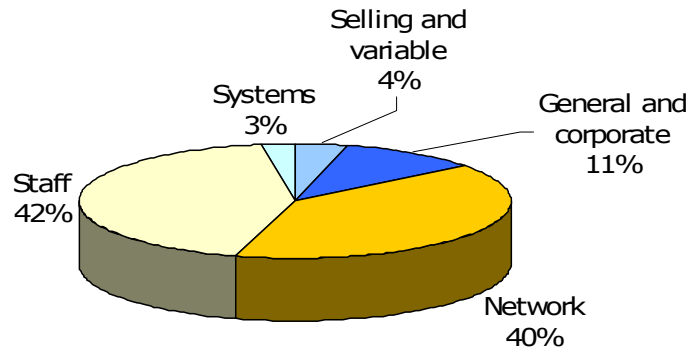
Co-location

- Growth potential in the following two lines of business:
 - **Implementation of mobility solutions** (WiFi, Wimax, 4G) by mobile telephony and telecommunications operators.
 - **Infrastructure management outsourcing** policy by mobile operators, such as Verizon, Cingular, etc Already the trend in the United States.

Operation and maintenance

- Our main client is Ono, chiefly for operation and maintenance of its radio network.
- There is now a trend towards telecommunications and mobile operators focusing on their core business and outsourcing O&M functions.

Distribution of costs in 2006



2006 costs

€185.3 mn

- Variable costs relate to equipment trading, tied to the behaviour of the radio communications business and engineering.

- Network costs mainly comprise:
 - Satellite (22% of network costs)
 - Operation and maintenance (21% of network costs)
 - Leases (23% of network costs)

Network costs are tied to DTT deployment needs, the analogue switch-off and new contracts.

- Staff costs: 1,242 employees at year-end 2006.

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- 1 Strategic fit**

 - An asset which complements the **abertis** network in the deployment of hybrid-network-based solutions.
- 2 Infrastructure-based businesses**

 - Telecommunications infrastructure company operating a large fleet of satellites (23 units)
- 3 Financial impact**

 - Revenue growth 06-07: +4.8%, reaching €829.1 mn in June 2007
 - EBITDA of €652.6 mn, with a margin of 78.7% in June 2007
 - Robust cash flow generator
- 4 Contracts and long-term client relations**

 - Visibility of future revenue (backlog of €3.7 bn over an average contract lifetime of 7.3 years)
- 5 Permanence. Long-term (industry partner)**

 - Complementary to business and services

**Aligned with
trends in the
audiovisual
market**

- **Strategic move:** reinforcement of the telecommunications infrastructure business
- **Different platforms:** Eutelsat and **abertis telecom** operate with the same service profile for the same client type, using different wireless technologies.
- **Similar services:** Satellites are the main backbone network for most of the services **abertis telecom** offers its clients.
- **... and new opportunities:** Satellite creates further opportunities to develop the audiovisual business and reach a larger market faster and at a lower cost per client.

Generation of business

- Generation of crossover business and opportunities worth close to €10 mn a year.

Product development

- Close partnership to design solutions to provide hybrid data, Internet and voice services for business clients and the general public.

Regulatory framework

- Coordinated effort facing Spanish and European institutions in major concerns such as award of frequencies in the European arena and the timetable for deploying the new services.

Synergies

- Several options for simplification being considered for the terrestrial component.

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- Strong **growth figures achieved by abertis telecom**: CAGR 04-06 of EBITDA was 26.5%, reaching €114.9 mn in 2006.
- **Development of abertis telecom's** business mainly based on:
 - Launch of **DTT** at the national, regional and local levels.
 - Award of **new Tetra networks**.
 - Continued growth in the **mobile telecommunications market**.
 - Development of **mobile TV** (DVB-H) and new platforms.



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