REPORT PRESENTED BY THE BOARD OF DIRECTORS OF GESTEVISIÓN TELECINCO, S.A. REGARDING THE PROPOSAL SET OUT IN ITEM ONE OF THE AGENDA AT THE EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING CONVENED TO BE HELD IN MADRID AT THE COMPANY'S REGISTERED OFFICES ON 24 DECEMBER 2010, FIRST CALL, OR SHOULD THERE BE INSUFFICIENT QUORUM THEREAT, ON 27 DECEMBER 2010 AT THE SAME PLACE, SECOND CALL.

This report is drawn up with regard to the proposal concerning the share capital increase of Gestevisión Telecinco, S.A. (hereinafter, "**Telecinco**" or the "**Company**"), which shall be subjected to the approval of the Extraordinary Shareholders' Meeting, pursuant to the first item on the agenda, convened to be held on 24 December 2010, first call, or should there be insufficient quorum thereat, on 27 December 2010, at the same time and at the same place, second call.

The purpose of the resolution proposed by the Board of Directors of Telecinco is to increase the share capital of the Company by issuing and putting into circulation 73,401,870 ordinary shares (the "**New Shares**"), with a face value of 0.50 Euros each, that is, a total face value of 36,700,935 Euros, by means of non-monetary contributions and delegation of powers for their execution by the Board of Directors (with subrogation powers in the Executive Committee or, indistinctively, in any of the Chief Executive Officers), as per Section 297.1a) of the restated text of the Capital Companies Law, approved by Royal Decree-Law 1/2010, dated 2 July ("**LSC**" [Spanish acronym for *Ley de Sociedades de Capital*] or "**Capital Companies Law**"). The abovementioned increase (the "**Non-monetary Increase**") is intended to allow for the execution of agreements entered into by Telecinco and Promotora de Informaciones, S.A. ("**Prisa**"), among other parties, for the integration of the open television business of the Prisa Group into Telecinco and the acquisition by the latter of 22% of DTS Distribuidora de Televisión Digital S.A. ("**Digital Plus**" or "**Digital+**"), all of this subject to the compliance with or, if applicable, waive to certain conditions (the "**Transaction**").

This report is issued in accordance with the requirements set forth by Sections 286 and 296 (on capital increase and the subsequent amendment of the Bylaws) and 300 (on non-monetary contribution representing the increase counter-value) of the Capital Companies Law. In order to facilitate understanding of the Transaction and, in consequence, of the proposal of capital increase, a summary of the agreements entered into with Prisa, among other parties, concerning such Transaction is presented for the shareholders first. Below is a description, in subsequent sections, of the reports established by the aforementioned sections of the Capital Companies Law. Finally, the proposal for the resolution on capital increase submitted to the General Shareholders' Meeting is put forward.

I. DESCRIPTION OF THE AGREEMENT EXECUTED WITH PRISA

1. Transaction Overview

On 18 December 2009, the Board of Directors of Telecinco and Prisa approved an agreement on terms and conditions (the "**Terms and Conditions Agreement**") whereby the general features of the Transaction were set forth. Telecinco informed the market of the approval of such agreement on the same date through the submittal to the National Securities Market Commission ("**CNMV**") of the relevant deed.

As stated above, the purpose of the Transaction is chiefly the integration into Telecinco of the open television business of the Prisa Group (as at the date of the Terms and Conditions Agreement managed through Sogecable S.A. Unipersonal – "**Sogecable**") and the acquisition by Telecinco of 22% of Digital+. In exchange, it was agreed that Prisa would receive (a) newly issued shares in Telecinco totalling 18.3% (approximately) of Telecinco share capital; and (b) up to 500 million Euros in cash. Later, as further explained hereinafter, such percentage and amount were set at 18.041% and 487,988,380 Euros, respectively.

The acquisition by Telecinco of 22% of Digital+ shall be executed through a purchase deed. In order to finance this transaction, Telecinco shall realise a capital increase for the amount (face value plus issue premium) of 499,201,775 Euros, in cash and with pre-emptive right (the "**Previous Capital Increase**").

In turn, the integration of the open television business shall be conducted through a non-monetary capital contribution to Telecinco's capital with shares of the holding company subject to the terms and conditions foreseen in this report and the proposal for resolution. To this end, after the execution of the Terms and Conditions Agreement, Sogecable spun off and created a newly-associated subsidiary where it holds all shares, Sociedad General de Televisión Cuatro, S.A., Unipersonal ("**Sogecuatro**"), to deal with the branch of activity concerning said business, registering such spin-off before the Companies Registry of Madrid. Once such spin-off is completed and the relevant authorisations are obtained, Sogecable shall contribute to Telecinco's share capital with 100% of the shares representing Sogecuatro's share capital. In exchange, Sogecable shall receive New Shares representing 18.041% of Telecinco's resulting final capital.

2. Contracts of the Transaction

On 14 April 2010, the following contracts were signed in respect of the Transaction: (i) a framework agreement between Telecinco and Prisa, together with Sogecable and Mediaset, S.p.A. (the "**Framework Agreement**"); (ii) a purchase contract of Digital Plus shares amongst Telecinco, Prisa and Sogecable (the "**Purchase Contract**"); (iii) a Digital Plus shareholders' agreement amongst Sogecable, Telefónica, S.A., Prisa, Telecinco and Digital Plus (the "**Shareholders' Contract**"); and (iv) an integration agreement amongst Telecinco, Prisa and Sogecable (the "**Integration Agreement**") aimed at regulating Sogecable's contribution of the entire share capital of Sogecuatro in favour of Telecinco and the issue by this Company of New Shares in favour of Sogecable. In turn, on 4 November 2010, the contracts mentioned above were novated. The exact proportional interest to be issued was set at 18.041% of Telecinco's share capital while 487,988,380 Euros was the price set for the acquisition of 22% of Digital Plus.

In particular, in the context of the amendments agreed upon on 4 November 2010 relative to the acquisition of minority interests in Digital Plus, it was agreed to suppress the veto right of Telecinco and Telefónica S.A. (or of the directors appointed by them) on certain matters, among which the approval or amendment of the Strategic Plan and the annual approval of the Digital Plus Budget were included (the "**Key Agreements**"). Likewise, it was established that neither Telecinco nor Telefónica, S.A. would have the right to propose, respectively, the appointment of a senior executive, the chief financial officer or controller.

Furthermore, on 4 November 2010, Telecinco and Mediaset S.p.A., on the one hand, and Sogecable and Prisa, on the other, executed an option contract (the "**Option Contract**") whereby Telecinco has an option to claim the recognition of the following rights in its favour, as regards the governance of Digital Plus: (i) that the adoption of the Key Agreements shall require the favourable vote of Telecinco and/or of the directors appointed by Telecinco; (ii) that the appointment of a member of the Executive Committee shall necessarily fall upon a director designated by Telecinco; and (iii) that the appointment of a senior executive of Digital Plus shall fall upon one of the candidates presented by Telecinco (collectively referred to as the "**Additional Company Rights**").

Below are the essential terms of the Framework Agreement and of the Integration Agreement since they are directly related to the Non-monetary Increase. Likewise, there is a detailed description of the Option Contract and of the termination covenants set forth therein, as far as they are related to the New Shares.

2.1. The Framework Agreement

The aim of the Framework Agreement is to establish the procedure, timeline and other terms for the execution of the Transaction, which shall be completed no later than by 31 December 2010. The effective closing day of the Transaction shall be referred to as the "**Closing Date**".

By virtue of the Framework Agreement, the execution of the Transaction is subject to the fulfilment of certain conditions, of which the following are still pending compliance as at the date hereof: (i) the registration before the Companies Registry of Madrid of the Previous Capital Increase; (ii) the fulfilment of the purchase of 22% of Digital+ share capital by Telefónica, S.A.; (iii) the fulfilment of the necessary formalities by Prisa and Sogecable to obtain any approval by the lending banks of Prisa and Sogecable that may be needed for closing the Transaction; (iv) the granting to Prisa and Sogecable of an express declaration by the banks from which they may have obtained any type of loan, confirming their irrevocable commitment to proceed to the cancellation and release of Sogecuatro and Digital+ and any of their affiliates of any guarantees provided by these companies in favour of Prisa or Sogecable; (v) the fulfilment of certain commitments relative to audiovisual rights of Sogecuatro (on the acquisition of audiovisual rights, for maintaining programming with the same quality and features as that broadcast during the 12 months before the date of the contract and during the 12 months after the execution thereof) and to the consent by the counterparties to the change of control of the company, and of Digital+ (for maintaining, during the 12 months following the Closing Date, a programming with the same quality and features as that broadcast during the 12 months before the Closing Date); (vi) prior to the Closing Date, there shall be no serious incompliance by Prisa and Sogecable of their obligations under the contracts of the Transaction and the representations and guarantees set forth therein shall continue to be substantially accurate and faithful as at the Closing Date; and (vii) prior to the Closing Date, there shall be no serious incompliance by Telecinco of its obligations under the Transaction contracts and the representations and guarantees set forth therein shall continue to be substantially accurate and faithful as at the Closing Date. There is also a termination clause should the CNMV not approve the prospectus relating to the New Shares of Telecinco stemming from the Non-monetary Increase.

Likewise, the Framework Agreement includes the commitment of the parties to negotiate in good faith the contents of several commercial contracts. In compliance with this commitment, on 10 June 2010, the following contracts were signed:

- Contract between Digital+ and Publiespaña, S.A.U. whereby Digital+ entrusts Publiespaña, S.A.U., on an exclusive basis, with the marketing of all of its advertising resources in any of their forms, which may be generated by Digital+ media (i.e., the channels edited by Digital+ and the subscribers' magazine). Notwithstanding all of the above, within the framework of the Concentration File C/0230/10 TELECINCO/CUATRO submitted before the National Anti-trust Commission, the Company has agreed that the advertising of third-party channels outside the pay television group, including Digital+, shall be managed by a company other than the one managing the advertising of Telecinco open channels, with full operating and commercial independence. This fact shall be timely evidenced through an amendment to said contract.

- Contract between Digital+ and Telecinco whereby Telecinco grants Digital+ an option right for the lease of one or two of the channels, either directly or indirectly, amongst those assigned to Telecinco. In case of exercising the lease option, Digital+ should operate the channel(s) in the pay television modality.

- Contract between Sogecable and Telecinco whereby Telecinco grants Sogecable an option right for the lease of one or two of the channels, either directly or indirectly, amongst those assigned to Telecinco. In case of exercising the lease option, Sogecable should operate it in the open television modality 24 hours a day, broadcasting news contents only.

2.2. The Integration Agreement

The Integration Agreement is intended to set out the conditions under which Sogecable shall subscribe the New Shares representing 18.041% of Telecinco share capital after the Previous Capital Increase, by contributing to Telecinco 100% of the shares making up the share capital of Sogecuatro.

The Integration Agreement foresees a mechanism of adjustment of the consideration, linked to the existence of net financial debt or to the net worth of Sogecuatro as at the adjustment date (defined as the last calendar day of the month before the Closing Date). The adjustment to the consideration, if applicable, shall be performed through the contribution by Sogecable with shareholders' equity to Sogecuatro before the Closing Date or, under certain conditions, through the delivery to Telecinco of shares of the latter. Therefore, in no case shall such adjustment entail the variation of the number, face value or premium of the New Shares that Telecinco shall issue to fulfil the Non-monetary Increase.

As regards the governance of Telecinco, Sogecable shall have the right to appoint two of the fifteen members of the Board of Directors and keep a director insofar as Sogecable maintains a holding interest in Telecinco of at least 5% of its share capital. Besides, as long as such interest is over 10%, Sogecable shall be entitled to have its Board representatives holding certain positions both in the Board and in its different committees (a non-executive vice-president, a member of the Executive Committee, a member of the Auditing and Control Committee and a member of the Remuneration and Appointments Committee).

On the other hand, Sogecable offers a series of representations and guarantees as for the financial and business position of Sogecuatro and undertakes the applicable compensation obligations in case of breach of the contract or falsehood or inaccuracy of any of such representations and guarantees, up to the limit of the value of Telecinco shares acquired by Sogecable (taking as reference the market value thereof on the execution date of the Integration Agreement). Such compensation obligation is usually valid for a three-year term as from the Closing Date and during the limitation period stated in the Bylaws for tax damages, Social Security damages and administrative liabilities. Sogecable, in order to secure, among others, its obligations under the Integration Agreement and notwithstanding its individual liability, has undertaken to pledge Telecinco shares equivalent to 4% of its share capital in favour of Telecinco. Likewise, Prisa undertakes joint and several liability for the obligations and commitments of Sogecable under the contract.

In addition, Prisa, Sogecable or any company of the Prisa Group shall not run for a three-year term as from the Closing Date any activity related to the open digital terrestrial television service, unless it is through their participation in Telecinco or through contracts with Telecinco. Certain exceptions are established regarding the production of contents, the production of telesale or weather information services and the acquisition of shareholdings lower than 5% in companies where Prisa, Sogecable and/or any company of the Prisa Group holds no management powers.

Finally, the Integration Agreement shall be voided if at the Closing Date the conditions precedent stated in the Framework Agreement have not been fulfilled.

2.3. The Option Contract

By virtue of the Option Contract, Sogecable grants Telecinco an option so that Telecinco may be recognised the Additional Company Rights relating to the governance of Digital Plus.

The price for granting such option is 5,000,000 Euros, payable by Telecinco to Sogecable upon the Closing Date. The term to exercise the option is three months after the first anniversary of the Closing Date, through faithful notification to Sogecable, notwithstanding the fact that antitrust authorities shall issue the relevant authorisation for the actual exercise of the option as condition precedent. The price of exercise of the option is 5,000,000 Euros, which shall be payable after fulfilment of the abovestated condition precedent. These amounts are additional to the acquisition price of 22% of Digital+.

Nevertheless, should it not be possible to obtain (i) unconditional authorisation or an authorisation subject to non-material conditions from antitrust authorities, if applicable, as mandated by the independent expert(s) appointed by the parties to that end; or (ii) any agreement between the parties regarding whether or not the conditions enforced by the antitrust authorities are relevant, Prisa and Sogecable on the one hand, and Telecinco on the other, shall amortise those shares of Telecinco owned by Sogecable upon the delivery of Telecinco's interest in Digital+, and to the payment of an additional amount by Sogecable or Telecinco, as applicable, based on the value of both shareholdings. Specifically, Telecinco shall pay Sogecable an amount in cash equal to the positive difference between 545,000,000 Euros, adjusted as per the Integration Agreement and the liquid amount obtained as a result of the foreclosure of certain guarantees raised to secure the fulfilment by Sogecable of its obligations under the Transaction contracts, and 487,988,380 Euros. Should the difference be negative, the applicable amount shall be paid by Sogecable to Telecinco. If necessary, a capital decrease agreement with reimbursement of contributions may be submitted to Telecinco's General Shareholders' Meeting, when applicable. Thus, the New Shares held by Sogecable shall be amortised and the shares representing the 22% shareholding in Digital+ shall be delivered to Sogecable together with the additional amount in cash mentioned above. Otherwise, a similar or equivalent transaction shall be executed.

As per the Option Contract, Sogecable has agreed not dispose of the New Shares of Telecinco subscribed and paid up as a result of the contribution of Sogecuatro, notwithstanding the outcome of the possible foreclosure of the guarantees agreed in the Option Contract to partially secure this non-disposal obligation and in the Integration Agreement, until completing, if applicable, the amortisation of the New Shares of Telecinco and the reimbursement of the shareholding of Telecinco in Digital Plus and the payment, if applicable, of the additional amount. Likewise, in that same period, Telecinco may not dispose of its shareholding in Digital Plus either.

The Option Contract also foresees substitution mechanisms of the guarantees granted by Prisa and/or Sogecable to Telecinco in the Integration Agreement, since the amortisation of Telecinco shares owned by Sogecable would nullify the subject matter of the pledge securing the fulfilment of the obligations by Sogecable under the Integration Agreement. The substitution guarantee would consist of a guarantee collectable upon first request in favour of Telecinco or, if applicable, a pledge over a portion of Digital Plus shares reimbursed to Sogecable.

Finally, Prisa jointly and severally guarantees the fulfilment of the obligations and commitments of Sogecable under the Option Contract.

The matters stated in this paragraph are mentioned in the proposal for resolution submitted to the General Shareholders' Meeting under items one and two.

3. Previous Capital Increase

On 14 April 2010, the General Shareholders' Meeting, pursuant to item ten on the agenda, agreed to authorise the Board of Directors, as per Section 153.1.b) of the Companies Law in force at the moment (currently, Section 297.1.b) of the Capital Companies Law), so that, within the maximum term of five years as from the resolution adopted by the General Shareholders' Meeting, and without need for a call or subsequent resolution, the Board could decide, once or several times, on the Company capital increase for a total amount of 61,660,464 Euros, tantamount to half of said share capital back then, issuing and putting into circulation the relevant new ordinary shares or any other shares permitted by law, with or without premium. The counter-value of the New Shares to be issued shall consist of monetary contributions, the incomplete subscription of the shares issued being expressly foreseen, as per Section 161.1 of the Companies Law then in force (currently, Section 311 of the Capital Companies Law).

Likewise, the General Shareholders' Meeting mentioned above authorised the Board of Directors to establish the terms and conditions of each capital increase and the features of the shares, as well as to freely offer the new unsubscribed shares in the pre-emptive subscription term(s), to rewrite the section of the Bylaws concerning share capital and fulfil any necessary proceedings so that the New Shares subject matter of the capital increase are admitted to trading on the Stock Markets where the Company's shares are traded, as per the procedures foreseen in each one of said Stock Markets, authorising the Board of Directors to exclude, totally or partially, the pre-emptive right under the terms of Section 159.2 of the Companies Law then in force (currently, Section 506.1 of the Capital Companies Law).

The Board of Directors was also authorised to delegate upon the Executive Committee or, indistinctively, upon any of the Chief Executive Officers, the powers granted by virtue of such resolution, which are susceptible of delegation.

On 17 November 2010, the Company's Board of Directors, exercising the power granted by the General Shareholders' Meeting held on 14 April 2010, agreed to increase the share capital by forty three million four hundred eight thousand eight hundred and fifty Euros (€43,408,850) by issuing and putting into circulation eighty six million eight hundred seventeen thousand and seven hundred (86,817,700) new ordinary shares. The rate of issue of the New Shares was set at five Euros and seventy five cents (€5.75) per share (€0.50 of face value and €5.25 of issue premium), with pre-emptive right for the Company's shareholders (excluding treasury shares held by the Company). Incomplete subscription thereof was expressly foreseen. The aggregate amount by which the Company's shareholders' equity would be increased, in case of complete subscription, amounts to four hundred ninety nine million two hundred and one thousand seven hundred and seventy five Euros (€499,201,775).

On 18 November 2010, the CNMV approved and registered the prospectus relating to the Previous Capital Increase, pursuant to Law 24/1988, dated 28 July, on the Stock Market Commission, and Royal Decree 1310/2005, of 4 November, implementing said Law 24/1988, of 28 July, on the Stock Market Commission, on admission to trading of stock in official secondary markets, on public sale and subscription offerings and on the prospectus required to that end.

The subscription process established by the Board of Directors for the Previous Capital Increase was started on 19 November 2010 (date when the announcement was published on the BORME – Official Companies Registry Gazette) and comprises three periods: one, of 15 calendar days for pre-emptive subscription; another, of 4 business days when the Stock Market operates, for the allocation of remaining shares among holders of rights that may have so requested in the pre-emptive subscription period; and another, of one business day when the Stock Market operates, for the allocation among qualified investors in Spain and outside Spain of the remaining shares at the end of the previous period (discretional allocation). At present, it is estimated that the execution of the deed formalising the Previous Capital Increase shall take place no later than by 13 December 2010.

The Previous Capital Increase has been insured (save for the shares that the shareholders Mediaset S.p.A. and Mediaset Investimenti S.p.A. have undertaken to subscribe) by virtue of a contract dated 17 November 2010 and executed amongst the Company, as Issuing Institution, J.P. Morgan Securities Ltd. and Mediobanca – Banca di Credito Finanziario, S.p.A., as Global Coordinators, and Banca IMI, S.p.A. and Banco Bilbao Vizcaya Argentaria, S.A., as Co-Managers, all of the foregoing pursuant to the terms stated in the prospectus filed with the CNMV on 18 November 2010.

II. REPORT OF THE BOARD OF DIRECTORS FOR THE PURPOSES OF SECTIONS 286 AND 296 OF THE CAPITAL COMPANIES LAW

As stated in paragraph 0 above, the aim of the capital increase proposed to the General Shareholders' Meeting is to execute the part of the Transaction concerning Sogecuatro's contribution pursuant to the Framework Agreement and the Integration Agreement. Through the Non-monetary Increase, Telecinco shall acquire the entire share capital of Sogecuatro, a subsidiary fully owned by Sogecable up to this date. The latter, in turn, shall receive as consideration newly-issued shares of Telecinco representing 18.041% of the share capital of this company, calculated once the Previous Capital Increase has been completed.

For such purposes, the Board of Directors has agreed to propose to the General Shareholder's Meeting the approval of a capital increase for a face value of 36,700,935 Euros by issuing and putting into circulation 73,401,870 shares with a face value of 0.50 Euros each. The counter-value shall be a non-monetary contribution through shares representing the entire share capital of Sogecuatro (a total of 60,106 shares with a face value of 100 Euros each), which shall be paid up by Sogecable no later than by the execution of the capital increase deed. The New Shares shall be issued at their face value (0.50 Euros) plus an issue premium of 7.30 Euros per share; in consequence, the rate of issue shall be 7.80 Euros per share. This rate of issue matches the arithmetic mean of the closing quote of Telecinco share in the Spanish Stock Market Interconnection System (Continuous Market), for the three months before the date of this report (included), amounting to 8.66 Euros, after deducting the theoretical value of the pre-emptive right relating to such Previous Capital Increase that, rounded to the nearest hundredth, equals 0.86 Euros. This theoretical value of the right (VTD in Spanish) is calculated on the basis of the following equation:

VTD = ((PC - PS) x NNA) / NAP + NNA

Where:
PC: closing market value on the day prior to the start of the period for pre-emptive subscription of the Previous Capital Increase (19 November 2010), which amounted to 9.0070 Euros.
PS: Rate of issue of the Previous Capital Increase (5.75 Euros per share).
NAP: number of pre-existing shares (246,641,856) excluding treasury shares (3,552,287), amounting to 243,089,569.
NNA: Number of New Shares of the Previous Capital Increase (86,817,700).

The number of shares to be issued has been determined based upon the current number of outstanding shares of Telecinco (246,641,856) and those that will be issued as a result of the Previous Capital Increase (86,817,700) which, as indicated in paragraph I.0, has been fully secured under the terms of the prospectus filed with CNMV, as mentioned above. After the execution of the Non-monetary Increase, Sogecable would become the holder of 18.041% of the final share capital of Telecinco, provided that the Previous Capital Increase is completed, pursuant to the Framework Agreement.

In turn, the Non-monetary Increase proposed is subject to the prior registration before the Companies Registry of the Previous Capital Increase fully subscribed and paid up, albeit the Board of Directors (or, by substitution, the Executive Committee or any of the Chief Executive Officers) shall be entitled to waive such condition if said Previous Capital Increase has been substantially subscribed and paid up and registered before the Companies Registry. In this regard, the General Shareholders' Meeting is further proposed to authorise the Board of Directors (or, by substitution, the Executive Committee, or any of the Chief Executive Officers) to modify the text of paragraphs 1 and 2 of Section 5 and adjust them accordingly to the capital resulting from the Non-monetary Increase (also considering the Previous Capital Increase).

It is hereby evidenced that, since it is a capital increase made with non-monetary contributions, as per Section 304.1 of the Capital Companies Law, the current shareholders of Telecinco hold no pre-emptive rights.

Finally, pursuant to Section 297.1.a) under the Capital Companies Law and Section 12.2 of the Bylaws, it is proposed to entitle the Board of Directors (or upon the Executive Committee or any of the Chief Executive Officers, indistinctly) to execute the Non-monetary Increase and to state, within the maximum legal term of one year, the date on which the resolution of the General Shareholders' Meeting must be enforced at the figure agreed upon and to set the applicable conditions in any regard not foreseen therein. In particular, such delegation shall allow the Board of Directors (or, by substitution, the Executive Committee or, indistinctively, any of the Chief Executive Officers) to proceed to the execution of the Non-monetary Increase once the completion of the Previous Capital Increase has been verified. The Non-monetary Increase shall be voided if, within the term stated by the General Shareholders'

Meeting for the execution of the resolution, the Board of Directors fails to exercise the powers granted upon it.

III. REPORT OF THE BOARD OF DIRECTORS FOR THE PURPOSES OF SECTION 300 OF THE CAPITAL COMPANIES LAW

Since it is a capital increase with non-monetary contributions, and pursuant to Section 300 of the Capital Companies Law, a report shall be issued specifying the estimated contributions, their value, contributing parties, the number and face value of shares to be issued, the amount of the share capital increase and the guarantees adopted to render the increase effective according to the nature of the contribution assets.

In compliance with such legal requirement, the Company's directors state the following:

1. Estimated Contribution and Value

The estimated contribution to be incorporated into Telecinco's equity consists of 60,106 ordinary shares, with a face value of 100 Euros each, numbered in correlative order from 1 to 60,106, free of any lien or encumbrance and representing 100% of Sogecuatro's share capital. Consequently, once the Non-monetary Increase has been completed, Sogecuatro shall become a company fully owned by Telecinco. The shares are contributed on account of ownership, free of any lien or encumbrance.

Sogecuatro (Sociedad General de Televisión Cuatro, S.A., Unipersonal) is a Spanish limited liability company, with registered offices at Avenida de los Artesanos 6, Tres Cantos (Madrid), and registered before the Companies Registry of Madrid in Volume 27,433, Folio 81, 8th Section, Page M-494400, 1st entry. Its Tax Identification Number is A-85888287.

As stated in paragraph 0 herein, Sogecuatro is the beneficiary company of the spin-off carried out by Sogecable, within the scope of the Transaction, of the branch of activity comprising all the assets and rights relating to its terrestrial television business in the national territory. On 30 June 2010, effective date of the spin-off, Sogecuatro had total assets for 287,532 Euros, liabilities for 258,375 Euros and, as a result, a net worth of 29,157 Euros.

Sogecuatro is a TV communications service provider for the national territory and holds effective control –i.e., the editorial management, among others– of the "Cuatro" open channel. Cuatro is a national channel founded in November 2005, which had an average rating of 6.4% in its first full year of broadcasting (2006). In 2009, the average audience share was 8.2% and in the first nine months of 2010, it has reached 7.2% (Source: Kantar Media. Total day, total individuals).

In terms of commercial target, including the most attractive audience from the advertising point of view, Cuatro captured an audience share of 10.4% in 2009, a figure that grew to 11.4% at prime time (Source: Kantar Media). From January to September 2010, the audience share in commercial target was 9.0%, 9.5% at prime time (Source: Kantar Media).

In 2008 Cuatro reached an audience share of 11.8% in the commercial target at prime time, thanks to the shows related to the Euro Cup Football 2008, among others. The success by the Spanish sports teams in 2008 at competitions broadcast by Cuatro (for instance, Spain winning said Euro Cup) boosted the network's image and consolidation and led to major audience achievements.

Cuatro's contents include entertainment shows (e.g. *"El Hormiguero"*), game shows, talk shows, interviews (e.g. *"Callejeros"*), sports, music shows and late night shows, besides series not produced by the network.

Cuatro markets different products derived from its shows, contests and TV series under the "Decuatro" brand. Decuatro has launched a great variety of products, such as DVD, CD, book, magazine and toy collections. Besides, Cuatro also operates the www.Cuatro.mobi business, an Internet site adapted to mobile phones that enables users to access electronic programming guides, news and premium contents, such as games and music.

Sogecuatro also holds control of other two channels –CNN+ and Canal+ Dos– without prejudice to the fact that it may launch a fourth channel under its TV audiovisual communication licence for the national territory. CNN+ is an open news channel, while Canal+Dos is a general pay channel. It should be noticed, however, that these two channels could be leased by Sogecable and Digital+ pursuant to the lease contracts described in paragraph I.2.1.

As shown in the consolidated annual accounts of Sogecable for fiscal year 2008, filed with the Companies Registry, the operating income of Cuatro in 2008 increased as a result of the commercial success of the broadcasting of the Euro Cup, for which Cuatro had the exclusive broadcasting rights in Spain. Such increase, however, was counterweighted by the costs associated with the broadcasting of said sports competition, though they were non-recurrent costs. All of this, combined with the increase in 2008 of other operating expenses and staff costs, eventually delivered a negative operating net result for that fiscal year.

Likewise, and as per the consolidated annual accounts of Sogecable for fiscal year 2009, also filed with the Companies Registry in 2009, Cuatro experienced a decrease in its operating income mainly due to the reduction of advertising revenues, in line with the widespread shrinking of the advertising demand in Spain during such period. Such decrease in operating income was offset by a reduction of operating expenses vis-à-vis 2008, mainly due to the non-recurrent costs associated with the broadcasting of the Euro Cup 2008, as well as the change in the programming grid and the development of a cost-cutting plan. Likewise, even if in 2009 Cuatro reached a negative operating net result, the losses incurred in such year were lower than those of 2008.

In accordance with the public information of Prisa, the operating income of Cuatro during the nine-month period ended on 30 September 2010 increased considerably vis-à-vis the same period in 2009, as a result of a significant increase in advertising revenues. Operating costs also grew significantly; therefore, Cuatro's operating margin continued to be negative during such period.

As per the agreements dated 18 December 2009 (and novated on 14 April and 4 November 2010) formalised between Telecinco and Prisa, the open television business of the Sogecable Group (Cuatro), now comprising Sogecuatro, is contributed in consideration for the issue of a percentage of shares of Telecinco (representing 18.041% of Telecinco share capital after the Previous Capital Increase and Non-monetary Increase), notwithstanding the adjustments stated in the Integration Agreement.

In April 2010, within the context of the approval of the transaction and execution of the final agreements between the parties, Banco Santander S.A. and Barclays Capital (the investment banking division of Barclays Bank PLC) issued valuation reports as independent experts ("Fairness Opinion") addressed at the Board of Directors, supporting the fairness of the value of the asset acquired (Sogecuatro) in consideration for the agreed percentage of Telecinco shares. The validity of such reports has been confirmed by Banco Santander, S.A. and Barclays Capital, respectively, on 19 November 2010.

The main method used by both companies is the valuation method based on the discounted cash flow (DCF) according to projections supported by external independent information, pro-forma historical data furnished by Sogecable and discussions with Telecinco's Board, applying the discount rate calculated based on the return of the Spanish 10-year government bond, an estimate of a market risk premium, a beta, a target leverage and a debt cost backed by market analyses.

The methodology described is compared against the valuation of comparable listed European companies and similar transactions and analysts reports' using multiples.

Taking into consideration the average quote of Telecinco shares for the three months before 19 November 2010 (included) and the Previous Capital Increase, the valuation of the non-monetary contribution (Sogecuatro) is 580 million Euros. The directors deem it adequate and in alignment with the valuation carried out by the Board of Directors based on the reports prepared by the aforementioned banks.

The independent expert mentioned in paragraph 0 below shall render his/her opinion, among other things, about the value of the contribution, indicating the criteria used and confirming whether such value matches the face value and the issue premium of the New Shares of Telecinco issued as consideration.

2. Identification of Subscriber

The projected contribution shall be performed by Sogecable.

Sogecable (Sogecable, S.A., Unipersonal) is a Spanish limited liability company, with registered offices at Avenida de los Artesanos 6, Tres Cantos (Madrid), registered before the Companies Registry of Madrid in General Volume 9,458, 8,201 under the 3rd Section of Companies, Folio 122, Page M-87787, 1st entry. Its Tax Identification Number is A-79114815.

Sogecable is a subsidiary fully owned by Promotora de Informaciones, S.A. (Prisa).

3. Number and Face Value of Shares to be Issued by Telecinco

The number of the New Shares to be issued by Telecinco as counter-value for the non-monetary contribution is 73,401,870, with a face value of 0.50 Euros each. As stated above, the rate of issue of the New Shares amounts to 7.80 Euros per share, the issue premium per share being 7.30 Euros. The total nominal amount of the Non-monetary Increase is 36,700,935 Euros. The total amount of the Non-monetary Increase, including the issue premium, is 572,534,586 Euros.

4. Guarantees for the Effectiveness of the Contribution

In compliance with Section 67 of the Capital Companies Law, the Companies Registry of Madrid has been requested to appoint an independent expert to issue a report describing the non-monetary contribution and its valuation, expressing the criteria used and whether or not it corresponds to the face value and the issue premium of the shares to be issued as counterpart. On 20 October 2010, the Companies Registry of Madrid appointed Pricewaterhousecoopers Auditores, S.L. as independent expert for the abovestated purposes.

IV. PROPOSAL FOR RESOLUTION

In the context of the execution of the resolutions reached by Telecinco and Promotora de Informaciones, S.A. ("**Prisa**"), among other parties, in respect of the integration of the open television business of the Prisa Group into Telecinco and the acquisition of 22% of DTS Distribuidora de Televisión Digital, S.A. ("**Digital Plus**" or "**Digital+**") (the "**Transaction**"), the following resolutions relating to the contribution of 100% of the interest in the share capital of Sociedad General de Televisión Cuatro, S.A. Unipersonal ("**Sogecuatro**"), owner of the open television business formerly operated directly by Sogecable, S.A., and to other matters concerning the Transaction, are adopted.

I. Increase

1. Share Capital Increase

Increasing the share capital by issuing and putting into circulation 73,401,870 ordinary shares with a face value of 0.50 Euros each (individually referred to as the "**New Share**" and collectively as the "**New Shares**"), i.e. a total face value of 36,700,935 Euros, of the same class and series as those currently outstanding, represented by shares in the shareholders' register.

The New Shares shall be issued at their face value (0.50 Euros) plus an issue premium of 7.30 Euros per share; hence, the rate of issue shall be 7.80 Euros per share. This rate of issue matches the arithmetic mean of the closing quote of Telecinco share in the Spanish Stock Market Interconnection System (Continuous Market), for the three months before the date of this proposal for resolution (19 November, included), amounting to 8.66 Euros, after deducting the theoretical value of the pre-emptive right relating to the capital increase adopted by the Board exercising the powers conferred upon it by the General Shareholders' Meeting on 17 November 2010 (the "**Previous Capital Increase**") that, rounded to the nearest hundredth, equals 0.86 Euros. This theoretical value of the right is calculated on the basis of the following equation:

VTD = ((PC - PS) x NNA) / NAP + NNA

Where:
PC: Closing market value on the day prior to the start of the period for pre-emptive subscription of the Previous Capital Increase (19 November 2010), which amounted to 9.0070 Euros.
PS: Rate of issue of the Previous Capital Increase (5.75 Euros per share)
NAP: Number of pre-existing shares (246,641,856) excluding treasury shares (3,552,287), totalling 243,089,569.
NNA: Number of New Shares of the Previous Capital Increase (86,817,700)

The shares issued as a result of the execution of this resolution shall be paid up through non-monetary contributions as per the provisions established in paragraph 0 hereinbelow.

The total amount of the share capital increase (face value plus issue premium) amounts to 572,534,586 Euros.

2. Counter-value of Share Capital Increase

The shares issued as a consequence of the execution of this resolution shall be paid up through a non-monetary contribution of 60,106 ordinary shares, free of any liens and encumbrances, accounting for the total share capital of Sociedad General de Televisión Cuatro, S.A. Unipersonal, with a face value of 100 Euros each ("**Cuatro Shares**"). Cuatro Shares shall be contributed by Sogecable, S.A. Unipersonal, an affiliate of Promotora de Informaciones, S.A. (Prisa).

3. Rights Derived from the New Shares

The New Shares shall attribute to their holders the same political and economic rights as the Company outstanding shares, as from the date when their names are entered in the applicable accounting records. In particular, as regards economic rights, the New Shares shall confer the right to company dividends, to be paid thereafter.

4. No Pre-emptive Subscription Right

Pursuant to Section 304.1 of the Capital Companies Law and considering that the share capital increase was executed against non-monetary contributions, no pre-emptive subscription right applies to Telecinco's pre-existing shareholders.

5. Entity in Charge of the Accounting Records

Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("**Iberclear**") shall be the entity in charge of the accounting records of the New Shares.

6. Admission to Trading of the New Shares

It is hereby agreed that admission to trading of the New Shares on the Stock Markets of Madrid, Barcelona, Bilbao and Valencia, respectively, through the Spanish Stock Market Interconnection System (Continuous Market) will be requested. In this regard, the Company expressly agrees to abide by the Stock Market regulations in force now or in the future and, especially, those on contracting, permanence and exclusion from the official listing.

Likewise, it is agreed to request that the New Shares be entered in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear).

It is hereby stated that, if the exclusion of Telecinco shares from the listing is subsequently requested, the applicable formalities shall be taken. In this event, the interest of the shareholders objecting to said resolution or not voting it shall be safeguarded pursuant to the provisions under the Capital Companies Law and related regulations, all of the foregoing in accordance with Law 24/1988, of 28 July, of the Stock Market and its implementing regulations in force at all times.

7. Conditions Precedent

The effectiveness of this resolution to increase share capital is subject to a condition precedent, namely, that the deed of the capital increase through monetary contribution agreed by the Board of Directors at the meeting held on 17 November 2010, as per the powers conferred upon them by the General Shareholders' Meeting held on 14 April 2010 according to item ten on the agenda (the "**Previous Capital Increase"**) be filed with the Companies Registry of Madrid, said Previous Capital Increase being fully subscribed and paid in.

Compliance with the foregoing condition precedent shall be evidenced upon the formalisation of the deed of capital increase.

However, the Board of Directors (or, by substitution, the Executive Committee or any of the Chief Executive Officers) is expressly entitled to waive said condition if the abovestated Previous Capital Increase has been substantially subscribed and paid up as well as registered before the Companies Registry of Madrid.

8. Delegation of Powers to the Board of Directors

As per Section 297.1 a) of the Capital Companies Law and without prejudice to other powers conferred herein, the Board of Directors shall be entitled, and authorise to entitle the Executive Committee or, indistinctively, any of the Chief Executive Officers, to (i) decide the execution date; (ii) modify the wording of Subsections 1 and 2 of Section 5 of the Bylaws, to adapt it to the new amount of share capital and number of shares resulting from the increase (and also considering the Previous Capital Increase); and (iii) establish the conditions for any matter that was not provided for by the General Shareholders' Meeting, executing all the procedures required to register the share capital increase before the Companies Registry, within a maximum term of one year as from the adoption of this resolution.

Likewise, the Board of Directors is expressly entitled, and expressly authorised to be subrogated by the Executive Committee, or indistinctively, by any of the Chief Executive Officers or by one or several individuals holding powers-of-attorney, whether they are directors or not, and without prejudice to any other delegation or existing entitlements, to execute any acts deemed necessary or merely advisable for the fulfilment of approved capital increase, the former being expressly entitled to develop, construe, rectify and substitute the capital increase resolution and, in particular, to:

(i) Prepare, execute and submit to the National Securities Market Commission ("**CNMV**"), if necessary, the prospectus relative to the share capital increase pursuant to Law 24/1988, of 28 July, on the Securities Market and Royal Decree 1310/2005, on admission to trading at official secondary securities markets or the document equivalent to the prospectus or the announcement on the shares, being accountable for its content, and prepare, execute and submit as many supplements as deemed necessary, requesting their verification and registration by the CNMV and the notification of relevant events deemed necessary or advisable.

(ii) Execute the increase of the share capital of the Company, carrying out all the procedures deemed necessary or advisable for its effective execution.

(iii) Prepare, execute and submit any necessary additional or complementary documentation or information to the CNMV or any competent Spanish or foreign authority.

(iv) Carry out any act, statement or proceeding before the CNMV, the Stock Market Governing Bodies, Sociedad de Bolsas S.A., Iberclear and any other body, entity or public or private register, either Spanish or foreign, to obtain all the authorisations or verifications required for the execution of the capital increase, as well as the admission to trading of the New Shares on the Spanish Stock Market.

(v) Trade, subscribe and execute as many public and private documents as deemed necessary regarding the share capital increase as per the usual practice in this type of transactions.

(vi) Write and publish as many announcements or notifications of any type as deemed necessary or advisable.

(vii) Write, subscribe, execute and, as applicable, certify any type of document relative to the share capital increase to which this resolution refers.

(viii) Request admission to official trading on the Stock Markets of Madrid, Barcelona, Bilbao and Valencia, and the inclusion in the Spanish Stock Market Interconnection System of the shares issued by Telecinco, if applicable.

9. Directors' Proposal and Report

The adoption of this resolution to increase share capital has been executed after making available to the shareholders the proposal and report of the Board of Directors in compliance with the Capital Companies Law.

II. Transaction Partial Termination Clause

It is hereby acknowledged that on 4 November 2010 the Company executed an Option Contract (the "**Option Contract**") whereby Telecinco has an option against Sogecable to obtain the acknowledgement of certain additional company rights with respect to the governance of DTS Distribuidora de Televisión Digital, S.A. ("**Digital+**") in the terms and conditions contained in the Directors' Report submitted to the shareholders as from the call to the General Shareholders' Meeting. The execution of the abovementioned company rights subject matter of the Option Contract shall be subjected to the condition precedent of obtaining the mandatory authorisation from the competent authorities.

To this end, it is hereby acknowledged that, should it not be possible to obtain (i) the unconditional authorisation or an authorisation subject to non-essential conditions from antitrust authorities, if applicable, as ordered by the independent expert or experts appointed to that end by the parties; or (ii) any agreement between the parties regarding whether or not the conditions enforced by the antitrust authorities are relevant, Prisa and Sogecable, on the one hand, and Telecinco, on the other, shall proceed to the amortisation of those shares of Telecinco owned by Sogecable upon the delivery of Telecinco's interest in Digital+, and to the payment of an additional amount by Sogecable or Telecinco, as applicable, based on the value of both shareholdings. Specifically, Telecinco shall pay Sogecable an amount in cash equal to the positive difference between 545,000,000 Euros, adjusted as per the Integration Agreement and the liquid amount obtained as a result of the foreclosure of certain guarantees raised to secure the fulfilment by Sogecable of its obligations under the Transaction contracts, and 487,988,380 Euros. Should the difference be negative, the applicable amount shall be paid by Sogecable to Telecinco. In view of the foregoing and if necessary, pursuant to the Option Contract, it is hereby acknowledged and agreed that a resolution can be submitted to the General Shareholders' Meeting, when applicable, to proceed to a share capital reduction with reimbursement of contributions whereby the New Shares held by Sogecable are amortised and Telecinco delivers to Sogecable the shares accounting for the 22% shareholding in Digital+ and, if applicable, the additional amount of money mentioned above, thus partially terminating this Transaction or, if applicable, that a similar transaction be carried out. In such case, the relevant supporting report and proposal for resolution would be submitted to the directors for approval and a General Shareholders' Meeting would be called for the submission of the relevant resolutions.

Madrid, 19 November 2010