



SPECIAL GENERAL SHAREHOLDERS' MEETING
DECEMBER 24th, 2010

SPEECH BY THE CHAIRMAN

Good morning ladies and gentlemen,

First of all, I would like to thank you all for attending this Special General Shareholders' Meeting, particularly considering that it is being held in the morning of such a special day. Please do believe me if I tell you that we did not schedule this date on purpose and that we would have convened this meeting earlier had it been possible. However, the intrinsic complexity of our business, coupled with the mandatory approval by the regulatory bodies required to hold it, have postponed it until this date.

Having said so, let us now discuss the purpose of this meeting, namely, to carry out an unprecedented corporate transaction in the history of Spanish television, which will turn our Company into the most important audiovisual business countrywide and one of the leading companies in Europe.

As you very well know, one year ago –on December 18th, 2009 to be precise–, Telecinco began taking the first steps to lay down the foundations for such a transaction, signing a Basic Terms and Conditions Agreement with Grupo Prisa, which set forth the transaction's timeline and provisions, which were as follows:

1. Telecinco would acquire a 22% interest in Digital Plus, as well as the entire share capital of a newly incorporated company that would include the open television business of SOGECABLE, S.A., CUATRO.
2. Prisa, in turn, would receive:
 - Approximately 500 million Euros in cash.
 - And Telecinco newly issued shares tantamount to around 18% of Telecinco's share capital. The value of such shares at the time was around 550 million Euros based on the average quote for December 2009.

This was the starting point of a hard process geared to carry out the financial and legal review of the companies to be acquired, to establish the final agreements –which were signed on April 14th this year–, and to obtain the necessary approval of the transaction from the regulatory bodies, specifically the National Competition Commission and the



National Securities Market Commission.

There is no doubt that the partnership between two major television networks such as Telecinco and Cuatro is not only an unprecedented event in the Spanish television industry, but also a competition concentrating transaction that had to be validated by the National Competition Commission (or CNC in Spanish). Specially taking into account that Telecinco was simultaneously acquiring 22% of Digital+, the major paid TV operator in Spain.

We could say that it was the National Competition Commission's delay the reason why this dealing, which under normal conditions should have been closed much earlier, took longer. This delay was due to two facts: first, to the need by the regulatory body to analyse a business sector such as that of open television, in which it had no previous experience; and second, to the opposition expressed by our main competitors, both direct and indirect.

Since final authorisation from the CNC was obtained on November 10th, we have been fully devoted to preparing the two share capital increases required to complete the transaction.

The first one, as you very well know, was fulfilled only three weeks ago in order to finance the transaction and reinforce the Company's Balance Sheet. In fact, the Board of Directors of Telecinco, in exercising the powers conferred upon it by the GSM held on April 14th, 2010 resolved to increase Telecinco's share capital through a monetary contribution with a face value of 43,408,850 Euros in aggregate by issuing and making available on the market 86,817,700 new ordinary shares with pre-emptive right.

We are proud to state that such capital increase was most successful since it was subscribed by virtually all of our current shareholders which, in doing so, not only supported the dealing with Grupo Prisa unreservedly, but also showed strong signs of confidence in us. This was evidenced by the requests for shares received, which exceeded by nearly ten times the number required for the capital increase, despite the current economic crisis and the situation in Ireland.

The role played by our shareholder Mediaset should be highlighted here, as they were particularly supportive throughout the process. In fact, they covered the entire portion of the capital increase applicable to them according to their interest in the share capital.

The second capital increase mentioned before is the one that we are now submitting to your approval. It consists of a non-monetary capital increase without pre-emptive right, since it will be realised through an exchange of shares whereby Prisa will subscribe new shares of Telecinco representing 18.041% of its share capital in exchange for 100% of the capital share owned by Cuatro, that is, of Prisa's open television business. We have made available to you a Report prepared by the Board of Directors of Telecinco containing a thorough description of the transaction, as well as another Report prepared by the expert appointed by the Commercial Registry of Madrid –Price Waterhouse– which backs up the



economic terms of the transaction and certifies that the non-monetary contribution to be made by Prisa matches, at least, the amount of capital increase proposed.

Along these lines, we further propose increasing the number of Directors on Telecinco's current Board in order to allow for the incorporation of two Directors designated by Prisa, which would thus be represented proportionally to its interest in the share capital. The new Directors proposed are Mr. Manuel Polanco and Mr. Juan Luis Cebrián, senior members of Grupo Prisa.

In turn, Telecinco will appoint two Directors on the Board of Directors of Digital+, this representation also being proportional to its interest in the share capital of said company.

In order to complete the picture of the transaction as it has been designed, I must add one more important point. Prisa has recognised Telecinco the right to obtain certain rights over Digital+, which is chiefly related to the option of vetoing the approval of the annual budget and the business plans of Digital+.

Should such an option right be exercised, it must be previously authorised by the Competition Authorities, which will be entitled to either grant such authorisation or deny it, either directly or indirectly, by enforcing insurmountable conditions from a business standpoint.

In this event, the transaction I have just described to you will be reversed, Telecinco returning 22% of its interest in Digital+ and Prisa returning 18.041% of Telecinco's capital that is ready to subscribe.

This scenario is quite unlikely, yet possible. The same is explained in detail in the Report of the Board of Directors that is also available to you.

But let us be positive, as we have always been, holding the same spirit that has turned Telecinco into a leading company in the industry and whose leadership will be further boosted through this transaction.

Let me now finish by thanking you again for being here and for your confidence. We wish you all a Merry Christmas and a Happy New Year.