Audit Report

GESTEVISIÓN TELECINCO, S.A.
Financial Statements and Management Report
for the year ended
December 31, 2009

AUDIT REPORT ON THE FINANCIAL STATEMENTS

(Free translation from the original in Spanish)

To the Shareholders of Gestevisión Telecinco, S.A.:

1. We have audited the financial statements of Gestevisión Telecinco, S.A., which consist of the balance sheet at December 31, 2009 and the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended, the preparation of which is the responsibility of the directors of the company. Our responsibility is to express an opinion on the aforementioned financial statements taken as a whole, based upon work performed in accordance with auditing standards generally accepted in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the financial statements, and the evaluation of their presentation, of the accounting principles applied, and of the estimates made.

2. In accordance with Spanish mercantile law, for comparative purposes the Company's directors have included for each of the headings presented in balance sheet, the income statement, the statement of changes in equity, the cash flow statement, and in the notes thereto, in addition to the figures of 2009, those of the prior year. Our opinion refers only to the financial statements for 2009. On February 25, 2009 we issued our audit report on the 2008 financial statements in which we expressed an unqualified opinion.

3. In our opinion, the accompanying 2009 financial statements give a true and fair view, in all material respects, of the equity and financial position of Gestevisión Telecinco, S.A. at December 31, 2009 and the results of its operations, changes in equity and cash flows for the year then ended, and contain the required information necessary for their adequate interpretation and understanding, in conformity with the applicable accounting principles and standards generally accepted in Spain, which are consistent with those applied in prior year.

4. The Company carries out a significant volume of transactions with Group companies. The transactions of this nature carried out in 2009 and the related balances at year end are described in Note 19.

5. The accompanying 2009 management report contains such explanations as the directors consider appropriate concerning the situation of the Gestevisión Telecinco, S.A., the evolution of its business and other matters, and is not an integral part of the financial statements. We have checked that the accounting information included in the aforementioned management report agrees with the financial statements for the year ended December 31, 2009. Our work as auditors is limited to verifying the management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the Company's accounting records.

ERNST & YOUNG, S.L.

(signed on the original in Spanish)

Antonio Vázquez Pérez

February 24, 2010

TABLE OF CONTENTS

1. Balance sheets at 31 December 2009 and 2008

2. Income statements for the years ended 31 December 2009 and 2008

3. Statements of changes in equity for the years ended 31 December 2009 and 2008

4. Cash flow statements for the years ended 31 December 2009 and 2008

5. Notes to the financial statements for the year ended 31 December 2009

6. Management Report for 2009

GESTEVISIÓN TELECINCO, S.A.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish GAAP. In the event of a discrepancy, the Spanish-language version prevails.

Balance sheets at 31 December 2009 and 2008

(Thousands of euros)

ASSETS	Notas	2009	2008
NON-CURRENT ASSETS		**572,338**	**597,028**
Intangible assets	**6**	**163,634**	**129,432**
Patents, licenses and trademarks.		245	275
Software		2,465	2,543
Audiovisual property rights		160,924	126,614
Property, plant and equipment	**5**	**45,328**	**50,106**
Land and buildings		29,869	31,009
Plant and other PP&E items		14,749	18,949
Property, plant and equipment under construction and prepayments		710	148
Investment in group companies and associates	**7**	**260,353**	**333,602**
Equity instruments		83,229	129,377
Loans to companies	**8**	177,124	204,225
Financial investments	**8**	**3,153**	**12,081**
Equity instruments		1,913	10,995
Loans to third parties		1,159	922
Other financial assets		81	164
Deferred tax assets	**15**	**99,920**	**71,807**
CURRENT ASSETS		**228,279**	**402,832**
Inventories	**9**	**6,557**	**7,190**
Finished products		6,231	7,025
Prepayments to suppliers		326	165
Trade and other receivables	**8,10**	**144,151**	**244,768**
Trade receivables		11,119	16,202
Trade receivables from group companies and associates	**19**	127,314	185,344
Other receivables		5	5
Receivables from employees		53	54
Current income tax assets	**15**	5,660	43,163
Investments in group companies and associates	**8**	**64,136**	**120,814**
Loans to companies		24,147	34,625
Other financial assets		39,989	86,189
Financial investments	**8**	**1,556**	**2,142**
Equity instruments		-	-
Loans to companies		983	1,572
Derivatives		3	262
Other financial assets		570	308
Other current assets	**11**	**10,792**	**3,862**
Cash and cash equivalents	**12**	**1,087**	**24,056**
Cash surpluses		1,087	24,056
TOTAL ASSETS		**800,667**	**999,860**

Read with the attached explanatory notes.

Madrid, 24 February 2010.

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Alejandro Echevarría Busquet	Mr. Giuseppe Tringali	Mr. Paolo Vasile	Mr. Giuliano Adreani	Mr. José Ramón Álvarez Rendueles
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Massimo Musolino	Mr. Pier Silvio Berlusconi	Mr. Fedele Confalonieri	Mr. Ángel Durández Adeva	Mr. Marco Giordani
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Miguel Iraburu Elizondo	Mr. Alfredo Messina	Mr. Borja de Prado Eulate	Mr. Mario Rodriguez Valderas	Mrs. Helena Revoredo Delvecchio

Balance sheets at 31 December 2009 and 2008
(Thousands of euros)

EQUITY AND LIABILITIES	Notes	2009	2008
EQUITY	**13**	**372,232**	**515,978**
CAPITAL AND RESERVES		**372,232**	**515,978**
Share capital		**123,321**	**123,321**
Issued capital		123,321	123,321
Shared preminum		**37,013**	**37,013**
Reserves		**204,171**	**144,235**
Legal and statutory reserves		24,664	24,664
Other reserves		179,507	119,571
Treasury shares and equity investments		**(60,734)**	**(57,813)**
Profit for the year		**68,461**	**269,222**
NON-CURRENT LIABILITIES		**48,445**	**39,268**
Provisions	**14**	**16,399**	**38,240**
Provisions for contingencies and liabilities		16,399	38,240
Borrowings	**8**	**30,606**	**1,028**
Bank borrowings		29,930	**-**
Other finanical liabities		676	1,028
Deferred tax liabilities	**15**	**1,440**	**-**
CURRENT LIABILITIES		**379,990**	**444,614**
Provisions	**14**	**30,244**	**22,690**
Borrowings	**8**	**82,548**	**23,455**
Bank borrowings		30,673	-
Derivatives		337	-
Other financial liabilities		51,574	23,455
Borrowings from group companies and associates	**8**	**137,111**	**257,161**
Trade and other payables	**8**	**129,965**	**141,262**
Suppliers		78,072	65,977
Suppliers, group companies and associates		40,094	52,156
Other payables		838	954
Employee benefits payable		3,755	10,114
Other payables to public administrations	**15**	7,206	12,061
Accruals		**86**	**46**
TOTAL EQUITY AND LIABILITIES		**800,667**	**999,860**

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Alejandro Echevarría Busquet	Mr. Giuseppe Tringali	Mr. Paolo Vasile	Mr. Giuliano Adreani	Mr. José Ramón Álvarez Rendueles
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Massimo Musolino	Mr. Pier Silvio Berlusconi	Mr. Fedele Confalonieri	Mr. Ángel Durández Adeva	Mr. Marco Giordani
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Miguel Iraburu Elizondo	Mr. Alfredo Messina	Mr. Borja de Prado Eulate	Mr. Mario Rodriguez Valderas	Mrs. Helena Revoredo Delvecchio

Income statement for the years ended 31 December 2009 and 2008

(Thousands of euros)

	Notes	2009	2008
CONTINUING OPERATIONS			
Revenue	**18**	**507,456**	**774,974**
Sale of goods		498,897	759,989
Rendering of services		8,559	14,985
Changes in inventory of finished goods and work in progress	**18**	**(794)**	**3,821**
Work performed by the entity and capitalized		**8,018**	**12,141**
Cost of sales		**(203,324)**	**(194,852)**
Consumption of goods for resale	**18**	(203,324)	(194,852)
Other operating income		**28,187**	**47,289**
Ancillary income		28,187	47,286
Grants related to income		-	3
Employee benefits expense		**(49,792)**	**(57,913)**
Wages, salaries et al.		(40,937)	(48,685)
Social security costs et al.	**18**	(8,855)	(9,228)
Other operating expenses		**(117,882)**	**(125,744)**
External services	**18**	(105,446)	(120,146)
Taxes		(11,041)	(5,125)
Losses on, impairment of and change in trade provisions	**10**	(1,395)	(473)
Depreciation and amortization	**5,6**	**(141,067)**	**(173,222)**
Overprovisions		**32,676**	**5,080**
Impairment losses and gains (losses) on disposal of non-current assets		**7,027**	**6,641**
Impairment losses and losses	**5**	7,099	6,688
Gains (losses) on disposal and other gains and losses	**5**	(72)	(47)
OPERATING PROFIT		**70,505**	**298,215**
Finance Income		**57,285**	**162,878**
From equity investments		50,473	144,294
In group companies and associates	**19**	50,473	144,294
From marketable securities and other financial instruments		6,812	18,584
Of group companies and associates	**19**	5,582	15,309
Of third parties		1,230	3,275
Finance Cost		**(3,820)**	**(11,524)**
Borrowing from group companies and associates	**19**	(1,305)	(9,350)
Third-party borrowings		(2,515)	(2,174)
Change in fair value of financial instruments	**8**	**(5,850)**	**(809)**
Trading portfolio and other securities		(850)	(809)
Gains (Losses/Impairment) on available-for-sale financial assets for the period		(5,000)	-
Exchange gains (losses)		**113**	**(348)**
Impairment and gains (losses) on disposal of financial instruments		**(63,823)**	**(150,774)**
Impairment losses and losses		(65,476)	(150,763)
Gains (losses) on disposal and other gains and losses	**7**	1,653	(11)
RESULT		**(16,095)**	**(577)**
PROFIT BEFORE TAX		**54,410**	**297,638**
Income tax	**15**	**14,051**	**-28,416**
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**68,461**	**269,222**
DISCONTINUED OPERATIONS			
Profit/ (loss) after tax for the year from discontinued operations		**-**	**-**
PROFIT FOR THE YEAR		**68,461**	**269,222**

Read with the attached explanatory notes.

Madrid, 24 February 2010.

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Alejandro Echevarría Busquet	Mr. Giuseppe Tringali	Mr. Paolo Vasile	Mr. Giuliano Adreani	Mr. José Ramón Álvarez Rendueles
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Massimo Musolino	Mr. Pier Silvio Berlusconi	Mr. Fedele Confalonieri	Mr. Ángel Durández Adeva	Mr. Marco Giordani
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Miguel Iraburu Elizondo	Mr. Alfredo Messina	Mr. Borja de Prado Eulate	Mr. Mario Rodriguez Valderas	Mrs. Helena Revoredo Delvecchio

Statements of changes in equity for the years ended 31 December 2009 and 2008
(Thousands of euros)

A) Statement of recognized income and expenses for the years ended 31 December 2009 and 2008

	Notes	2009	2008
PROFIT FOR THE PERIOD		**68,461**	**269,222**
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY			
From measurement of financial instruments		**(5,025)**	**-**
Available-for-sale financial assets		(5,025)	-
Other income/expense		-	-
From cash flows hedges		**-**	**-**
Currency translation differences		**-**	**-**
Grants, donations and bequests received		**-**	**-**
From actuarial gains and losses and other adjustments		**-**	**-**
Tax effect		**1,507**	**-**
TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY		**(3,518)**	**-**
AMOUNTS TRANSFERRED TO INCOME STATEMENT			
From measurement of financial instruments		**5,025**	**-**
Available-for-sale financial assets		5,025	-
Other income/expense		-	-
From cash flows hedges		**-**	**-**
Grants, donations and bequests received		**-**	**-**
Tax effect		**(1,507)**	**-**
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT		**3,518**	**-**
TOTAL RECOGNIZED INCOME AND EXPENSE		**68,461**	**269,222**

Read with the attached Notes.
Madrid, 24 February 2010.

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Alejandro Echevarría Busquet	Mr. Giuseppe Tringali	Mr. Paolo Vasile	Mr. Giuliano Adreani	Mr. José Ramón Álvarez Rendueles
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Massimo Musolino	Mr. Pier Silvio Berlusconi	Mr. Fedele Confalonieri	Mr. Ángel Durández Adeva	Mr. Marco Giordani
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Miguel Iraburu Elizondo	Mr. Alfredo Messina	Mr. Borja de Prado Eulate	Mr. Mario Rodriguez Valderas	Mrs. Helena Revoredo Delvecchio

GESTEVISIÓN TELECINCO, S.A.

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish GAAP. In the event of a discrepancy, the Spanish-language version prevails.

Statements of changes in equity for the years ended 31 December 2009 and 2008 (Thousands of euros)

B) Statements of changes in equity for the years ended 31 December 2009 and 2008

	Issued Capital	Share Premium	Legal Reserve	Reserves for share option plans	Reserves	Treasury shares and equity investments	Profit for the year	TOTAL
ADJUSTED BALANCE AT JANUARY 1, 2008	**123,321**	**37,013**	**24,664**	**8,431**	**106,241**	**(56,469)**	**320,392**	**563,593**
Total recognized income and expense	-						269,222	269,222
Transactions with shareholders and owners								
Dividends paid					2,830		(320,392)	(317,562)
Transactions with shares or own equity instruments (net)						(1,344)		(1,344)
Incentive plans though share-based payments				2,069				2,069
Other changes in equity								
ADJUSTED BALANCE AT DECEMBER 31, 2008	**123,321**	**37,013**	**24,664**	**10,500**	**109,071**	**(57,813)**	**269,222**	**515,978**
ADJUSTED BALANCE AT JANUARY 1, 2009	**123,321**	**37,013**	**24,664**	**10,500**	**109,071**	**(57,813)**	**269,222**	**515,978**
Total recognized income and expense							68,461	68,461
Transactions with shareholders and owners								
Dividends paid					58,949		(269,222)	(210,273)
Transactions with shares or own equity instruments (net)						(2,921)		(2,921)
Incentive plans though share-based payments				987				987
Other changes in equity								
ADJUSTED BALANCE AT DECEMBER 31, 2009	**123,321**	**37,013**	**24,664**	**11,487**	**168,020**	**(60,734)**	**69,461**	**372,232**

Read with the attached Notes.

Madrid, 24 February 20010.

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Alejandro Echevarría Busquet	Mr. Giuseppe Tringali	Mr. Paolo Vasile	Mr. Giuliano Adreani	Mr. José Ramón Álvarez Rendueles
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Massimo Musolino	Mr. Pier Silvio Berlusconi	Mr. Fedele Confalonieri	Mr. Ángel Durández Adeva	Mr. Marco Giordani
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Miguel Iraburu Elizondo	Mr. Alfredo Messina	Mr. Borja de Prado Eulate	Mr. Mario Rodriguez Valderas	Mrs. Helena Revoredo Delvecchio

Translation of financial statements originally issued in Spanish and prepared in accordance with Spanish GAAP. In the event of a discrepancy, the Spanish-language version prevails.

Cash Flow Statement for the year ended 31 December 2009 and 2008

	Notes	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**54,410**	**297,638**
Adjustments to profit		**129,037**	**153,333**
Depreciation and amortization	5,6	**141,067**	**173,222**
Impairment losses	6,7	58,377	144,490
Changes in provisions		(16,942)	(14,832)
Finance income		**(57,285)**	**(162,878)**
Finance costs		**3,820**	**11,524**
Change in fair value of financial instruments		-	(262)
Other income and expenses		-	2,069
Change in working capital		**48,801**	**13,417**
Inventories		633	(3,765)
Trade and other receivables		63,114	1,579
Other current assets		**(6,344)**	**4,909**
Trade and other payables		**(8,642)**	**10,833**
Other current liabilities		**40**	**(139)**
Other cash flows from operating activities		**38,172**	**503**
Interest paid		**(3,820)**	**(11,524)**
Dividends received		**50,473**	**144,294**
Interest received		**6,812**	**18,584**
Income tax receipts (payments)		**(16,280)**	**(150,851)**
Other payments (receipts)		**987**	**-**
CASH FLOWS FROM OPERATING ACTIVITIES		**270,420**	**464,891**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments on investments		**(211,880)**	**(243,649)**
Group companies and associates		**(76,016)**	**(77,436)**
Intangible assets		**(132,846)**	**(161,630)**
Property, plant and equipment		**(2,629)**	**(4,583)**
Other financial assets		**(389)**	**-**
Proceeds from disposal		**115,468**	**75,752**
Group companies and associates		**97,839**	**67,350**
Intangible assets		**-**	**1,361**
Property, plant and equipment	5	203	60
Other financial assets		17,089	6,981
Other assets		337	-
CASH FLOWS FROM INVESTING ACTIVITIES		**(96,412)**	**(167,897)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from and payments on equity instruments		**(2,921)**	**(1,344)**
Acquisition of own equity instruments		**(2,921)**	**(1,344)**
Proceeds from and payments of financial liabilities		**16,217**	**(1,128)**
Issues	8	**60,603**	**-**
Bank borrowings		**60,603**	**-**
Other borrowings		**-**	**-**
Repayment and redemption of		(44,386)	(1,128)
Payable to group companies and associates		(44,034)	-
Other borrowings		(352)	(1,128)
Dividends paid and payments on other equity instruments		**(210,273)**	**(317,562)**
Dividends		(210,273)	(317,562)
Payments on other equity instruments		**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES		**(196,977)**	**(320,034)**
NET FOREING EXCHANGE DIFFERENCE		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(22,969)**	**(23,040)**
Cash and cash equivalents at 1 January	**12**	**24,056**	**47,096**
Cash and cash equivalents at 31 December	**12**	**1,087**	**24,056**

Read with the attached Notes.

Madrid, 24 February 2010.

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Alejandro Echevarría Busquet	Mr. Giuseppe Tringali	Mr. Paolo Vasile	Mr. Giuliano Adreani	Mr. José Ramón Álvarez Rendueles
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Massimo Musolino	Mr. Pier Silvio Berlusconi	Mr. Fedele Confalonieri	Mr. Ángel Durández Adeva	Mr. Marco Giordani
(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Miguel Iraburu Elizondo	Mr. Alfredo Messina	Mr. Borja de Prado Eulate	Mr. Mario Rodriguez Valderas	Mrs. Helena Revoredo Delvecchio

1. Activity

Gestevisión Telecinco, S.A. (the Company), domiciled at the Carretera de Fuencarral to Alcobendas No. 4, 28049 Madrid, was incorporated as a public limited company on 10 March 1989.

The Company engages in the indirect management of a public television service in accordance with the terms of the concession granted by the State, by virtue of the 28 August 1989 Resolution of the General Secretariat of Communications and the concession agreement executed in a public deed on 3 October 1989, and the performance of all operations naturally required for or resulting from said management.

Under a Council of Ministers Resolution dated 10 March 2000, this concession for the indirect management of the public television service was renewed for ten years starting on 3 April 2000. On 3 April 2010 the concession expires and the Company expects it to be renewed for a further ten years. The Company has made all the necessary investments to begin digital broadcasts pursuant to Royal Decree 2169/1998, of 9 October, which approved the Spanish National Technical Plan for Digital Terrestrial Television.

Under a Council of Ministers Resolution dated 25 November 2005, the concession agreement was extended along with those of the other concession operators in Spain, and we were granted concessions for three Digital Terrestrial Television (DTT) channels.

Per Article 4 of its bylaws, the Company was incorporated for an indefinite period.

The Company was admitted for listing on the Stock Exchange on 24 June 2004 and its shares are traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The shares were included in the IBEX-35 index on 3 January 2005.

2. Basis of Presentation of the Financial Statements

The financial statements have been prepared in accordance with the new accounting principles approved by Royal Decree 1514/2007 of November 16 and prevailing mercantile law.

The figures shown in these financial statements are presented in thousands of euros unless otherwise indicated.

True and fair view

The accompanying annual financial statements have been prepared from the Company's accounting records in accordance with prevailing accounting legislation in order to give a true and fair view of the equity, financial position and results of the Company, as well as the cash flows reported in the cash flow statement.

These financial statements have been prepared by the directors of the parent company and will be submitted for approval by the shareholders in general meeting. It is expected that they will be approved without modification.

Comparative information

Thus, in accordance with mercantile law, for comparative purposes the Company has included the 2008 figures in addition to those of 2009 for each item of the balance sheet, of the income statement, of the statement of changes in equity, of the cash flow statement and the of Notes thereto.The notes to the financial statements also include quantitative information from the previous year, except when an accounting standard specifically establishes this as unnecessary.

Preparation of the consolidated financial statements

The Company, as the Parent of a corporate group in accordance with mercantile law and given that it is a listed company, is obliged to present consolidated financial statements in accordance with the International Accounting Standards approved by the European Union. Accordingly, the corresponding consolidated financial statements were prepared together with these individual financial statements. Consolidated equity and net profit for the year ended 31 December 2009 totaled €296,830 thousand and €48,442 thousand, respectively.

Critical issues concerning the assessment of uncertainty

The preparation of the Company's annual financial statements require the Directors to make judgments, estimates, and assumptions which affect the application of accounting principles and the balances of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities at the reporting date. These estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount of the assets and liabilities that are not readily apparent from other sources. Those estimates and assumptions are reviewed on an ongoing basis. The effects of the reviews of the accounting estimates are recognized in the period during which they are carried out, if they relate solely to that period, or in the period reviewed and future periods if the review affects both current and future periods. Nevertheless, the uncertainty inherent in the estimates and assumptions may lead to results that necessitate adjusting the carrying values of the assets and liabilities affected in the future.

Aside from the general process of making systematic and periodically revising estimates, the directors made certain value judgements on issues that have a special effect on the financial statements.

The main judgements as well as the estimates and assumptions regarding future events and other uncertain sources of estimates at the date of preparation of the financial statements that may cause corrections to assets and liabilities are as follows:

Impairment of non-current assets

When measuring non-current assets other than financial assets, especially goodwill and intangible assets with an indefinite useful life, estimates must be made to determine their fair value to assess if they are impaired. To determine fair value, the directors estimate the expected cash flows from assets and the cash-generating units to which they belong and apply an appropriate discount rate to calculate the present value of these cash flows.

Deferred tax assets

Deferred tax assets are recognized when the Company is likely to have future taxable profit against which these assets may be utilized.

To determine the amount of deferred tax assets that can be recognized, the directors estimate the amounts and dates on which future taxable profits will be obtained and the reversion period of taxable temporary differences.

Useful life of property, plant and equipment and intangible assets

The Company periodically reviews the useful lives of its property, plant and equipment and its intangible assets, prospectively adjusting the provisions for depreciation when the estimates change.

Provisions

The Company recognizes provisions for risks in accordance with the accounting policy set forth in Note 4. The Company has made judgements and estimates regarding the probability of the occurrence of said risks, as well as the amount thereof, and has recognized a provision when the risk has been considered likely, estimating the cost that such an occurrence would represent for it.

Calculation of fair values, values in use and present values

Estimating fair values, values in use and present values entails calculating future cash flows and making assumptions on the future values of flows as well as the applicable discount rates. The estimates and related assumptions are based on historical experience and various other factors understood to be reasonable under the circumstances.

The Company values incentive plans through shares at fair value on the date of the concession. Making such an estimate at that date requires making estimates and judgements on the valuation option models and taking into account the price of the option in the year, the life of the option, the price of the underlying shares, the expected volatility of the share price, an estimate of dividend payments and the risk-free interest rate for the life of the option.

3. Appropriation of profit

The Directors have proposed the following appropriation of profit, expressed in thousands of euros, pending approval by the General Shareholders' Meeting:

	Amount
Proposed appropriation	
Profit for the year	68,461
Total	68,461
Appropriation to:	
Dividends	48,440
Voluntary reserves	20,021
Total	68,461

The Company's Board of Directors likewise agrees to distribute an interim dividend for the total amount of the proposed ordinary dividend, which will be distributed prior to the General Shareholders' Meeting on the basis of the accompanying liquidity statement at December 31, 2010.

	Thousands of euros
Liquidity statement at January 31, 2010	
Cash at banks and in hand	3,004
Current financial assets	65,570
Other current financial liabilities	170,625
Current financial liabilities	(399,781)
Unused credit facilities	254,881
Working capital at 01/31/2010.	94,299
Available funds	94,299

Limitations on the distribution of dividends

The Company is obliged to transfer 10% of the profit for the year to a legal reserve until this reserve reaches an amount at least equal to 20% of share capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to shareholders.

Once the legal or the company bylaw requirements have been met, dividends may only be distributed against profit for the year or against freely distributable reserves if the value of equity is not lower than share capital or would not be caused to be less than share capital by the distribution of dividends. Accordingly, profit recognized directly in equity may not be distributed either directly or indirectly. Where losses exist from previous years that reduce the Company's equity to below the amount of share capital, profit must be allocated to offset these losses.

4. Recognition and measurement accounting policies

The main recognition and measurement accounting policies applied in the preparation of these financial statements are as follows:

Intangible assets

Intangible assets are measured at cost of acquisition or production, less accumulated depreciation and any impairment losses. An intangible asset is recognized as such only if it is likely to generate future income for the Company and its cost can be reliably measured.

The financial expenses of specific or generic funding of assets with installation periods exceeding one year accrued before the assets are put to use are included in the acquisition or production cost.

In each case, the Company assesses the intangible asset's useful life to be either finite or indefinite.

Those that have finite useful lives are amortized over their estimated useful lives, and their recoverability is analyzed when events or changes arise that indicate that the net carrying amount might not be recoverable. Amortization methods and periods are reviewed at year end and adjusted prospectively where applicable.

The company does not own intangible assets with indefinite usefuel life.

Computer software

This includes the amounts paid for title to or the right to use computer programs; those developed in-house are included only when they are expected to be used over several years.

Computer software maintenance costs are expensed directly in the year in which they are incurred.

Computer software is amortized over three years from the date on which it starts to be used.

Other intangible assets

The following intangible assets are recognized under this heading:

Property Rights on External Audiovisual Production

These rights are initially recognized at their acquisition price. If they are acquired in closed packages and the breakdown of the individual value of each product is not provided, individual values are calculated based on a weighting factor equivalent to the acquisition cost of products of a similar type and category as if the acquisition were made on an individual basis.If the contract stipulates the individual value of each product/title, this is taken directly as the asset value.

The right is recognized at the time the material becomes available for broadcasting pursuant to the contract, and is recognized under Customer Advances until it becomes available for broadcasting. In the case of several rights associated with a single contract that become available during the same year but on different dates, the Company recognizes the inclusion of the rights under the contract on the date on which the first right is available for broadcasting.

These rights are amortized based on the number of screenings, as follows:

1. Films and TV movies (non-series)

* Contractual rights for two screenings:

First screening: 50% of acquisition cost
Second screening: 50% of acquisition cost

* Contractual rights for three or more screenings:

First screening: 50% of acquisition cost
Second screening: 30% of acquisition cost
Third screening: 20% of acquisition cost

2. Other products (series)

* Contractual rights for two or more screenings:

First screening: 50% of acquisition cost
Second screening: 50% of acquisition cost

When a screening is sold to a third party, the value of the screening, calculated on the basis of the above percentages, is amortized on the basis of the buyer's territorial capacity to distribute the television signal. A cost of goods sold is recognized based on the revenues generated in the territory where the screening has been sold and adjustments are made to the unsold value of the screening.

When audience figures for first screenings or channel programming indicate that the net carrying amount is not in line with the estimated real value, specific impairment provisions are recognized for each product or right.

In-House Series Production Rights

These include productions that the Company, as the owner, may both broadcast and subsequently sell.

Their value includes both the costs incurred directly by the Company and the amounts billed by third parties.

The residual value, estimated at 2% of total cost, is amortized on a straight-line basis over three years from the time the productions are available, unless these rights are sold to third parties during the amortization period, in which case the remaining value is expensed to the revenues generated by the sale.

Amortization is based on the screenings, as follows:

- Series of less than 60 minutes and/or broadcast daily.

First screening: 100% of the amortized double value

- Series of less than 60 minutes and/or broadcast weekly

First screening: 90% of the amortized double value
Second screening: 10% of the amortized double value

In addition, the residual values of broadcasting rights over three years old, from the date of recording of the assets, are written off.

When audience figures for first screenings or channel programming indicate that the net carrying amount is not in line with the real estimated value, each specific product or right is amortized.

Distribution Rights

These include the rights acquired by the Company for use in all windows in Spanish territory.

The cost of the right is that stated in the contract. Amortization of distribution rights is recognized on the basis of the revenue generated in each window in which the right is used and an estimate of future revenue from each window.

When the free-to-air broadcasting or right commences, it is reclassified under “Audiovisual Property Rights.”

In the free-to-air window, the amortization of the rights is recognized in the same way as in the case of audiovisual property rights, as detailed in the corresponding note.

Coproduction rights

These include the coproduction rights acquired by the Company for use in all windows.

The cost of the right is that stated in the contract. Amortization of distribution rights is recognized on the basis of the revenue generated in each window in which the right is used and estimated revenue from each window.

When the free-to-air broadcasting or right commences, it is reclassified under “Audiovisual Property Rights.”

In the free-to-air window, the amortization of the rights is recognized in the same way as in the case of audiovisual property rights, as detailed in the corresponding note.

Rights: options, scripts, development

Necessary expenses to analyze and develop new projects are recognized under this heading. Scripts acquired are measured at cost.

When a right to a production to which it is associated commences, the right is reclassified to the related rights account and amortized accordingly.

Master Copies and dubbing

Master copies refer to the media supporting the audiovisual rights and dubbing to the cost of dubbing original versions.

These are measured at cost and amortized in the same proportion as the audiovisual rights with which they are associated.

Retransmission rights

The costs for the rights to broadcast sport are recognized under Procurements on the separate income statement at the cost stipulated in the agreement. The costs are recognized when each event is broadcast. Advance payments are recognized in the balance sheet under Current assets - Prepayments.

Patents, licenses and trademarks.

These items are recognized at acquisition cost and amortized on a straight-line basis over their useful lives, which are generally estimated to be four years.

Property, plant and equipment

Property, plant and equipment are initially measured at either acquisition or production cost.

Following initial measurement, they are stated at cost less accumulated depreciation and any impairment losses.

The financial expenses of specific or generic funding of assets with installation periods exceeding one year accrued before the assets are put to use are included in the acquisition or production cost.

When, based on an analysis of the nature and conditions of a lease agreement, all risks and rewards incidental to ownership of the leased item are considered to be substantially transferred to the Company, the agreement is classified as a financial lease. Therefore, the ownership acquired through these financial leases is measured, based on its nature in the PPE, at an amount equivalent to the lower of its fair value and the present value of the minimum payments set forth at the beginning of the lease agreement, minus the accumulated depreciation and any impairment loss. There were no finance lease agreements at year-end 2008 and 2009.

Expenses for repairs which do not prolong the useful life of the assets, as well as maintenance expenses, are recognized in the income statement in the year incurred. Expenses incurred for expansion or improvements which increase the productivity or prolong the useful life of the asset are capitalized as an increase in the value of the item.

Depreciation expenses are recognized in the income statement. The elements of this item are depreciated from the time in which they are available to be brought into service. Property, plant and equipment are depreciated by the straight-line method during the following years of estimated useful life:

	Ratio
Buildings	4 %
TV equipment	20 %
Plant	10-35 %
Tools	20 %
Automobile-related material	14 %
Furniture	10 %
Data-processing equipment	25 %
Sundry inventoriable materials	20 %

The Company reviews the assets' residual value, useful lives and the depreciation methods of property, plant and equipment at year-end and adjusts them prospectively where applicable.

Impairment of non-current nonfinancial assets

The Company assesses at least at each year-end whether there is an indication that a non-current asset or, where applicable, a cash-generating unit may be impaired. If any such indication exists, and in all events when goodwill or intangible assets have indefinite useful lives, the Company estimates the asset's recoverable amount.

The recoverable amount is the higher of the cash-generating unit's (CGU) fair value less cost to sell and value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired. To assess value in use, expected future cash flows are discounted to their present value using risk-free market rates, adjusted by the risks specific to the asset. For those assets that do not generate cash inflows largely independent of those from other assets or groups of assets, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment loss and its reversion are recognized in the income statement. Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist, except those related to goodwill. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

Financial instruments

Financial assets

A) Recognition and measurement

Financial instruments are classified into one of the following categories for measurement purposes:

1. Loans and receivables
2. Held-to-maturity investments
3. Financial assets held for trading
4. Other financial assets at fair value through profit or loss
5. Investments in group companies, joint ventures and associates
6. Available-for-sale financial assets

Financial assets are initially recognized at fair value. Unless there is evidence to the contrary, fair value is the transaction price. The transaction price is equivalent to the fair value of the consideration paid plus directly attributable transaction costs, unless, for financial assets held for trading and other financial assets at fair value through profit or loss, directly attributable transaction costs are recognized directly in the income statement of the year in which the financial asset is acquired. In addition, for financial assets held for trading and available-for-sale financial assets, preferential subscription and any similar rights acquired will be part of the initial measurement.

a.1) Loans and receivables

Loans and receivables comprise financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business. The category also includes trade receivables, which are defined as financial assets that, in addition to not being equity instruments or derivatives, have no commercial substance, have fixed or determinable payments and are not traded on an active market. This category does not include financial assets for which the Company might not substantially recover all of its initial investment due to circumstances other than credit impairment.

Following initial recognition, financial assets included in this category are measured at amortized cost. Interest is recognized in the income statement using the effective interest rate method.

Nevertheless, trade receivables that mature within less than one year with no contractual interest rate, as well as advances and loans to personnel, dividends receivable and called-up payments on equity instruments, the amount of which is expected in the short term, are carried at nominal value both at initial and subsequent remeasurement, when the effect of not discounting cash flows is not significant.

Loans and receivables maturing in less than twelve months as of the balance sheet date are classified as current, and those maturing at over 12 months as non-current.

a.2) Held-to-maturity investments

Held-to-maturity investments include debt instruments with fixed maturities and fixed or determinable payments traded on active markets and which the Company has the positive intention and the financial capacity to hold to maturity.

Following initial recognition, financial assets included in this category are measured at amortized cost. Interest is recognized in the income statement using the effective interest rate method.

a.3) Financial assets held for trading

A financial asset is considered to be held for trading when:

a) It is originated or acquired to be sold in the short term,

b) It is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking, or

c) It is a derivative financial instrument, providing that is not a financial guarantee contract and has not been designated as a hedging instrument.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year. The Company maintained no investments of this type at year-end 2008 and 2009.

a.4) Other financial assets at fair value through profit or loss

This category includes hybrid financial instruments, when it is not possible to separately measure the value of the embedded derivative or to reliably determine its fair value, either at the time of acquisition or at a subsequent date, or, when so elected, at the time of initial recognition, because the instrument has been measured at fair value.

This category also includes all financial assets that the Company has designated, at the time of initial recognition, for inclusion. This designation is only made when it results in more relevant information, because:

a) It eliminates or significantly reduces inconsistencies in recognition or valuation that otherwise would exist due to the measurement of assets or liabilities or due to the recognition of losses or gains thereon through the application of different criteria.

b) A group of financial assets or financial assets and liabilities is managed and the return thereon is evaluated on the basis of the assets' fair value, according to a documented investment or risk-management strategy, and, in addition, information regarding the Group is provided on a fair-value basis to the key management personnel.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year.

a.5) Investments in Group companies, joint ventures and associates

This category includes equity investments in group companies, joint ventures and associates.

Upon initial recognition in the balance sheet, the investments are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

Following initial measurement, these financial assets are measured at cost, less any accumulated impairment loss.

When a value must be assigned to these assets because they are derecognized or for another reason, the homogenous-groups weighted average cost method is applied, with *homogenous groups* understood to be those that have the same rights. Where preferential subscription or similar rights are sold or separated for the purpose of being exercised, the cost of these rights decreases the carrying amount of the respective assets.

a.6) Available-for-sale financial assets

This category includes debt securities and equity instruments of other companies not classified in any of the preceding categories.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes in fair value are recognized directly in equity until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss is recognized in the income statement. However, impairment losses and foreign exchange gains and losses on monetary assets denominated in foreign currency are recognized in the income statement. Interest, calculated according to the effective interest rate method, and dividend income are also recognized in the income statement.

Investments in equity instruments whose fair value cannot be reliably determined are measured at cost, less any cumulative impairment. When a value must be assigned to these assets because they are derecognized or for another other reason, the homogenous-groups weighted average cost method is applied, with *homogenous groups* understood to be those that have the same rights. Where preferential subscription or similar rights are sold or separated for the purpose of exercising being exercised, the cost of these rights decreases the carrying amount of the respective assets. This amount is the fair value or the cost of the rights consistent with the measurement of the associated financial assets.

B. Interest and dividends received from financial assets

Interest and dividends from financial assets accrued subsequent to acquisition are recognized as income. Interest must be recognized using the effective interest rate method; dividends are recognized when the right to receive them is established.

For these purposes, financial assets are recognized separately on initial measurement, based on maturity, accrued explicit interest receivable at that date, and the proposed dividends at the time the assets are acquired. For these purposes, explicit interest refers to the contract interest rate applied to the financial instrument.

In addition, when distributed dividends are derived unmistakably from profit generated prior to the date of acquisition given that the amounts of distributed dividends exceeded the profit generated by the associate since acquisition, the dividends are not recognized as income and decrease the cost of the investment.

C) Impairment of financial assets

At year-end, the Company evaluates if its financial assets or group of financial assets are impaired.

<u>Financial assets recognized at amortized cost (receivables and investments held to maturity)</u>

Valuation adjustments are made, provided that there is objective evidence that the value of a financial asset, or group of financial assets, recognized at amortized cost has suffered an impairment loss as a result of one or more events that have occurred after their initial recognition causing a reduction or delay in estimated future cash flows.

The impairment loss on these financial assets is the difference between their carrying value and the present value of the future cash flows expected to be generated, minus the effective interest rate calculated at the time of their initial recognition. For financial assets with floating interest rates, the effective interest rate corresponding to the balance sheet date is used, in accordance with the contractual conditions. To calculate the impairment losses of a group of financial assets, models based on statistical methods or formulas are used. For investments held to maturity as a substitute for the present value of future cash flows, the market value of the instrument may be used, provided that it is sufficiently reliable to be considered representative of the value that the Company might recover.

Impairment losses, as well as the reversion thereof when the amount of the loss diminishes for reasons related to a subsequent event, are recognized as revenue or expenses, respectively, in the income statement. The reversal of an impairment is limited to the carrying value of the credit that would have been recognized on the reversal dates had no impairment loss been recognized.

Investments in Group companies, joint ventures and associates

When there is objective evidence that the carrying amount of an investment will not be recoverable, the required valuation adjustments must be made.

The valuation adjustment is the difference between the carrying amount of the investment and the recoverable amount, which is the greater of the investment's fair value, less costs to sell, and the present value of future cash flows derived from the investment. Unless better evidence of the recoverable amount of the investments is available, impairment of this type of asset has been estimated taking into account the equity of the subsidiary, adjusted by any unrealized capital gain existing on the measurement date.

Impairment loss and its reversion are recognized as expenses or as revenue, respectively, in the income statement. The reversal of an impairment is limited to the carrying value of the estimate that would have been recognized on the reversal dates had no impairment loss been recognized.

Available-for-sale financial assets

When there is objective evidence of a decline in the fair value of this category of financial assets due to impairment, the underlying capital losses recognized as "Unrealized gains (losses) reserve" in equity are taken to the income statement.

The reversal of an impairment loss is recognized in the income statement. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

D) Derecognition of financial assets

The Company derecognizes all or part of a financial asset when the contractual rights to related cash flows expire or are transferred. In such cases, substantially all of the risks and rewards of ownership must be assigned, under circumstances that are evaluated by comparing the Company's exposure before and after the transfer with the variability in the amounts and the timing of the net cash flows of the transferred asset.

If the Company has not transferred or retained substantially all of the risks and rewards, the financial asset is derecognized if control over the asset has not been retained. The situation is determined in accordance with the transferee's capacity to transfer the asset. If control over the asset is retained, the Company continues to recognize it to the extent to which it is exposed to the changes in the value of the transferred asset, i.e., due to its continuing involvement, and the associated liability is also derecognized.

When the financial asset is derecognized, the difference between the consideration received, net of attributable transaction costs, including any new financial asset obtained less any liability assumed, and any cumulative gain or loss directly recognized in equity, determines the gain or loss generated upon derecognition and is included in the income statement in the year to which it relates.

The Company does not derecognize financial assets and it recognizes a financial liability for an amount equal to the compensation received in the transfers of financial assets in which it has retained substantially the risks and rewards incidental to ownership, such as discounted bills, recourse factoring, disposals of financial assets under repurchase agreements at fixed prices or sale price plus interest, and securitizations of financial assets in which the company, as transferor, retains subordinated debt or other types of guarantees that substantially absorb estimated losses.

Financial liabilities

A) Recognition and measurement

The Company classifies its financial liabilities into the following categories:

1. Trade and other payables
2. Financial liabilities held for trading
3. Other financial liabilities at fair value through profit or loss

Financial liabilities are initially measured at fair value, which, unless there is evidence to the contrary, is equivalent to the fair value of the consideration received. For financial liabilities included in trade and other payables, directly attributable transaction costs are part of the initial recognition; for other financial liabilities, these costs are recognized in the income statement. Liabilities maturing in less than twelve months as of the balance sheet date are classified as current, and those maturing at over twelve months as non-current.

a.1) Trade and other payables

Trade and other payables comprises financial liabilities arising from the purchase of goods and services in the ordinary course of the Company's business. The category also includes non-trade payables, which are defined as financial liabilities that, in addition to not being derivative instruments, have not commercial substance.

Upon initial recognition in the balance sheet, they are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received, adjusted by directly attributable transaction costs.

Following initial recognition, financial assets included in this category are measured at amortized cost. Interest is recognized in the income statement using the effective interest rate method.

Nevertheless, trade payables maturing within less than one year with no contractual interest rate, as well as called-up payments on shares the amount of which is expected in the short term are carried at nominal value, both in the initial recognition and in the subsequent recognition, when the effect of not discounting cash flows is not significant.

a.2) Financial liabilities held for trading:

A financial liability is considered to be held for trading when:

a) It is issued primarily for the purpose of being repurchased in the short term,

b) It forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking, or

c) It is a derivative financial instrument, providing that is not a financial guarantee contract and has not been designated as a hedging instrument.

Financial liabilities are initially measured at fair value, which, unless there is evidence to the contrary, is equivalent to the fair value of the consideration received. Directly attributable transaction costs are directly recognized in the income statement.

After initial recognition, these assets are measured at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year. The Company maintained no investments of this type at year-end 2007 and 2008.

a.3) Other financial liabilities at fair value through profit or loss

This category includes hybrid financial instruments, when it is not possible to separately measure the value of the embedded derivative or to reliably determine its fair value, either at the time of acquisition or at a subsequent date, or, when so elected, at the time of initial recognition, because the financial instrument has been measured at fair value.

This category also includes all financial liabilities that the Company has designated, at the time of initial recognition, for inclusion. This designation is only made when it results in more relevant information, because:

a) It eliminates or significantly reduces inconsistencies in recognition or valuation that otherwise would exist due to the measurement of assets or liabilities or due to the recognition of losses or gains thereon by applying different criteria.

b) A group of financial liabilities or financial assets and liabilities is managed and the return thereon is evaluated on the basis of its fair value, according to a documented investment or risk-management strategy, and, in addition, information regarding the Group is provided on a fair-value basis to the key management personnel.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year. The Company maintained no investments of this type at year-end 2008 and 2009.

B. Derecognition of financial liabilities

The Company derecognizes a financial liability when the obligation under the liability is extinguished. And it also proceeds to derecognize its own financial liabilities that it acquires, even with a view to reselling them in the future.

When debt instruments are exchanged, provided that their contractual terms are substantially different, the original financial liability is derecognized and the new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same way.

The difference between the carrying amount of the derecognized financial asset (or part of it) and the compensation paid, including any attributable transaction costs, which also includes any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

When debt instruments are exchanged whose contractual terms are not substantially different, the original financial liability is not derecognized, and the commissions paid are recognized as an adjustment to the carrying amount. The amortized cost of a financial liability is determined by applying the effective interest rate, which is the rate the makes the carrying amount of the financial liability on the modification date equal to the cash flows to be paid as per the new terms.

Financial derivatives and hedges

Cash flow hedges are hedges to exposure to variability in cash flows attributable to a specific risk associated with a recognized asset or liability or to a highly probable forecast transaction that may affect the income statement. The effective portion of the gain or loss on the hedge instrument is recognized directly in equity, whereas the ineffective portion is recognized in the income statement.

The amounts recognized in equity are transferred to the income statement when the hedged transaction affects profit or loss, as well as when financial expense or revenue is recognized, or when a forecast sale or purchase takes place.

When the hedged item is the cost of a financial liability or asset, the amounts recognized in equity are transferred to the initial carrying amount of the non-financial liability or asset.

If the forecast transaction is no longer expected to take place, the amounts previously recognized in equity are transferred to the income statement. If a hedge instrument expires, is sold, terminates or is exercised without being replaced or renegotiated, or its designation as a hedge is revoked, the amounts previously recognized in equity continue to be recognized under that heading until the transaction occurs. If the related transaction is not expected to take place, the amount is recognized in the income statement.

Treasury shares

Treasury shares are recognized in equity as a decrease in “Capital and reserves” when acquired. No loss or gain is shown in the income statement on sale or cancelation. Expenses incurred in connection with transactions with treasury shares are recognized directly in equity as a decrease in reserves.

Inventories

In-house production programs are recognized as inventories. These programs are recognized at production cost, which is determined by considering all costs attributable to the product which are incurred by the Company.

Advances paid for programs are also included,

They are expensed when the related programs are broadcast.

When the net realizable value of inventories is less than acquisition or production cost, the corresponding provision is recognized in the income statement.

Cash and cash equivalents

This heading includes cash, current accounts, short-term deposits and purchases of assets under resale agreements that meet the following criteria:

- They are readily convertible to cash.
- They mature within less than three months from the acquisition date.
- The risk of change in value is insignificant.
- They are part of the Company’s standard cash management strategy.

In terms of the cash flow statement, occasional bank overdrafts used as part of the Company’s cash management strategy are recognized as a decrease in cash and cash equivalents.

Provisions and contingencies

Provisions are recognized in the balance sheet when the Company has a present obligation (derived from a contract or a legal provision or from an explicit or implicit obligation) as a result of past events, and a quantifiable outflow of resources is likely to be required to settle the obligation.

Provisions are measured at the present value of the best estimate of the amount that an entity would have to pay to settle the obligation at the balance sheet date or to transfer it to a third party at that time, with provision discount adjustments recognized as a finance cost as they accrue. No discounts are made on provisions falling due within twelve months that do not have a significant financial effect. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Compensation receivable from a third party when provisions are settled is recognized as an asset, albeit not deducted from the amount of the provision, and provided that there is no doubt that this compensation will actually be received, and that it does not exceed the amount of the liability recognized. When a contractual or legal relationship exists by virtue of which the Company is required to externalize the risk, and thus it is not liable for the related obligation, the amount of the reimbursement is deducted from the amount of the provision.

In addition, contingent liabilities are considered to be possible obligations that arise from past events whose materialization depends on the occurrence of future events not wholly within the Company's control, as well as present obligations arising from past events regarding which it is not probable that an outflow of resources will be required to settle them or which cannot be reliably measured. Contingent liabilities are not recognized in the financial statements but are disclosed in the accompanying notes, unless the likelihood of an outflow of resources is considered remote.

Equity-settled transactions

The Company maintains share option plans related to the compensation system for executive directors and board members that are settled by delivering Company shares. The employee benefits expense is determined based on the fair value of the share options to be awarded on the date the option is granted. This expense is recognized over the stipulated three-year period during which the services are rendered. The fair value of share options established at the date the award was granted is not modified.

The options' fair value is measured based on an internal valuation using valuation option models —specifically, the binomial method— and taking into account the price of the option in the year, the life of the option, the price of the underlying shares, the expected volatility of the share price, estimated dividend payments and the risk-free interest rate for the life of the option.

The granting of Company shares to the other executive directors and directors of group companies is recognized in the financial statements by increasing the value of the investment of said subsidiaries.

Transactions in foreign currency

The financial statements are presented in thousands of euros, which is the Company's functional currency.

Monetary items

Transactions in foreign currency are initially recognized at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date. All exchange gains or losses arising from translation as well as those arise when balance sheet items settled are recognized in the income statement.

Non-monetary items

Non-monetary items measured at historical cost are translated at the exchange rate prevailing on the date of the transaction.

Non-monetary items measured at fair value are translated at the exchange rate prevailing when the fair value is determined. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss is recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in the income statement.

Income tax

Since 1999, the Company has filed its income tax return on a consolidated basis with two of its subsidiaries: Grupo Editorial Tele 5, S.A.U. and Estudios Picasso Fábrica de Ficción, S.A.U. In 2000, Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U., Agencia de Televisión Latinoamericana de Servicios y Noticias Andalucía S.A. and Agencia de Televisión Latinoamericana de Servicios y Noticias Levante S.A. were included in the consolidated tax group.

In 2001, Digitel 5 Media, S.A.U. was included.

In 2002, Agencia de Televisión Latinoamericana de Servicios y Noticias Galicia, S.A. and Agencia de Televisión Latinoamericana de Servicios y Noticias Cataluña, S.A.U. were included.

In 2004, Micartera Media, S.A.U. was included.

In 2004, due to the merger by absorption of Agencia de Televisión Latinoamericana de Servicios y Noticias Andalucía S.A., Agencia de Televisión Latinoamericana de Servicios y Noticias Levante S.A. and Agencia de Televisión Latinoamericana de Servicios y Noticias Galicia, S.A. into Agencia de Televisión Latinoamericana de Servicios y Noticias Cataluña, S.A.U., which subsequently changed its business name to Atlas Media, S.A.U., the acquirees ceased to exist.

In 2005 Publiespaña, S.A.U., Publimedia Gestión, S.A.U. and Advanced Media, S.A.U. were included.

In 2006, Digitel 5 Media, S.A.U. was excluded, since a resolution had been passed in July 2006 to dissolve and liquidate it.

In 2007 Mediacinco Cartera, S.L. was included and Estudios Picasso Fábrica de Ficción, S.A.U. changed its company name to Telecinco Cinema, S.A.U.

In 2008, Conecta 5 Telecinco, S.A.U. was included.

In 2009, Canal Factoria de Ficción, S.A.U. was included.

Timing differences are recognized as deferred tax liabilities if they lower the taxable income and as prepaid tax if they increase the taxable income, provided there is no doubt as to their recovery in future years.

The calculation and settlement of consolidated corporate income tax gives rise to tax receivable or payable with the Group companies.

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable income for the year, less any applicable rebates and tax credits, taking into account changes during the year in recorded deferred tax assets and liabilities. Income tax expense for the year is recognized in the income statement, except where it is related to items taken directly to equity, in which case it is also recognized under this heading.

Current tax assets and liabilities are the estimated amounts payable to or receivable from the public administration, according to the tax rates in effect at the balance sheet date, including any other adjustment for taxes corresponding to previous years.

Deferred income tax is recognized on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax base of an asset or liability is the amount attributed to it for tax purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, unless:

- the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affected neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled by the Parent and the temporary differences are not likely to reverse in the foreseeable future.

The Company recognizes deferred tax assets for all deductible temporary differences, unused tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable profit will be available against which the Company may use these assets, except:

- the deferred income tax asset relative to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affected neither the accounting profit nor taxable profit or loss.
- in respect of temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

At each financial year-end, the Company proceeds to assess the deferred tax assets recognized and those that have not yet been recognized. Based on this analysis, the Company derecognizes the previously recognized asset if it is no longer probable that it will be recovered, or it recognizes any deferred tax asset that had not been recognized previously, provided that it is probable that taxable profit will be available against which these assets may be utilized.

Deferred tax assets and liabilities are measured at the tax rate expected to apply to the period in which they reverse, as required by tax laws in effect and in the manner in which the Company reasonably expects to recover the asset's carrying value or settle the liability. Adjustments to the values of deferred tax assets and liabilities are recognized in the income statement, except to the extent that the affected tax assets or liabilities have been charged or credited to equity directly. Deferred tax assets and liabilities are recognized without taking into account the effect of the financial discount and are classified as non-current assets or non-current liabilities, respectively.

Income and expenses

Revenue and expenses are recognized when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Income from sales and services

Revenue is recognized according to the economic substance of the transaction.

Income is recognized when it is probable that the profit or economic benefits from the transaction will flow to the Company and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenue from the sale of goods or the rendering of services is measured at the fair value of the consideration received or receivable stemming from those goods or services, less any discounts, rebates and similar items given by the company, as well as indirect taxes on transactions reimbursed by third parties. Interest included in trade receivables maturing in not more than one year that have no contractual rate of interest is included as an increase in value of the revenue, because the effect of not discounting cash flows is not significant.

Leases

Leases in which the lessor maintains a significant portion of the risks and benefits of ownership of the leased asset are treated as operating leases. Payments or collections carried out under contracts of this type are recognized in the income statement throughout the period of the lease on an accrual basis.

Business combinations

Business combinations, understood as operations in which the Company acquires control of one or more businesses, are recognized using the purchase method. Under the purchase method, assets acquired and liabilities assumed are recognized, at the acquisition date, at fair value, provided that this value can reliably measured. In addition, the difference between the cost of the business combination and the value of these assets and liabilities is recognized, in the income statement, as goodwill, when the difference is positive, or as income, when the difference is negative. The criteria contained in the section on intangible assets of these Notes apply to goodwill.

The cost of the business combination is determined based on the monetary consideration given up, plus any cost directly attributable to the combination, such as fees paid to advisers and other consultants who take part in the operation.

Related-party transactions

Related-party transactions are measured according to the valuation methods described above.

Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the balance sheet as current and non-current. Accordingly, assets and liabilities are classified as current when they are associated with the Company's operating cycle and it is expected that they will be sold, consumed, realized or settled within the normal course of that cycle; if they differ from the aforementioned assets, and are expected to mature, to be sold or settled within one year; if they are held for trading or are cash and cash equivalents whose use is not restricted to one year.

Audiovisual rights, classified as intangible assets, are included in full as non-current assets. Note 6 details those which the Company expects to use within a period of less than 12 months.

Environmental issues

In view of the business activities carried out by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific environmental disclosures have been included in these notes to the financial statements.

5. Property, plant and equipment

The breakdown and movements in property, plant and equipment in 2009 and 2008 were as follows:

2009	01/01/09	Additions	Disposals	Transfers	12/31/09
Cost					
Land	14,970	-	-	-	14,970
Buildings	32,221	14	(29)	156	32,382
TV equipment, plant and tools	84,734	1,148	(3,262)	18	82,638
Furnitures and fixtures	4,204	139	(171)	-	4,172
Data-processing equipment	13,561	547	(931)	-	13,177
Other PP&E	703	40	(37)	-	706
Property, plant and equipment under construction	148	741	(5)	(174)	710
Total	150,541	2,629	(4,415)	-	148,755
Accumulated depreciation					
Buildings	(16,182)	(1,303)	2	-	(17,483)
TV equipment, plant and tools	(70,943)	(4,146)	3,103	-	(71,986)
Furniture and fixtures	(2,716)	(317)	146	-	(2,887)
Data-processing equipment	(9,979)	(1,405)	924	-	(10,460)
Other PP&E	(615)	(33)	37	-	(611)
Total	(100,435)	(7,204)	4,212	-	(103,427)
Net carrying amount	**50,106**	**(4,575)**	**(203)**	**-**	**45,328**

2008	01/01/08	Additions	Disposals	Transfers	12/31/09
Cost					
Land	14,970	-	-	-	14,970
Buildings	31,225	457	-	539	32,221
TV equipment, plant and tools	83,872	2,737	(3,575)	1,700	84,734
Furniture and fixtures	4,616	210	(628)	6	4,204
Data-processing equipment	13,316	742	(2,401)	1,904	13,561
Other PP&E	985	67	(349)	-	703
Property, plant and equipment under construction	4,077	370	(14)	(4,285)	148
Total	153,061	4,583	(6,967)	(136)	150,541
Accumulated depreciation					
Buildings	(14,907)	(1,275)	-	-	(16,182)
TV equipment, plant and tools	(70,018)	(4,488)	3,563	-	(70,943)
Furniture and fixtures	(2,980)	(334)	598	-	(2,716)
Data-processing equipment	(11,189)	(1,189)	2,399	-	(9,979)
Other PP&E	(934)	(28)	347	-	(615)
Total	(100,028)	(7,314)	6,907	-	(100,435)
Net carrying amount	**53,033**	**(2,731)**	**(60)**	**-**	**50,106**

Increases in 2008 and 2007 relate primarily to the purchase of plant for the ongoing development of the business. Decreases in 2009 in 2008 relate primarily to idle and fully depreciated assets that the Company has eliminated from its balance sheet.

At 31 December 2009 and 2008, the amounts of fully depreciated assets still in use are as follows:

	2009	2008
Data-processing equipment	7,592	7,948
TV equipment, plant and tools	58,576	56,587
Other PP&E	79	5
Furniture and fixtures	1,565	1,492
	67,812	66,032

6. Intangible assets

The breakdown and movements in intangible assets in 2009 and 2008 are as follows:

2009	01/01/2009	Additions	Disposals	Transfers	12/31/09
Cost					
Trademarks and trade names	13,372	-	-	-	13,372
Audiovisual property rights	326,366	55,227	(80,607)	3,499	304,485
Master copies and Customs	18	2	(7)	-	13
Dubbing and other work	6,674	1,315	(380)	-	7,609
Coproduction rights	6,712	-	-	-	6,712
Fiction series rights	835,740	96,614	-	3,876	936,230
Distribution rights	10,397	-	-	-	10,397
Other auxiliary services (distribution)	539	-	-	-	539
Rights: options, scripts, development	-	127	-	-	127
Start-up expenses	61	-	(61)	-	-
Prepayments, audiovisual property rights	7,548	3,171	-	(3,499)	7,220
Prepayments, fiction series rights	2,535	3,181	-	(3,876)	1,840
Computer software in progress	63	943	-	-45	961
Software	13,023	385	(20)	45	13,433
Total	1,223,048	160,965	(81,075)	-	1,302,938
Accumulated Depreciation					
Trademarks and trade names	(13,097)	(30)	-	-	(13,127)
Audiovisual property rights	(215,102)	(41,507)	80,607	-	(176,002)
Master copies and Customs	(16)	(2)	7	-	(11)
Dubbing and other work	(5,953)	(954)	380	-	(6,527)
Coproduction rights	(6,689)	(24)	-	-	(6,713)
Fiction series rights	(811,013)	(89,940)	-	-	(900,953)
Distribution rights	(10,397)	-	-	-	(10,397)
Other auxiliary services (distribution)	(539)	-	-	-	(539)
Start-up expenses	(61)	-	61	-	-
Software	(10,543)	(1,406)	20	-	(11,929)
Total	(1,073,410)	(133,863)	81,075	-	(1,126,198)
Impairment losses	(20,206)	(275)	7,375	-	(13,106)
Total	(1,093,616)	(134,138)	88,450	-	(1,139,304)
Net carrying amount	129,432				163,634

2008	01/01/2008	Additions	Disposals	Transfers	12/31/08
Cost					
Trademarks and trade names	13,072	300	-	-	13,372
Audiovisual property rights	351,813	40,523	(72,092)	6,122	326,366
Master copies and Customs	22	1	(5)	-	18
Dubbing and other work	6,433	362	(121)	-	6,674
Coproduction rights	6,712	-	-	-	6,712
Fiction series rights	733,098	97,191	-	5,451	835,740
Distribution rights	11,980	-	-	(1,583)	10,397
Other auxiliary services (distribution)	539	-	-	-	539
Rights: options, scripts, development	-	-	-	-	-
Start-up expenses	61	-	-	-	61
Prepayments, audiovisual property rights	8,551	3,743	(207)	(4,539)	7,548
Prepayments, fiction series rights	4,222	4,446	(682)	(5,451)	2,535
Computer software in progress	515	172	(3)	(621)	63
Software	12,278	921	(933)	757	13,023
Total	1,149,296	147,659	(74,043)	136	1,223,048
Acumulated Depreciation					
Trademarks and trade names	(13,072)	(25)	-	-	(13,097)
Audiovisual property rights	(226,265)	(60,465)	71,628	-	(215,102)
Master copies and Customs	(18)	(3)	5	-	(16)
Dubbing and other work	(5,627)	(446)	120	-	(5,953)
Coproduction rights	(6,617)	(72)	-	-	(6,689)
Fiction series rights	(707,980)	(103,033)	-	-	(811,013)
Distribution rights	(10,139)	(258)	-	-	(10,397)
Other auxiliary services (distribution)	(483)	(56)	-	-	(539)
Start-up expenses	(55)	(6)	-	-	(61)
Software	(9,928)	(1,544)	929	-	(10,543)
Total	(980,184)	(165,908)	72,682	-	(1,073,410)
Impairment losses	(26,894)	(16,599)	23,287	-	(20,206)
Total	(1,007,078)	(182,507)	95,969	-	(1,093,616)
Net carrying amount	142,218				129,432

The additions relate to the acquisition of audiovisual rights for future broadcasts. The retirements mainly relate to transmission rights which have expired and which have been fully amortized; hence the Company derecognizes these from its balance sheet.

Outstanding provisions at year-end 2009 and 2008 correspond to the net carrying amount of rights which, while expiring later than 31 December 2009 and 2008, did not feature in the channel's future broadcasting plans at the time of these financial statements were prepared.

The Company estimates that 55% to 60%% of the total amount of audiovisual rights classified as non-current assets on the consolidated balance sheet at 31 December 2009 will be used within 12 months from year-end (between 35% and 40% was estimated at 31 December 2008). This percentage is the best estimate available at this time, based on the programming budget for the coming year.

At year-end 2009, there were firm commitments to acquire audiovisual property rights available starting 1 January 2010 for a total amount of US$42,592 thousand and €79,438 thousand. At 31 December 2009, prepayments of US$250 thousand and €7,043 thousand had been made in connection with said firm commitments to acquire audiovisual property rights.

At year-end 2008, there were firm commitments to acquire audiovisual property rights available from 1 January 2009 for a total of US$33,709 thousand and €65,908 thousand. At 31 December 2007, prepayments of US$670 thousand and €7,066 thousand had been made in connection with said firm commitments to acquire audiovisual property rights.

At December 31, 2009 advances paid for fiction series totaled €1,840 thousand. At December 31, 2008 these advances totaled 2,535 thousand.

At 31 December 2009 and 2008, the amounts of fully depreciated assets still in use are as follows:

	2009	2008
Software	9,524	8,078
Coproductions rights	6,712	-
Distribution rights	10,397	10,397
Other auxiliary services	539	539
	27,172	19,014

7. Investment in group companies and associates

The breakdown and movements in non-current investments in Group companies and associates in 2009 and 2008 are as follows:

2009	01/01/09	Additions	Disposals	Transfers	12/31/09
Cost					
Equity instruments	297,864	389	(1,370)	-	296,883
Impairment losses	(168,487)	(50,911)	5,744	-	(213,654)
Total equity instruments	129,377	(50,522)	4,374	-	83,229
Receivables from group companies (Note 8)	216,629	-	(6,791)	-	209,838
Impairment losses	(12,404)	(20,310)	-	-	(32,714)
Total group companies	204,225	(20,310)	(6,791)	-	177,724
	333,602	(70,832)	(2,417)	-	260,353

2008	01/01/08	Additions	Disposals	Transfers	12/31/08
Cost					
Equity instruments	274,748	23,116	-	-	297,864
Impairment losses	(28,315)	(141,341)	1,169	-	(168,487)
Total equity instruments	246,433	(118,225)	1,169	-	129,377
Receivables from group companies (Note 8)	181,008	35,621	-	-	216,629
Impairment losses	(521)	(11,883)	-	-	(12,404)
Total group companies	180,487	23,738	-	-	204,225
	426,920	(94,487)	1,169	-	333,602

7.1 Description of investments in group companies and associates

The information relating to investments in group companies and associates is as follows:

Company	12.31.09 Direct equity interest (%)	12.31.08 Direct equity interest (%)	Activity
Group companies and associates:			
Publiespaña, S.A.U. Ctra. de Fuencarral a Alcobendas, 4, 28049 Madrid	100	100	Exclusive advertising concessionaire, Telecinco
Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U. Ctra. de Fuencarral a Alcobendas, 4, 28049 Madrid	100	100	News agency and producer of broadcast news
Premiere Megaplex, S.A. C/ Enrique Jardiel Poncela, 4, 28016 Madrid	50	50	Film and video distribution
Grupo Editorial Tele 5, S.A.U. Ctra. de Fuencarral a Alcobendas, 4, 28049 Madrid	100	100	Exploitation of rights; production and distribution of publications
Telecinco Cinema, S.A.U. Ctra. de Fuencarral a Alcobendas, 4, 28049 Madrid	100	100	Television broadcasting services and intermediation in the markets for audiovisual rights
Cinematext Media, S.A. Ctra. de Fuencarral a Alcobendas, 4, 28049 Madrid	-	60	Movie-, television- and video-subtitling
Canal Factoría de Ficción, S.A.U. Ctra. De Fuencarral a Alcobendas, Km. 12,450 28049 Madrid	100	100	Exploitation and distribution of audiovisual products
Conecta 5 Telecinco, S.A.U. Ctra. De Fuencarral a Alcobendas, 4 28049 Madrid	100	100	Exploitation of audiovisual content on the Internet
Mediacinco Cartera, S.L. Ctra. De Fuencarral a Alcobendas, 4 28049 Madrid	75	75	Financial management and intermediation services
Bigbang Media, S.L. C/ Almagro, 3 28010 Madrid	30	100	Production, distribution and exploitation of audiovisual rights; exploitation of industrial and intellectual property rights. Management and financial intermediation of audiovisual companies
Pegaso Televisión, Inc. Brickell Avenue, 1401 - Suite 33131 - Miami, Florida	35.08	35,08	Television stations and production of television content

	Information on the year ended 12/31/09							
Company	Net carrying value at 12/31/09	Percentage ownership	Share capital	Reserves	Profit (loss) for the year	Total capital and reserves	Operating profit (loss)	Dividends distributed during the year
Publiespaña, S.A.U.	72,909	100	601	402	46,177	47,180	58,237	40,600
Agencia de Televisión Latinoamericana de Servicios y Noticias de España, S.A.U.	1,920	100	901	(2,678)	7,853	6,076	8,625	6,826
Premiere Megaplex, S.A. (*)	24	50	131	(84)	2	49	(1)	-
Grupo Editorial Tele 5, S.A.U. (*)	120	100	120	224	2,836	3,180	4,044	2,798
Telecinco Cinema, S.A.U.	-	100	160	(12,516)	(7,769)	(20,127)	(23,654)	-
Canal Factoria de Ficción, S.A.U. (*)	467	100	300	285	1	586	(1)	-
Conecta 5 Telecinco, S.A.U.	6,308	100	62	502	5,744	6,308	119	-
Mediacinco Cartera, S.L.	-	75	240,000	(186,740)	(70,042)	(16,782)	(248)	-
BigBang Media, S.L.	60	30	200	(1)	555	754	765	-
Pegaso Televisión, Inc.	1,421	35	49,703	(28,656)	(12,307)	8,740	(13,801)	-
	83,229							

Pegaso Television, Inc. dates have been calculated with anexchanget rates €1=$1,4406 at 31st December 2009.

		Information on the year ended 12/31/08						
Company	Net carrying value at 12/31/08	Percentage ownership	Share capital	Reserves	Profit (loss) for the year	Total capital and reserves	Operating profit (loss)	Dividends distributed during the year
Publiespaña, S.A.U.	72,708	100	601	-32,654	73,510	41,457	84,572	133,577
Agencia de Televisión Latinoamericana de Servicios y Noticias de España, S.A.U.	1,836	100	901	567	3,496	4,964	3,180	6,939
Premiere Megaplex, S.A. (*)	23	50	131	(96)	12	47	(5)	-
Grupo Editorial Tele 5, S.A.U. (*)	120	100	120	(601)	3,622	3,141	4,965	3,777
Telecinco Cinema, S.A.U.	-	100	160	(608)	(11,956)	(12,404)	(16,724)	-
Cinematext Media, S.A. (*)	1,370	60	150	1,134	482	1,766	539	
Canal Factoria de Ficción, S.A.U. (*)	467	100	300	29	256	585	343	-
Conecta 5 Telecinco, S.A.U.	564	100	62	(1,387)	1,889	564	1,587	-
Mediacinco Cartera, S.L.	39,945	75	240,000	(12,533)	(174,207)	53,260	(474)	-
BigBang Media, S.L.	3	100	3	-	(1)	2	(1)	-
Pegaso Televisión, Inc.	12,341	35	355	41,435	-14,187	27,603	(14,841)	-
	129,377							

(*) Unaudited data

Pegaso Television, Inc. dates have been calculated with an exchange rates €1=$1,3917 at 31st December 2008.

The profit (loss) of the group companies and associates shown in the above table corresponds entirely to continuing operations. None of the group companies or associates is listed on the stock exchange.

A breakdown of the loans extended to the group companies at 31 December 2009 and 31 December 2008 are as follows:

	Thousands of euros	
	2009	**2008**
Mediacinco Cartera, S.A.	167,341	186,720
Telecinco Cinema. S.A.U.	8,373	16,095
Conecta 5 Telecinco, S.A.	1,410	1,410
	177,124	204,225

Interest rates on these loans are EURIBOR plus a market spread.

7.2 Significant movements

7.2.1 Equity instruments

a) Main changes in the year ending 31 December 2009

The sale of Cinematext Media, S.A.

On September 30, 2009 the Company sold its 60% ownership interest held in Cinematext Media, S.A. to Subtitling, S.L. The total sale price was €2,287 thousand. The 1,637 thousand euro gain obtained from the transfer is recognized under Impairment and gains (losses) on disposal of financial instruments in the separate income statement.

A 70% reduction in the ownership interest of BigBang Media, S.L. (formerly Telecinco Factoría de Producción, S.L.)

On January 27, 2009, the agreements reached by the sole shareholder on December 31, 2008 were recorded by public deed and the company's name was changed to BigBang Media, S.L. Its registered address was likewise changed to C/ Almagro 3, 4º izquierda, Madrid. Gestevisión Telecinco, S.A., partially waived its right to preferential subscription in the capital increase and its ownership interest in the company fell to 30% having paid in €57 thousand.

a) Main changes in the year ending 31 December 2008

Acquisition of Pegaso Televisión INC

On 19 February 2008, the Company acquired 35.08% of the share capital of Pegaso Televisión INC., which in turn owns 83.34% of the share capital of CaribeVisión TV Network LLC. and 25% of CaribeVisión Holdings, Inc. The Company also has a call option over the latter, enabling it to acquire up to 83.34% of its share capital.

The acquisition price of the shares was $31.7 million, which entailed a payment, at the exchange rate in effect on the transaction date, of €21,480 thousand.

The primary objective of CaribeVision, a recently created television channel that currently operates in New York, Miami and Puerto Rico, is to cover the television market of Spanish-speaking residents on the East Coast of the United States.

Acquisition of an additional ownership interest in Canal Factoría de Ficción, S.A.U.

The sequence of events that took place at Canal Factoría de Ficción, S.A.U. in 2008 is as follows:

- On 25 July 2008, the Company became the owner of all of Canal Factoría's share capital, through the acquisition of the portion of that share capital held by other shareholders, for €347 thousand.

- On 28 July 2008, the company was reactivated, thereby nullifying the 20 December 2007 dissolution agreement and allowing the company to resume its activity. In addition, the company's registered office was changed to the Carretera de Fuencarral to Alcobendas, No. 4 28049, Madrid (registered at the Mercantile Registry on 28 September 2008).

- On 28 July 2008, the company was declared a single-shareholder entity (registration at the Mercantile Registry on 25 September 2008).

<u>Other changes in the year ending 31 December 2008</u>

On 1 July 2008, the company Telecinco Factoría de Producción, S.L.U, 100%-owned by Gestevisión Telecinco, S.A., whose registered office is located at the Carretera de Fuencarral to Alcobendas, No. 4, 28049, Madrid, was incorporated at the Mercantile Registry.

On 31 December 2008, the sole shareholder decided to change the company's corporate name to Big Bang Media, S.L. The registered office was also changed to C/ Almagro 3, 4º izquierda, Madrid. In addition, the share capital was increased, such that Gestevisión Telecinco, S.A., partially renounced the exercise of its preemptive right, and its interest in the company was reduced to 30%. The date of execution of these agreements was 2009.

7.2.2. Receivables from Group companies

<u>Loan to Mediacinco Cartera, S.L.</u>

The balance drawn down on the loan granted to Mediacinco Cartera, S.L. at December 31, 2009 is: €97,428 thousand. The balance at December 31, 2008 was €186,720 thousand. On June 30, 2009 it was agreed to convert a portion of the loan to a participative loan of €82,500 thousand to restore the Company's equity. The participative loan bears interest at 1-month Euribor plus a spread of 2.5 bp. The outstanding balance of the initial loan matures on June 30, 2012 and bears interest at 3-month Euribor plus a spread of 1 bp. The terms of this loan are symmetrical to those of the loan granted by the other shareholder of Mediacinco Cartera, S.L. (Mediaset Investment, SRL).

Due to the negative equity situation of Mediacinco Cartera, S.L. at 31 December 2009, the Company has set aside a provision of €12,587 thousand in respect of the loan.

<u>Participating loan granted to Telecinco Cinema</u>

In 2008, the Company granted an additional participating loan, for €25,000 thousand. The purpose of this participating loan was also to restore at the Company' net-worth equilibrium. Because of the net-equity position of Telecinco Cinema, S.A.U., an additional €7,723 thousand has been recorded, related to the participating loan, as a consequence of the negative capital and reserves of Telecinco cinema, S.A.U., on 31 December 2009. In 2008, a provision of €12,404 was established.

7.3. Impairment testing

The Company has examined the possible impairment of its equity investments at year-and 2009 and 2008, and it has no need to recognize any impairment provision, except in the case of three of these investments, as indicated below:

Telecinco Cinema, S.A.U.

This subsidiary is engaged in cinematographic coproductions in compliance with the legal precepts that apply to television concessionaires. Therefore, it is not possible to obtain reliably evaluate the amount recoverable either by calculating the present value of the future cash flows from the investment or by estimating dividends to be received, which depend on the number of productions made in the future, on the type of production, and on their commercial success. For this reason, the Company has adjusted the valuation in accordance with the equity of the subsidiary as at year-and 2009 and 2008. Given that the value of the capital and reserves of Telecinco Cinema, S.A.U. was negative at 31 December 2009, the participation loan granted to Telecinco Cinema, S.A.U. has been replenished with the amount of the Company's negative capital and reserves.

Mediacinco Cartera, S.L.

As indicated above, Mediacinco Cartera, S.L. owns a 33% equity interest in the share capital of Edam Acquisition Holding I Cooperative U.A., the parent company of Grupo Endemol, and has no other operating activities.

At year end 2008 the financial statements reflect the impact of the impairment test performed on the various CGUs (cash generating units) of Grupo Endemol. The impairment test compares their carrying amount at that date with their recoverable value by discounting the cash flows to their present value, based on the best estimates of financial parameters.

The impairment test performed on identified cash-generating units at Edam Acquisition Holding Cooperative at December 31, 2009 and 2008 which is reflected in its financial statements took into consideration the relevant Business Plan approved by the Company's Board of Directors and used discount rates and growth rates in line with market circumstances. The results of that test, adjusted for cash-generating units producing positive results, represent a negative impact on the 2009 financial statements of Mediacinco Cartera, S.L. of €89 million before tax (2008: €123 million).

Once the impairment of Mediacinco Cartera, S.L. stemming from its interest in Grupo Endemol was recognized in its financial statements, the Company's interest in Mediacinco Cartera, S.L. was adjusted in accordance with its underlying carrying amount.

Given that Mediacinco Cartera, S.L. has negative equity at December 31, 2009, a provision for the same amount as its negative equity has been set aside for the participative loan granted to Mediacinco Cartera, S.L.

Pegaso Televisión Inc.

At year end 2009, this investment's recoverable amount was determined from the market value of the merger with a local operator which has yet to obtain regulatory approval of the American FCC.

At year-end, the recoverable amount was determined through the present value of future cash flows stemming from the investment, and calculated on the basis of CaribeVision Holding's business plan approved by its Board of Directors on 16 February 2009.

8. Financial instruments

8.1 Financial Assets

The breakdown of financial assets in 2009 and 2008 was as follows:

(Thousands of euros)	Equity instruments 2009	Equity instruments 2008	Debt securities 2009	Debt securities 2008	Loans, derivatives and other financial assets 2009	Loans, derivatives and other financial assets 2008	Total 2009	Total 2008
Non-current financial assets								
Assets at fair value through profit or loss								
Held for trading	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	178,364	205,311	178,364	205,311
Available-for-sale financial assets								
Measured at fair value	1,913	10,995	-	-	-	-	1,913	10,995
Measured at cost	-	-	-	-	-	-	-	-
Hedging derivatives	-	-	-	-	-	-	-	-
Total	1,913	10,995	-	-	178,364	205,311	180,277	216,306
Current financial assets								
Assets at fair value through profit or loss								
Held for trading	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Held-to-maturity investments	-	-	-	-	-	-	-	-
Loans and receivables	-	-	-	-	209,840	367,462	209,840	367,462
Available-for-sale financial assets								
Measured at fair value	-	-	-	-	-	-	-	-
Measured at cost	-	-	-	-	-	-	-	-
Hedging derivatives	-	-	-	-	3	262	3	262
Total	-	-	-	-	209,843	367,724	209,843	367,724

These amounts are disclosed in the balance sheet as follows:

(Thousands of euros)	Total 2009	2008
Non-current financial assets		
Investments in group companies and associates		
Loans to companies	177,124	204,225
Non current financial investments	3,153	12,081
Total	180,277	216,306
Current financial assets		
Trade and other receivables (Note 10)	144,151	244,768
Loans to group companies	64,136	120,814
Financial investments	1,556	2,142
Total	209,843	367,724

a) Loans and receivables

	Thousands of euros 2009	2008
Non-current financial assets		
Loans to Group companies	177,124	204,225
Loans to third parties	1,159	922
Deposits given and prepayments	81	164
	178,364	205,311
Current financial assets		
Trade and other receivables	144,151	244,768
Loans to Group Companies	64,136	120,814
Loans to third parties	983	1,572
Deposits given and prepayments	570	308
	209,840	367,462

Current receivables from Group companies

Interest rates on these loans are EURIBOR plus a market spread. Loans to Group companies consist of swap facilities.

Also included under this heading are income tax credits with Group companies stemming from the tax consolidation.

b) Available-for-sale financial assets

The amount and the movements in the year in the items of which non-current Financial Investments are composed were as follows:

	Balance 12/31/08	**Additions**	**Disposals**	**Balance 12/31/09**
Equity instruments	11,651		(7,392)	4,260
Impairment losses	(205)	(1,691)		(1,896)
Uncalled share capital	(451)			(451)
Total equity instruments	10,995	(1,691)	(7,392)	1,913

	Balance 12/31/07	**Additions**	**Disposals**	**Balance 12/31/08**
Equity instruments	11,676		25	11,651
Impairment losses	(179)	(26)		(205)
Uncalled share capital	(451)			(451)
Total equity instruments	11,046	(26)	25	10,995

The information relating to these investments is as follows:

Company	Net carrying value at 12/31/09	Percentage ownership	Share capital	Reserves	Profit (loss) for the year	Total capital and reserves	Operating profit (loss)	Dividends distributed during the year
Kulteperalia, S.L.(*)	492	5	8,177	(605)	(2,972)	4,600	(2,316)	-
Alba Adriática(*)	1,500	5	76	507	-60	523	285	-
Other	(79)	-	-	-	-	-	-	-
	1,913							

Company	Net carrying value at 12/31/08	Percentage ownership	Share capital	Reserves	Profit (loss) for the year	Total capital and reserves	Operating profit (loss)	Dividends distributed during the year
Kulteperalia, S.L.(*)	1,475	15	8,177	(611)	8	7,574	905	-
Alba Adriática(*)	9,500	15	76	447	3	526	455	-
Other	20	-	-	-	-	-	-	-
	10,995							

(*) Unaudited data

Main changes in the year ended December 31, 2009

<u>The sale of 10% of the ownership interest in Kulteperalia, S.L.</u>

On November 3, 2009 the Company sold 10% of its ownership interest in Kulteperalia, S.L. for a total amount of €1,000 thousand. €16 thousand were obtained from the sale which are recognized in the income statement under Impairment and gains (losses) on disposal of financial instruments.

At December 31, 2009 the Company agreed to sell the rest of its ownership interest held in Kulteperalia, S.L. and this sale is expected to take place in 2011.

<u>The sale of 10% of the ownership interest in Alba Adriatica, S.L.</u>

On November 3, 2009 the Company sold 10% of its ownership interest in Alba Adriática, S.L. The total sale price was €3,000 thousand.

The impairment of €5,000 thousand on this investment is recognized in the income statement under Change in fair value of financial instruments.

At December 31, 2009 the Company agreed to sell its remaining ownership interest in Alba Adriática, S.L. The sale is expected to take place in 2011.

d) Derivatives

The Company uses derivatives to hedge its risks against foreign-currency fluctuations on the purchase of audiovisual property rights made in the year. It also hedges against foreign currency risk on commercial transactions with customers, and these transactions were recognized in the Company's consolidated statement of financial position.

The breakdown of the notional values of the derivatives outstanding in the Company at December 31, 2009 is as follows:

		USD Amount		
ASSETS	**Notional value/Maturity Within 1 year**	**Dollars**	**Year-end rate (€/$) rate (€/$)**	**Fair value**
Unmatured foreign-currency purchases:				
Purchases of dollars against euros	-	-	-	-
Sales of dollars against euros	31	41	1.4406	3
Net balance	31	41	1.4406	262

The notional amounts of the financial derivatives outstanding at the Company at 31 December 2008 are as follows:

		USD Amount		
ASSETS	**Notional value/Maturity Within 1 year**	**Dollars**	**Year-end rate (€/$) rate (€/$)**	**Fair value**
Unmatured foreign-currency purchases:				
Purchases of dollars against euros	3,053	4,598	1.3917	262
Sales of dollars against euros	-	-		-
Net balance	3,053	4,598	1.3917	262

Foreign currency hedges on rights contracts are measured as the difference between the present value of the foreign currency hedge at the forward rate for the contract and the value of the foreign exchange hedge at the year-end exchange rate.

8.2 Financial liabilities

The breakdown of financial liabilities in 2009 and 2008 was as follows:

	Bank Borrowings		Bonds & other mrktble debt securities		Derivatives and other financial liabilities		Total	
(Thousands of euros)	2009	2008	2009	2008	2009	2008	2009	2008
Non-current financial liabilities								
Trade and other payables	29,930	-	-	-	676	1,028	30,606	1,028
Liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
Held for trading	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Hedging derivatives	-	-	-	-	-	-	-	-
	29,930	-	-	-	676	1,028	30,606	1,028
Current financial liabilities								
Trade and other payables	30,673	-	-	-	318,650	421,878	349,323	421,878
Liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
Held for trading	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Hedging derivatives	-	-	-	-	337	-	337	-
	30,673	-	-	-	318,987	421,878	349,660	421,878
	60,603	-	-	-	319,663	422,906	380,266	422,906

	Thousands of euros	
	2009	2008
Non-current financial liabilities		
Borrowings	30,606	1,028
	30,606	1,028
Current financial liabilities		
Borrowings	82,584	23,455
Borrowings from group companies and associates	137,111	257,161
Trade and other payables	129,965	141,262
	349,660	421,878
	380,266	422,906

a) Bank borrowings

In 2009 the Company has renewed and increased its credit facilities to a total of €303,000 thousand. These bear interest at EURIBOR plus a market spread in line with the Company's solvency. These credit facilities mature between January 2010 and December 2011.

At December 31, 2009, the Company had undrawn credit amounting to €242,397 thousand. This amounts to a considerable increase in its available working capital at December 31, 2009.

In 2008 the Company arranged four credit lines with different financial institutions, bearing interest at EURIBOR plus a spread of 15-100bp. Therefore, the Company has a total of €173, 000 of available credit.

This together with the portion of the audiovisual rights which will be **consumed** in 2010 which are classified under non-current assets reduces any risk associated with the negative working capital at December 31, 2009.

b) Derivatives and other financial liabilities

b.1) Borrowings form Group companies

The interest rate on these borrowings is EURIBOR plus a market spread. Loans to Group companies consist of swap facilities. Also included under this heading are current payables for income tax payable with Group companies stemming from the tax consolidation.

b.2) Others

The breakdown at 31 December 2009 and 2008 is as follows:

	Balance 12.31.09	Balance 12.31.08
Trade and other payables	129,965	141,262
Other financial liabilities	51,574	23,455
Derivatives	337	-
	181,876	164,717

Other financial liabilities consist of current borrowings from suppliers of audiovisual rights.

b.3) Derivatives

The Company carries out derivative transactions to hedge currency risk on the purchases of audiovisual property rights in the year and when necessary to hedge currency risk on trade transactions in other currencies with customers, which are recognized in the Company's statement of financial position.

The breakdown, by maturity, of the notional amounts of derivatives outstanding at the Company at December 31, 2009 is as follows:

		Amount in USD		
LIABILITIES	**Notional amount/Maturity up to one year**	**Dollars**	**Year-end ($/€) exchange rate**	**Fair value**
Purchase of unmatured currency:				
Purchase of dollars in euros	8,664	11,975	1.4406	337
Sale of dollars in euros	-	-	-	-
Neto	8,664	11,975	1.4406	337

The notional amounts of the derivatives outstanding at the Company at December 31, 2008 is as follows:

		Amount in USD		
LIABILITIES	**Notional amount/Maturity up to one year**	**Dollars**	**Year-end ($/€) exchange rate**	**Fair value**
Purchase of unmatured currency:				
Purchase of dollars in euros	-	-	-	-
Sale of dollars in euros	-	-	-	-
Net	-	-	-	-

The foreign currency derivatives associated with the property rights are measured at the difference between the present value of the quoted foreign currency hedge at the forward exchange rate in the contract and the value of the quoted foreign currency hedge at year end.

8.3 Risk management policy

The Company's operations are exposed to different basic categories of financial risk:

1. Credit risk

Credit risk exists when a potential loss may arise from the Company's counterparty not meeting its contractual obligations, i.e., the possibility that financial assets will not be recovered at their carrying amount within the established timeframe.

The Company's maximum exposure to credit risk at 31 December 2009 and 2008 was as follows:

	Thousands of euros	
	2009	2008
Non-current receivables from Group companies and associates	177,124	204,225
Non-current financial investments	1,240	1,086
Trade and other receivables	144,151	244,768
Current receivables from Group companies and associates	64,136	120,814
Current investments	1,556	2,142
Cash and cash equivalents	1,087	24,056
	389,294	597,073

For the purposes of credit risk management the Company differentiates between financial assets arising from operations and those arising from investments.

Operating activities

Most of the balance of trade payables consists of operations with Group companies that, therefore, do not present a risk.

The breakdown of trade receivables at 31 December 2009 and 2008 was as follows:

	Number of customers	Thousands of euros	Number of customers	Thousands of euros
With a balance of more than 1,000 thousand euros	4	126,478	5	193,054
With a balance between 1,000 and 500 thousand euros	11	8,325	5	3,938
With a balance between 500 and 200 thousand euros	6	2,238	7	2,459
With a balance between 200 and 100 thousand euros	8	875	7	1,010
With a balance of less than 100 thousand euros	81	517	84	1,085
Total	110	138,433	108	201,546

The Company constantly monitors the age of its debt, and there were no risk situations at year-end.

Investing activities

A Financial Risk Management Procedures Manual sets forth the general criteria governing investments of the Company's Treasury surpluses, which, in broad terms, are as follows:

- The investments are made with institutions (whether domestic or foreign) of recognized financial solvency;
- The investments are placed in conservative products (bank deposits, debt repos, etc.) on which, in general, the repayment of the invested capital is guaranteed.
- Authorizations for the corresponding investments are limited by the powers granted to the company's senior executives and, in any event, are highly restricted (according to the amount, the Board Members, General Management and Operations Director,

Financial Director).

- Under ordinary circumstances, the longest term is three months and the investments usually offer automatically available funds.

2. Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices.

Given the nearly complete absence of financial debt, there are no financial risks associated with interest-rate movements. Nevertheless, and for illustrative purposes, the Company has conducted a test to determine the sensitivity of the Company's cash surpluses to certain modifications in interest rates.

The following assumption was used: beginning with our year-end cash surpluses, and taking the 1-month Euribor at 31 December as the benchmark, we applied a variation of -30 +100 basis points for 2009.(In 2008, we applied a variation of +/- 100)

The sensitivity test shows that the impact of variations on the interest rates applied to the cash surpluses, at 31 December, would, in any event, not be significant and would exclusively affect the amount of financial income.

	Reference Rate (Eur)	**Cash Surpluses**	**Annual Interest**	**100bp**	**Annual Interest**	**-30bp**	**-100bp**	**Annual Interest**
12/31/09	0.453	(103,067)	(467)	1.453	(1,498)	0,153	-	(158)
12/31/08	2.603	24,056	626	3.603	867	-	1.603	386

The financial instruments exposed to EUR/USD exchange-rate risk, mainly consisting of future currency-purchase agreements, have undergone a sensitivity test at the balance sheet date.

The exposed balance sheet value of these financial instruments was corrected by applying a symmetrical percentage change, equal to the 1-year implicit volatility of the currency in question published by Reuters (19.50% for 2008 and 13.23% for 2009), to the year-end exchange rate.

The sensitivity test shows that the variations on the year-end exchange rate would have had an impact on the P&L account, which, in any event, is not significant.

31/12/2009			**31/12/2008**		
USD	Exc. Rate	Differences	USD	Exc. Rate	Differences
11,934	1.4406	(334)	4,598	1.3917	262
		Sensitivity Test			
11,934	1.2501	926	4,598	1.1203	1,058
11,934	1.6311	(1,299)	4,598	1.6631	(274)

3. Liquidity risk

The Company's financial structure is at a low liquidity risk, given the low level of financial leveraging and the high levels of operating cash flows generated each year.

Liquidity risk would result from the Company having insufficient funds or access to sufficient funds at an acceptable cost to meet its payment obligations at all times. The Company's objective is to maintain sufficient available funds.

The Company's policies establish the minimum liquidity levels required at all times:

- Excess liquidity may only be invested in certain types of assets (see previous section on credit risk/investment activities) the liquidity of which is guaranteed.

- The amount of the Company's revolving credit lines ensures that the Company is able to meet its operating needs as well as finance new short-term investment projects. At year-end 2009, the opening credit lines total €303,000 thousand. As of the date of preparation of these annual accounts, this amount hadn´t increased.At year-end 2008, the opening credit lines total €173,000 thousand Given the difficult market situation, these credit lines have been contracted under very competitive financial conditions, which strengthens the financial sector's perception that the Company is creditworthy and sound.

The undiscounted contractual maturity dates of financial liabilities at 31 December 2009 were as follows:

	Euros				
	Up to 6 months	**6 months - 1 year**	**Entre 1año y 5 años**	**More than 5 years**	**Total**
Non-current borrowings	-		30,598	8	30,606
Current borrowings	51,574	31,010			82,584
Current borrowings from Group companies and associates	2,934	134,177			137,111
Trade and other payables	117,276	12,689			129,965
	171,784	177,876	30,598	8	380,266

The undiscounted contractual maturity dates of financial liabilities at 31 December 2008 were as follows:

	Euros				
	Up to 6 months	**6 months - 1 year**	**Entre 1año y 5 años**	**More than 5 years**	**Total**
Non-current borrowings	-		1,020	8	1,028
Current borrowings	23,455				23,455
Current borrowings from Group companies and associates	19,926	237,235			257,161
Trade and other payables	126,938	14,324			141,262
	170,319	251,559	1,020	8	422,906

9. Inventories

The balances under this heading at year-and were as follows:

	2009	2008
Prepayments to program suppliers	326	165
In-house production programs	6,231	7,025
Total	6,557	7,190

10. Trade and Other Receivables

The breakdown of trade and receivables in 2009 and 2008 was as follows:

	12/31/09	12/31/08
Trade receivables	11,119	16,202
Receivables from Group companies and associates (Note 18)	127,314	185,344
Other receivables	5	5
Receivables from employees	53	54
Receivables from Public Bodies (Note 14)	5,660	43,163
	144,151	244,768

Impairment losses:

The balance of trade receivables is shown net of impairment loss allowances. The variations in 2009 and 2008 in these impairment losses were as follows:

	Thousands of euros
Cumulative impairment losses at 1 January 2008	2,660
Net of provisions	473
Cumulative impairment losses at 31 December 2008	3,133
Cumulative impairment losses at 1 January 2009	3,133
Net of provisions	1,395
Cumulative impairment losses at 31 December 2009	4,528

The breakdown of trade receivables denominated in foreign currency, for 2008 and 2009, is as follows:

	2009		2008	
ASSETS	**Dollars**	**Balance in euros at 12/31/09**	**Dollars**	**Balance in euros at 12/31/08**
Trade receivables	138	96	6	4

11. Other current assets

The breakdown of this heading at December 31 is as follows:

	Thousands of euros	
	2009	**2008**
Prepaid expenses	10,792	3,862
	10,792	**3,862**

The amounts shown in this heading arise from the prepayments of retransmission rights.

12. Cash and cash equivalents

The breakdown of Cash and cash equivalents at December 31 is as follows:

	Thousands of euros	
	2009	**2008**
Cash	27	11
Current accounts	1,060	24,045
	1,087	**24,056**

Current accounts earn market interest rates. Cash and cash equivalents are unrestricted.

13. Capital and Reserves

a) Issued capital

At 31 December 2009 and 2008, the share capital social consisted of 246,641,856 shares with a value of 0.50 euros each, represented by a book-entry system. Share capital is fully subscribed and paid-up and the breakdown of ownership is as follows:

Shareholder	**12.31.09**	**12.31.08**
Mediaset Investimenti, S.p.A.	50.1	50.1
Corporación de Nuevos Medios Audiovisuales, S.L.U. (Group Vocento)	-	5.1
Free float	48.46	43.6

Treasury shares	1.44	1.2
Total	100	100

On July 30, 2009 Corporación de Nuevos Medios Audiovisuales, S.L.U. (Sole shareholder company) (Vocento Group) sold 2.18% of the share capital of Gestevisión Telecinco, S.A.. On July 31, 2009 the Vocento Group sold its remaining 2.9% investment in the share capital of Gestevisión Telecinco S.A.

All the shares making up the company's issued capital enjoy the same rights.

Share transfers will be governed by the Private Television Act 10/88 dated 3 May.

Listing on the Stock Exchange:

The Company was admitted for listing on the Stock Exchange on 24 June 2004. On 3 January 2005, its shares were included on the IBEX 35. Its shares are traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

Dividends

On 1 April 2009, approval was given at the Company's General Shareholders' Meeting to pay out €210,272 thousand in dividends charged to 2008 earnings. This dividend was paid in May 2009 and was equivalent to €0.865 per eligible share.

The dividend distributed in the previous year against profit for 2007 amounted to €317,562 thousand.This dividend was paid in May 2008 and was equivalent to €1.30 per eligible share.

b) Legal reserve

The companies are required to transfer 10% of each year's profit to a legal reserve until this reserve reaches an amount at least equal to 20% of share capital. This reserve cannot be distributed to shareholders, and may only be used to cover income statement balances payable, if no other reserves are available. For this purpose, in the distribution of 2004 profit, the amount necessary for the legal reserve to reach 20% of share capital was set aside for this purpose.

c) Treasury shares and equity investments:

In general, treasury shares have been acquired to meet the Company's commitments related to the compensation system, based on shares of executive directors and directors, as described in Note 17.

Changes under this heading in 2009 were as follows:

				Thousands of euros
	Balance 12/31/08	**Additions**	**Disposals**	**Balance 12/31/09**
Treasury shares	57,813	2,921	-	60,734

The change in the number of shares during the year is detailed below:

	Number of shares			
	12/31/08	**Additions**	**Disposals**	**12/31/09**
Treasury shares	3,106,913	445,374	-	3,552,287

Changes under this heading in 2008 were as follows:

	Thousands of euros			
	Balance 12/31/07	**Additions**	**Disposals**	**Balance 12/31/08**
Treasury shares	56,469	1,344	-	57,813

The change in the number of shares in 2007 is detailed below:

	Number of shares			
	12/31/07	**Additions**	**Disposals**	**12/31/08**
Treasury shares	3,014,813	92,100	-	3,106,913

14. Provisions and Other Contingent Liabilities

Current and Non-Current Provisions

The breakdown and movements in provisions in 2009 and 2008 are as follows:

			2009		
(Thousands of euros)	**Balance at January 1**	**Allowances**	**Reversals/ Applictions**	**Transfers**	**Balance at December 31**
Provisions long-term					
Provision for outstanding litigation	38,070	13,973	(11,949)	(23,695)	16,399
Provision for long-term personnel benefits	170	35	-	(205)	-
	38,240	**14,008**	**(11,949)**	**(23,900)**	**16,399**
Provisions short-term					
Provision for outstanding litigation	22,690	6,580	(22,721)	23,695	30,244
Provision for short-term personnel benefits (*)	2,725		(2,860)	205	70
	25,415	**6,580**	**(25,581)**	**23,900**	**30,314**
Total					
Provision for outstanding litigation	60,760	20,553	(34,670)	-	46,643
Provision for long-term personnel benefits	2,895	35	(2,860)	-	70
	63,655	**20,588**	**(37,530)**	**-**	**46,713**

(*) Provision for long-term personnel benefits are recognized under Current liabilities “Personnel (remuneration payable)

(Thousands of euros)	Balance at January 1	Allowances	Reversals/ Applictions	Transfers	Balance at December 31
			2008		
Provisions long-term					
Provision for outstanding litigation	73,570	3,541	(16,411)	(22,630)	38,070
Provision for long-term personnel benefits	1,925	591	-	(2,346)	170
	75,495	**4,132**	**(16,411)**	**(24,976)**	**38,240**
Provisions short-term					
Provision for outstanding litigation	267		(207)	22,630	22,690
Provision for short-term personnel benefits (*)	-	513	(134)	2,346	2,725
	267	**513**	**-341**	**24,976**	**25,415**
Total					
Provision for outstanding litigation	73,837	3,541	(16,618)	-	60,760
Provision for long-term personnel benefits	1,925	1,104	(134)	-	2,895
	75,762	**4,645**	**(16,752)**	**-**	**63,655**

(*) Provision for long-term personnel benefits are recognized under Current liabilities “Personnel (remuneration payable)

Provision for outstanding litigation

On 29 June 1995, the Spanish tax authorities began an audit and inspection regard to the following items and periods:

Item	Period
Income tax	1989-90-91-92-93
Value added tax	1990-91-92-93-94
Personal income tax withholdings and prepayments	1990-91-92-93-94
Withholdings from income from property assets	1990-91-92-93-94
Annual statement of transactions with third parties	1989-90-91-92-93
Non-resident income tax (form 210)	1990-91-92-93-94
Transfer and stamp tax	1990-91-92-93-94
Gaming tax	1992-93-94-95

Subsequently, the inspection period was extended to include 1995 for all the aforementioned taxes, which were not originally included in all tax items.

Between December 1996 and February 1997, the tax audits and inspection were carried out by the O.N.I. Following the this tax audits and inspection, €13,373 thousand in penalties was assessed. The Company signed the assessments in disagreement and filed the relevant appeals.

At the date of preparation of 2008 Financial Statements, the Company had not received notification of the potential additional assessment regarding the 1995 corporate income tax; hence, the definitive amount that might arise from the assessment is not known.

In a decision dated 19 April 2007, handed down in case file number 15/2005, Section One of Criminal Court of the National Court of Justice ruled on the case arising from Summary Proceedings 262/1997 of Central Magistrate Court No. 5, for tax offenses and misrepresentations related to various companies, including Gestevisión Telecinco, S.A. and Publiespaña, S.A.U., in which these companies were named as being parties jointly and severally liable to a secondary degree.

In its decision, the National Court of Justice absolved all of the parties accused and affirmed that none of the events under investigation constitutes an offense. Nevertheless, this ruling was appealed by the Prosecutor's Office.

On 23 June 2008, the Second Court in Criminal Matters of the National Appellate Court rejected Appeal 1701/2007 before the Supreme Court filed the Prosecutor's Office against the aforementioned ruling of the National Court of Justice, upholding the acquittal handed down in the previous instance.

In June 2009 the corresponding notifications were received from the tax authorities confirming the aforementioned acquittal as ruled by the National Court of Justice; hence the Company reversed the current provisions of €22,630 thousand.

The allowances for the year correspond to coverage of possible risks related to litigation awaiting a definitive resolution.

Since 2001, Gestevisión Telecinco, S.A. has booked provisions for possible litigation with intellectual property rights management entities that have either filed suits against the company for their right to receive remuneration for the alleged use of their respective catalogues or have made claims, any event, for payment of their respective fees.

The Company has reclassified these provisions to current as this matter is expected to be resolved in 2010.

On 14 January 2008, Company signed a contract with the Intellectual Rights Management Association (Asociación de Gestión de Derechos Intelectuales, AGEDI) through which the two parties end their differences and agree on continuing to abide by the use of phonograms and on the corresponding compensation. The largest amounts for reversion and application in 2008 correspond to this signed agreement.

With this negotiated agreement, the effects of which cover from 1 January 1990 to 31 December 2008, the parties have ended the different proceedings that they had brought against each other, both in administrative and jurisdictional matters.

The amount set forth in this agreement is not significantly different from the provision estimates reflected in the 2007 financial statements; nonetheless, the company has taken steps to adjust this amount in 2008.

In 2009, the current provisions relate to 3% of the Company's gross operating income billed from September to December. This is set aside pursuant to Law 8/2009 on the financing of Radio Televisión Española.

On September 1, 2008 the Spanish Tax Authorities' Tax and Customs Control Department of the Central Office of Major Tax Payers notified the Company that it had commenced verifications and investigations of the following items and years:

Item	Period
Income tax	2004 to 2007
Value added tax	07/2004 to 12/2007
Non-resident income tax (form 210)	07/2004 to 12/2007
Withholdings from income from property assets	09/2004 to 05/2008
Gaming tax	09/2004 to 05/2008

Annual statement of transactions with third parties	2004 to 2007
Transfer and stamp tax	2004 to 2007

On June 26, 2009 and July 24, 2009 the tax authorities sent the Company the tax assessment settlements. These were signed in disagreement. Consequently, the provisions were adjusted in light of the assessments raised by €2,091 thousand and €3,543 thousand and guarantees were deposited for these amounts (Note 15).

15. Taxes

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired. The Company is open to inspection of all taxes to which it is liable for the last four years. Once the Spanish Tax Authorities' Tax and Customs Control Department of the Central Office of Major Tax Payers had performed its verifications and investigations in 2009 (as explained in the above note), the Company has the following items and years open to inspection:

Item(s)	Periods
Income tax	2008 to 2009
Value added tax	2008 to 2009
Was holding, non-resident income tax	2008 to 2009
Gaming tax:	06/2008 to 2009
Taxes on games of luck, betting, and chance: raffles and tombola	06/2008 to 2009
Annual transaction statement	2008 to 2009
Consolidated statement of intra-regional delivery and acquisition of assets	2008 to 2009

The Company has the last four years open to inspection of all other applicable taxes. Based on the best interpretation of current legislation, the Company's directors and tax advisors consider that in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Company's transactions.

The breakdown of balances relating to income tax assets and liabilities at 31 December is as follows:

	Thousands of euros	
	2009	**2008**
Current tax liabilities	(1,440)	-
	(1,440)	-
VAT	(4,934)	(9,645)
Personal income tax withholdings	(1,517)	(1,675)
Social security	(755)	(741)
Other payables to public administrations	**(7,206)**	**(12,061)**
Deferred tax assets	80,250	65,467
Unused tax deductions and relief	19,670	6,340
	99,920	**71,807**
Other receivables from public administrations		
Income tax	5,660	41,698
Other taxes	-	1,465
	5,660	**43,163**

15.1 Income tax

The reconciliation of net income and expenses for the year with tax results is as follows:

Thousand of euros

	Income statement			Income and expenses directly recognized in equity		
	Increase	**Decrease**	**Total**	**Increase**	**Decrease**	**Total**
2008						
Income and expenses for the yeaar				-	-	-
Continuing operations	68,461		68,461	-	-	-
Discontinued operations				-	-	-
	68,461		68,461			
Income tax	-	-	-	-	-	-
Continuing operations	(14,051)	-	(14,051)	-	-	-
Discontinued operations (Note 10)	-	-	-	-	-	-
	(14,051)		(14,051)			
Income and expenses for the year before tax			54,410			
Permanent differences						
Non-deductible expenses & penalties	834		834	-	-	-
Internal elimination of dividends	-	53.423	(53.423)	-	-	-
Other	-	11,973	(11,973)	-	-	-
Temporary differences	44,475	-	44,475	-	-	-
Non-deductible expes. &penalties, subsidiaries undertax consolidation	-	-	-	-	-	-
Temporary differences in subsidiaries	-	-	-	-	-	-
Tax result			34,323			

Thousand of euros

	Income statement			Income and expenses directly recognized in equity		
	Increase	**Decrease**	**Total**	**Increase**	**Decrease**	**Total**
2008						
Income and expenses for the yeaar						
Continuing operations	269,222	-	269,222	-	-	-
Discontinued operations	-	-	-	-	-	-
	269,222		269,222			
Income tax						
Continuing operations	28,416	-	28,416	-	-	-
Discontinued operations (Note 10)		-		-	-	-
	28,416	-	28,416	-	-	-
Income and expenses for the year before tax			297,638			
Permanent differences						
Non-deductible expenses & penalties	903		903			
Internal elimination of dividends		153,648	(153,648)			
Other	2,333		2,333			
Temporary differences	142.520		142,520			
Non-deductible expes. &penalties, Subsidiaries undertax consolidation						
Temporary differences in subsidiaries		2,040	(2,040)			
Tax result			287,706			

Temporary differences are due to different taxation and accounting criteria relative to impairment provisions regarding audiovisual rights, contingencies and expenses and provisions for subsidiaries.

The reconciliation between income tax expense/(income) and the result of multiplying total recognized income and expenses by applicable tax rates —with the balance of the income statement being differentiated— is as follows:

		Thousands of euros
(Thousands of euros)	**Income statement**	**Income and expense recognized directly in equity**
2009		
Income and expenses for the year before tax	54,410	
Tax charge (tax rate: 30%)	16,323	
Non-deductible revenue/expenses	(19,370)	
Tax credits	(4,638)	
Unused tax credits	(12,279)	
Positive adjustments to income tax charge	-	
Negative adjustments to income tax charge	4,934	
Tax adjustments (dividends minus deductions from subsidiaries)	960	
Tax on foreign profits	19	
Tax expense (income)	**14,051**	

		Thousands of euros
(Thousands of euros)	**Income statement**	**Income and expense recognized directly in equity**
2008		
Income and expenses for the year before tax	297,638	
Tax charge (tax rate: 30%)	89,291	
Non-deductible revenue/expenses	(45,123)	
Tax credits	(18,565)	
Positive adjustments to income tax charge	(173)	
Negative adjustments to income tax charge	167	
Tax adjustments (dividends minus deductions from subsidiaries)	2,806	
Tax on foreign profits	13	
Tax expense (income)	**28,416**	

The breakdown of income tax expense/(income) is as follows:

(Thousands of euros)	Income statement	Directly recognized in equity
	Thousands of euros	
2009		
Current income tax	(708)	
Other temporary differences	(13,343)	
	(14,051)	

(Thousands of euros)	Income statement	Directly recognized in equity
	Thousands of euros	
2008		
Current income tax	71,172	
Other temporary differences	(42,756)	
	28,416	

Income tax payable was calculated as follows:

	Thousands of euros
	2009
Taxable income:	34,323
Tax payable: (30%)	10,297
Negative tax payable contributed by subsidiaries in tax consolidation	4,759
Deductions and rebates	(4,638)
Deductions and rebates, companies filing consolidated taxes	(2,225)
Withholdings	(13,853)
Other	-
Total income tax refund	**(5,660)**

	Thousands of euros
	2008
Taxable income	287,706
Tax payable: (30%)	86,311
Negative tax payable contributed by subsidiaries in tax consolidation	(40,445)
Tax credits	(18,565)
Withholdings	(69,007)
Other	8
Total income tax payable	(41,698)

15.2 Deferred tax assets

The breakdown is as follows:

	(Thousand euros) 2009	2008
Deferred tax assets	80,250	65,467
Unused tax credits and rebates	19,670	6,340
	99,920	**71,807**

The changes in the items composing "Deferred tax assets" are as follows:

					Thousands of euros
	Balance at January 1	**Income statement**	**Equity**	**Reclassifications**	**Balance at December 31**
2009					
Deferred tax assets					
Impairment audiovisual rights	5,496	(2,129)	-		3,367
Rights management institutions	6,502	681	-		7,183
Provisions, subsidiaries	50,404	19,296	-		69,700
Other	3,065	(4,505)	-	1,440	-
	65,467	**13,343**	-	**1,440**	**80,250**
2008					
Deferred tax assets					
Impairment audiovisual rights	7,503	(2,007)	-		5,496
Rights management institutions	6,227	275	-		6,502
Provisions, subsidiaries	6,457	43,947	-		50,404
Other	2,524	541	-		3,065
			-		
	22,711	**42,756**	-		**65,467**

The Company has no unused loss carryforwards.

Unused tax credits for audiovisual productions amount to a total of €19,670 thousand, which can be recovered over the next 10 years.

The Company has availed itself of the deduction provided for in article 42 of Royal Legislative Decree 4/2004, of March 5, which enacted the revised text of the Corporation Tax Law, in respect of income of €1,637 thousand. This amount was generated by the sale of 60% of the Company's ownership in Cinematext Media, S.A., which was sold on September 30, 2009,

The Company estimated the taxable profits which it expects to obtain over the next five fiscal years (period for which it considers the estimates to be reliable) based on budgeted projections. It has likewise analyzed the reversal period of taxable temporary differences. Based on this analysis, the Company has recognized deferred tax assets for tax credits and deductible temporary differences which it considers probable will be recoverable in the future.

15.3 Deferred tax liabilities

The breakdown and movements in the various items composing Deferred tax liabilities are as follows:

(Thousands of euros)	Balance at January 1	Income statement	Equity	Reclassifications	Balance at December 31
2009					
Deferred tax liabilities					
Other	-	-	-	1.440	1.440
	-	-	-	-	-
2008					
Deferred tax liabilities					
Other	-	-	-	-	-
	-	-	-	-	-

The deferred tax liability mainly relates to taxable temporary differences arising from consolidation adjustments of the tax group.

16. Guarantee Commitments to Third Parties

The breakdown of guarantees provided as of 31 December 2009 and 2008 is as follows:

Type	2009	2008
Collateral for contracts, concessions and tenders	41,059	10,990
Legal guarantees	340	340
Guarantees deposited at the tax authorities	5,634	-
	47,033	11,330

Within the first category of guarantees, there is a three-year bond totaling €6,010 thousand that guarantees the liabilities arising from the concession to indirectly manage public service television, in accordance with Law 107/1988 of 3 May and a General Secretariat of Communications Resolution dated 25 January 1989. The concession was renewed for another 10 years by the decision of the Spanish Cabinet on 10 March 2000, made public through a General Secretariat of Communications Resolution of the same date and published in the Official State Gazette (B.O.E.) on 11 March 2000.

The Company has provided guarantees in an amount totaling €482 thousand to the Directorate-General for the Development of the Information Society (Science and Technology Ministry, currently the Ministry of Industry, Tourism and Trade) for an indefinite period to guarantee the refundable advance granted by the Directorate-General to the company as aid for research and development in the following projects: “Research and development to improve and expand the current management system and applications to adapt work processes to new technological tools and their integration with the digital archive,” “Research and development of new tools for the technological evolution of production processes in digital television,” “Research and development on an information system to manage contracts with electronic signatures and a security and contingency plan,” and “New tools for the technological evolution of production processes in digital television.”

The Company has deposited €34.907 thousand in guarantees required for its commercial activity.

The breakdown of the guarantees deposited with the tax authorities is as follows:

1. A 3,543 thousand euro guarantee deposited with the Tax and Customs Control Department due to the appeal against the tax settlement agreement which said department notified to the Company on July 24, 2009 and which confirms the proposal given in the assessment from the tax inspection dated September 1, 2008. The tax inspection included verification of income tax for 2004, 2005, 2006 and 2007.

2. A second guarantee of €2,091 thousand was deposited with the Tax and Customs Control Department due to the appeal against the tax settlement agreement which the Department notified to the Company on June 26, 2009 and which confirmed the proposal given in the assessment from the tax inspection dated September 1, 2008. This tax inspection included the verification of the gaming tax in respect of bets and promotional draws, as well as raffles and tombolas from September 2004 up to and including May 2008.

17. Compensation System Indexed to Share Values

As of the date of preparation of these accounts, the stock option plans for which the conditions for their being granted have been fulfilled are as follows:

									Strike term	
	No. Of options 01/01/09	Additions	Disposals	No. Of options 31/12/09	Granted to employees of the company	Granted to employees of the Group	Strike price	Assignment date	From	To
2005 share-based payments plan	1.036.500	-	30.000	1.006.500	505.000	501.500	19,70 €	27/07/2005	27/07/2008	26/07/2010
2006 share-based payments plan	1.516.150	-	36.000	1.480.150	610.250	869.900	18,57 €	26/07/2006	26/07/2009	25/07/2011
2007 share-based payments plan	1.078.650	-	36.000	1.042.650	545.750	496.900	20,82 €	25/07/2007	25/07/2010	24/07/2012
2008 share-based payments plan	590.325	-	18.000	572.325	292.375	279.950	8,21 €	30/07/2008	30/07/2011	29/07/2013
2009 share-based payments plan	-	319.163	-	319.163	162.688	156.475	6,29 €	29/07/2009	29/07/2012	28/07/2014

									Strike term	
	No. Of options 01/01/08	Additions	Disposals	No. Of options 31/12/08	Granted to employees of the company	Granted to employees of the Group	Strike price	Assignment date	From	To
2005 share-based payments plan	1.131.000	-	94.500	1.036.500	505.000	531.500	19,70 €	27/07/2005	27/07/2008	26/07/2010
2006 share-based payments plan	1.627.650	-	111.500	1.516.150	610.250	905.900	18,57 €	26/07/2006	26/07/2009	25/07/2011
2007 share-based payments plan	1.135.650	-	57.000	1.078.650	545.750	532.900	20,82 €	25/07/2007	25/07/2010	24/07/2012

The beneficiaries of these plans are directors and executive directors of the Group's companies.

As a result of these plans, €656 thousand was recognized in the 2009 income statement. In the 2008 income statement, a result of these plans, €784 thousand was recognized.

All the approved plans that remain in effect have a three-year accrual period and the given strike price, and, if applicable, are exercised through the delivery of the shares.

The most relevant assumptions used in the measurement are as follows:

	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan
Strike	19.70	18.57	20.82	8.21	6.29
Yield on the share (dividend yield)	6%	6%	6%	10%	5%
Volatility	22.5%	22.5%	22.5%	27.5%	30%

18. Income and expenses

a) Breakdown of sales

The distribution of revenue from continuing operations corresponding to the Company's ordinary activities, broken down by category, is as follows:

	Thousands of euros	
	2009	2008
Business segment		
Advertising revenue	498,897	759,989
Rendering of services	8,559	14,985
Total	507,456	774,974

The Company's most important client continues to be Publiespaña, S.A.U. Revenue from advertising sales to this client, €493,718,000, accounts for approximately 97% of the Company's total revenue (€753,854 thousand, or 97% of the total, in 2008).

b) Consumption of goods for resale

The breakdown of consumption of goods for resale and consumption of raw materials and other consumables for the years ended 31 December 2009 and 2008 is as follows:

	Thousands of euros	
	2009	2008
Consumption of goods for resale		
Changes in inventories	794	(3,821)
	794	(3,821)
Goods for resale		
Purchases in Spain	194,531	180,236
EU acquisitions	8,793	14,616
Cost of sales	203,324	194,852

c) Wages and salaries

	2009	2008
Wages and salaries	40,937	48,685
Social Security costs, et al.	8,855	9,228
Total	49,792	57,913

The breakdown of Social Security costs et al. for the years ended 31 December 2009 and 2008 is as follows:

	Thousands of euros	
	2009	**2008**
Social security	7,691	7,801
Other employee welfare expenses	1,164	1,427
Total employee welfare expenses	8,855	9,228

d) External services

The breakdown of External services for the years ended December 31, 2009 and 2008 is as follows:

	Thousands of euros	
	2009	**2008**
Leases	680	1,310
Program production costs	23,548	25,620
Management fees for rights, concessions and licenses	23,903	32,547
Repairs and maintenance	3,311	3,546
Other professional services	7,740	8,625
Transport and messenger services	635	1,062
General insurance	128	508
Public relations	1,404	1,460
Supplies	2,906	2,823
Signal transmission and technical assistance	28,621	27,869
News agencies and post-production	2,630	4,136
Cash and non-cash prizes	4,812	3,812
Other expenses for legal and judicial risks	3,434	3,534
Other expenses and services	1,694	3,294
	105,446	120,146

19. Related-party transactions

Related companies

Company transactions in 2009 and 2008 with related parties, as well as the nature of the relationship, were as follows:

Company	Nature of the relationship
Publiespaña, S.A.U.	100% owned
Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U.	100% owned
Grupo Editorial Tele 5, S.A.U.	100% owned
Telecinco Cinema, S.A.U.	100% owned
Publimedia, S.A.U.	100% owned
Aprok Imagen, S.L.	3% owned
Canal Factoría de Ficción, S.A	100% owned
Micartera Media, S.A.U.	100% owned
Atlas Media, S.A.U.	100% owned
Conecta 5 Telecinco, S.A	100% owned
Publieci Televisión, S.A.	50% owned
Cinematext Media, S.A	*
Producciones Mandarina, S.L.	27% owned
Fundación Telecinco	Related party in liquidation
La Fábrica de la Tele , S.L.	30% owned
Advanced Media, S.A.U.	100% owned
Mediacinco Cartera S.L.	75% owned
Alba Adriática, S.L.	5% owned
Bingbang Media, S.L.	30% owned
Pegaso Inc	35.08% owned
Vocento Group	*
Endemo Group	25% owned
Mediaset Group	Shareholder

(*) These companies were not related parties at 31 December 2009.

The balances with the related parties listed in the preceding table at 31 December 2009 and 2008 are as follows:

	Trade receivables from group companies and associates		Suppliers, group companies and associates		Suppliers, rights of group companies and associates		Long-term loans to Group companies (Note 8)	
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
Publiespaña, S.A.U.	120,998	176,284	1,361	9,147	-	-	-	-
Agencia de Televisión Latinoamericana de Servicios y Noticias de España, S.A.U.	1,006	883	18,239	19,150	-	-	-	-
Grupo Editorial Tele 5, S.A.U.	92	92	139	350	-	-	-	-
Telecinco Cinema, S.A.U.	670	4513	-	45	1,254	2,085	8,373	16,095
Publimedia, S.A.U.	857	2226	-	-	-	-	-	-
Aprok Imagen, S.L.	-	-	-	162	-	-	-	-
Canal Factoria de Ficción, S.A.U.	-	-	1	10	-	-	-	-
Mi Cartera Media, S.A.U.	491	491	393	393	-	-	-	-
Atlas Media, S.A.U.	-	-	-	-	-	-	-	-
Agencia de Televisión Latinoamericana de Servicios y Noticias País Vasco, S.A.U.	-	-	-	-	-	-	-	-
Conecta 5 Telecinco, S.A.U.	995	444	70	70	-	-	1,410	1,410
Publieci Televisión, S.A.	-	-	-	-	-	-	-	-
Cinematext Media, S.A.	-	80		370	-	-	-	-
Producciones Mandarina, S.L.	-	24	1,397	2,280	-	-	-	-
Fundación Telecinco	-	-	-	-	-	-	-	-
BigBang Media, S.L.	18	-	754	-	845	-	-	-
La Fábrica de la Tele, S.L.	-	-	4,515	2,074	-	-	-	-
Advanced Media, S.A.U.	-	22	-	-	-	-	-	-
Mediacinco Cartera, S.L.	333	141	-	58	-	-	167,341	186,720
Alba Adriatica, S.L.	879	8	354	73	807	678	-	-
Mediaset Group	-	-	428	589	28	-	-	-
Caribevisión TV Network LLC	838	88	-	-	-	-	-	
Vocento Group	-	-2	-	4,458	-	17,163	-	-
Endemol Group	137	50	12,443	12,927	-	-	-	-
	127,314	185,344	40,094	52,156	2,934	19,926	177,124	204,225

	Current tax payable, Group Companies		Current liabilities with creditor Group companies	
	31.12.09	31.12.08	31.12.09	31.12.08
Publiespaña, S.A.U.	-	-	88,484	146,512
Agencia de Televisión Latinoamericana de Servicios y Noticias de España, S.A.U.	-	-	-	-
Grupo Editorial Tele 5, S.A.U.	-	-	4,004	3,319
Telecinco Cinema, S.A.U.	16,404	9,559	-	-
Canal Factoria de Ficción, S.A.U.			584	604
Atlas Media, S.A.U.	26	51	-	-
Conecta 5 Telecinco, S.A.U.	-	-	-	-
Advanced Media, S.A.U.	-	89	-	-
Mediacinco Cartera, S.L.	9,569	75,324	15,106	1,777
	25,999	85,023	108,178	152,212

	Current tax receivable, Group Companies		Current assets with creditor Group companies	
	31.12.09	31.12.08	31.12.09	31.12.08
Publiespaña, S.A.U.	15,425	28,387	-	-
Agencia de Televisión Latinoamericana de Servicios y Noticias de España, S.A.U.	2,476	1,150	9,912	8,476
Grupo Editorial Tele 5, S.A.U.	1,216	1,552	-	-
Publimedia, S.A.U.	926	2,719	-	-
Telecinco Cinema, S.A.U.	-	-	4,793	63,569
Caribevisión TV Network LLC	-	-	3,535	-
Atlas Media, S.A.U.	-	-	-	-
Conecta 5 Telecinco, S.A.U.	-	-	25,715	14,555
Producciones Telecinco, S.A.U	-	-	15	15
Advanced Media, S.A.U.	15	-	-	-
Mi Cartera Media, S.A.U.	108	391	-	-
	20,166	34,199	43,970	86,615

In 2009 and 2008, the following transactions were conducted with the related parties listed above:

	Purchases		Accrued interest expense		Purchase of rights	
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
Grupo Editorial Tele 5, S.A.U.	339	507	7	205	-	-
Agencia de Televisión Latinoamericana de Servicios y Noticias de España, S.A.U.	43,440	45,018	-	-	-	-
Agencia de Televisión Latinoamericana de Servicios y Noticias País Vasco, S.A.U.	-	-	-	-	-	-
Canal Factoria de Ficción, S.A.U.	-	-	2	12	-	-
Cinematext Media, S.A.U.	-	1,132	-	-	-	-
Publiespaña, S.A.U.	1,051	249	1,296	9,075	-	-
Publimedia Gestión, S.A.U.	-	5	-	-	-	-
Telecinco Cinema, S.A.U.	6	3	-	-	1,365	3,627
Aprok Imagen, S.L.	140	883	-	-	-	-
Conecta 5 Telecinco, S.A.U.	300	300	-	-	-	-
Mediacinco Cartera, S.L.	-	-	-	58	-	-
Producciones Mandarina, S.L.	7,295	14,642	-	-	-	-
La Fábrica de la Tele, S.L.	21,242	15,008	-	-	-	-
Alba Adriatica, S.L.	353	338	-	-	15,078	14,768
BigBang Media, S.L.	3,562	-	-	-	120	-
Vocento Group	-	9,223	-	-	-	37,377
Endemol Group	36,332	43,521	-	-	-	-
Mediaset Group	1,162	1,216	-	-	-	-
	115,222	132,045	1,305	9,350	16,563	55,772

	Advertising revenue & sales of rights		Other revenue		Accrued interest revenue		Dividends	
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
Grupo Editorial Tele 5, S.A.U.	-	-	196	380	-	-	2,798	3,777
Agencia de Televisión Latinoamericana de Servicios y Noticias de España, S.A.U.	-	-	2,682	2,774	216	74	6,825	6,939
Agencia de Televisión Latinoamericana de Servicios y Noticias de País Vasco, S.A.U.	-	-	-	-	-	-	-	-
Atlas Meida, S.A.U.	-	-	-	-	-	-	-	-
Canal Factoria de Ficción, S.A.U.	-	-	-	-	-	-	-	-
Cinematext Media, S.A.U.	-	-	-	170	-	-	260	-
Publiespaña, S.A.U.	493,718	753,854	3,237	3,621	-	-	40,600	133,577
Publimedia Gestión, S.A.U.	4,800	5,776	784	2,575	-	-	-	-
Advanced Media, S.A..U.	-	-	46	64	-	-	-	-
Mi Cartera Media, S.A.U.	-	-	-	-	-	-	-	-
Telecinco Cinema, S.A.U.	-	-	409	580	546	4,330	-	-
Conecta 5 Telecinco, S.A.U.	132	132	830	765	652	149	-	-
Publieci Televisión, S.A.	-	-	-	43	-	-	-	-
Mediacinco cartera, S.L.	-	-	348	392	4,026	10,622	-	-
Fundación doce meses doce causas	-	-	-	-	-	-	-	-
Producciones Mandarina, S.L.	-	-	-	75	-	-	-	-
Alba Adriatica, S.L.	-	-	758	19	52	136	-	-
Caribevisión Network LLC	748	640	1	128	90	-	-	-
BigBang Media, S.L.	-	-	16	-	-	-	-	-
Grupo Vocento	-	179	-	24	-	-	-	-
Grupo Endemol	129	45	-	368	-	-	-	-
Grupo Mediaset	-	-	103	76	-	-	-	-
	499,527	760,626	9,410	12,054	5,582	15,311	50,483	144,293

The related-party transactions consist of normal Company trading activity and are conducted on an arm's length basis.

Directors and senior executives

During the year, the members of the Board of Directors and other senior executives of the Company, and the individuals and entities that they represent, did not carry out transactions with the Company or with other Group companies unrelated to normal trading activity or not on an arm's length basis.

a) Compensation and other benefits

1. Remuneration of the members of the Board of Directors in 2009 and 2008:

The breakdown of the remuneration earned by members of the Company's Board of Directors is as follows:

	Thousands of euros	
	2009	2008
Compensation	2,638	2,525
Attendance fees	438	468
	3,076	2,993

In addition to the information given in this section, the compensation received by each director in 2009 is indicated below, in euros:

Mr. Alejandro Echevarría Busquet – Chairman of the Board of Directors

Fixed Board compensation:	60,000.00
Attendance fees:	54,000.00
Fixed compensation:	528,874.56
Variable compensation:	166,730.00
Total	809,604.56

Option rights granted: 16,812

Option rights exercised: 0

Mr. Paolo Vasile – Joint CEO

Fixed Board compensation:	60,000.00
Attendance fees:	27,000.00
Fixed compensation:	729,694.50
Variable compensation:	333,460.00
Remuneration in-kind:	8,858.76 (*)
Total	1,159,013.26

Option rights granted: 33,625

Option rights exercised: 0

(*) Excluding the base of the in-kind compensation, €36,911.37

Mr. Giuseppe Tringali – Joint CEO

Fixed Board compensation:	60,000.00
Attendance fees:	27,000.00
Total	87,000.00

Option rights granted: 33,625

Option rights exercised: 0

Mr. Massimo Musolino - Executive Director

Fixed Board compensation:	60,000.00
Attendance fees:	18,000.00
Total	78,000.00

Option rights granted: 15,250

Option rights exercised: 0

Mr. Alfredo Messina – Board Member

Fixed Board compensation	60,000.00
Attendance fees:	27,000.00
Total	87,000.00

Mr. Fedele Confalonieri – Board Member

Fixed Board compensation:	60,000.00
Attendance fees:	42,000.00
Total	102,000.00

Mr. Marco Giordani – Board Member

Fixed Board compensation	60,000.00
Attendance fees:	33,000.00
Total	93,000.00

Mr. Pier Silvio Berlusconi – Board Member

Fixed Board compensation:	60,000.00
Total	60,000.00

Mr. Giuliano Adreani – Board Member

Fixed Board compensation:	60,000.00
Attendance fees:	51,000.00
Total	111,000.00

Mr. Ángel Durández Adeva –Independent Director

Fixed Board compensation:	60,000.00
Attendance fees:	33,000.00
Total	93,000.00

Mr. Miguel Iraburu Elizondo - Independent Director

Fixed Board compensation:	60,000.00
Attendance fees:	15,000.00
Total	75,000.00

Mr. Borja de Prado Eulate – Independent Director/Chair Audit and Compliance Committee

Fixed Board compensation:	60,000.00
Attendance fees:	39,000.00
Total	99,000.00

Mr. José Ramón Álvarez-Rendueles – Independent Director/Appointments and Remuneration Committee

Fixed Board compensation:	60,000.00
Attendance fees:	48,000.00
Total	108,000.00

Mr. Mario Rodriguez Valderas - Executive Director

Mr. Rodriguez was a member of the Board of Directors from April, 23 2009.

Fixed Board compensation:	45,000.00
Attendance fees:	12,000.00
Total	57,000.00

Option rights granted: 9,000

Option rights exercised: 0

Mrs. Helena Revoredo Delvecchio – Independent Director.

Mrs. Revoredo was a member of the Board of Directors from April,23 2009.

Fixed Board compensation:	45,000.00
Attendance fees:	12,000.00
Total	57,000.00

None of the Board Members has received any compensation for belonging to other Boards of Directors of the Group's companies.

As was the case last year, at year-end of 2009, the Company has not granted any advance payments or loans to any of its Board Members.

Regarding the benefits arrangements, the Company has taken out, for only one of the Joint CEOs, life insurance covering disability or death and medical insurance, at an annual cost of €15,635.37. These items are included in in-kind compensation.

As was the case last year, no contribution has been made to pension plans or funds on behalf of any member of the Board of Directors.

Options on the Company shares

In 2009, the Board members have given a total of 108,312 share options, of which 33,625 were granted to each Joint CEO and 16,812 to the Chairman of the Board of Directors.

In 2009, no share options have been exercised.

In 2008, the Board members were given a total of 198,625 share options, of which 67,250 were granted to each Joint CEO and 33,625 to the Chairman of the Board of Directors.

In 2008, no share options were exercised.

b. Compensation to key management personnel

Compensation paid to General Directors of the Company and individuals who discharge similar functions, excluding those who are also members of the Board of Directors, is summarized as follows:

Number of persons		Total Compensation (Thousands of euros)	
2009	**2008**	**2009**	**2008**
10	11	5,554	3,816

As far as the number of share options granted to Senior Management is concerned, excluding those managers which are simultaneously members of the Board of Directors, the breakdown at December 31, 2009 and 2008 is as follows:

	2009	**2008**
Option rights granted	78,250	120,300
Total	78,250	120,300

A list of the key management personnel is included in the accompanying management report.

c) Other disclosures on the Board of Directors:

Breakdown of the involvement with companies engaging in similar activities and the directors' involvement in similar activities either on their own or on behalf of others.

In compliance with Article 27 ter. 4 of the Spanish Corporation Law, and regarding GESTEVISION TELECINCO, S.A., we hereby state that Giuseppe Tringali, Paolo Vasile, Giuliano Adreani, José Ramón Álvarez Rendueles, Pier Silvio Berlusconi, Fedele Confalonieri, Ángel Durández Adeva, Marco Giordani, Miguel Iraburu Elizondo, Alfredo Messina, Borja de Prado Eulate, Mr. Massimo Musolino, Mrs. Helena Revoredo, Mr. Mario Rodriguez Valderas members of the Board of Directors of GESTEVISION TELECINCO, S.A. as of 31 December 2009, have not owned and do not own shareholdings in share capital of companies that have a corporate purpose identical, similar or complementary to the activity that constitutes GESTEVISION TELECINCO, S.A.'s corporate purpose.

Mr. Alejandro Echevarría Busquet:

Subsidiary	**Activity**	**Ownership percentage**	**Duties**
Vocento, S.A.	Communication	0.00878 %	-
Sociedad Vascongada de Publicaciones, S.A.	Newspaper publishing	0.1072 %	Board Member
Diario ABC, S.L.	Newspaper publishing	0.0002 %	-

In accordance with the aforementioned text, the following is a schedule of the activities carried out by the Company's Board of Directors at 31 December 2008, either on their own or on others' behalf, in companies engaging in business activities that are identical, similar or complementary to the activity that constitutes the corporate purpose of GESTEVISION TELECINCO, S.A.:

Mr. Alejandro Echevarría Busquet:

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
Diario El Correo, S.A.	Newspaper publishing	Self-employed	-	Board Member
Editorial Cantabria, S.A.	Newspaper publishing	Self-employed	-	Board Member
Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U.	New agency	Self-employed	-	Chairman
Publiespaña, S.A.U.	Advertising agency	Self-employed	-	Chairman

Mr. Paolo Vasile

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
Canal Factoría de Ficción, S.A.U.	Production and distribution of audiovisual products and programs	Company employee	Gestevisión Telecinco, S.A.	Board Member
Publieci Televisión, S.A.	Direct selling of products and services on TV and through other channels	Company employee	Gestevisión Telecinco, S.A.	Board Member
Publiespaña, S.A.U.	Advertising agency	Company employee	Gestevisión Telecinco, S.A.	Board Member
Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U.	New agency	Company employee	Gestevisión Telecinco, S.A.	Board Member
Conecta 5 Telecinco, S.A.U.	Exploitation of audiovisual content on the Internet	Company employee	Gestevisión Telecinco, S.A.	Chairman
Grupo Editorial Tele 5, S.A.U.	Exploitation of rights; production and distribution of publications	Company employee	Gestevisión Telecinco, S.A.	Chairman
Telecinco Cinema, S.A.U.	Television broadcasting services and intermediation in the markets for audiovisual rights	Company employee	Gestevisión Telecinco, S.A.	Chairman

Mr. Giuliano Adreani

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
R.T.I. – Reti Televisive Italiane S.p.A.	Television operator	Self-employed	-	Board Member
Digitalia 08 S.r.l.	Selling of advertising space	Self-employed		Chairman
Publiespaña, S.A.U.	Advertising agency	Self-employed	-	Board Member
Publitalia 80 S.p.A.	Selling of advertising space	Self-employed	-	Chairman and Managing Director

Mr. Pier Silvio Berlusconi

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
R.T.I. – Reti Televisive Italiane S.p.A.	Television operator	Self-employed	-	Chairman/Managing Director
Publiespaña, S.A.U.	Advertising agency	Self-employed	-	Board Member
Publitalia 80 S.p.A.	Selling of advertising space	Self-employed	-	Board Member

Mr. Fedele Confalonieri

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
Publiespaña, S.A.U.	Advertising agency	Self-employed	-	Board Member

D. Giuseppe Tringali:

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
Publitalia 80 S.p.A.	Selling of advertising space	Self-employed	-	Board Member
Publieurope Limited	Selling of advertising space	Self-employed	-	Board Member
Advanced Media, S.A.U.	Carrying out and executing advertising projects	Company employee	Publiespaña, S.A.U.	Joint CEO
Publieci Televisión, S.A.	Direct selling of products and services on TV and through other channels	Company employee	Publiespaña, S.A.U.	Chairman
Publiespaña, S.A.U.	Advertising agency	Company employee	Publiespaña, S.A.U.	Board Member
Publimedia Gestión, S.A.U.	Carrying out and executing advertising projects	Company employee	Publiespaña, S.A.U.	Joint CEO

Mr. Marco Giordani:

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
R.T.I. – Reti Televisive Italiane S.p.A.	Television operator	Self-employed	-	Joint CEO

Mr. Massimo Musolino

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
Canal Factoría de Ficción, S.A.U.	Production and distribution of audiovisual products and programs	Company employee	Gestevisión Telecinco, S.A.	Chairman/Managing Director
Publieci Televisión, S.A.	Direct selling of products and services on TV and through other channels	Company employee	Gestevisión Telecinco, S.A.	Board Member
Publiespaña, S.A.U.	Advertising agency	Company employee	Gestevisión Telecinco, S.A.	Board Member
Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U.	New agency	Company employee	Gestevisión Telecinco, S.A.	Board Member
Conecta 5 Telecinco, S.A.U.	Exploitation of audiovisual content on the Internet	Company employee	Gestevisión Telecinco, S.A.	Board Member
Grupo Editorial Tele 5, S.A.U.	Exploitation of rights; production and distribution of publications	Company employee	Gestevisión Telecinco, S.A.	Joint CEO
Telecinco Cinema, S.A.U.	Television broadcasting services and intermediation in the markets for audiovisual rights	Company employee	Gestevisión Telecinco, S.A.	Joint CEO
Corporación de Medios Radiofónicos Digitales, S.A.	Radio-and television-related activities	Company employee	Gestevisión Telecinco, S.A.	Board Member
Mediacinco Cartera, S.L.	Financial investments	Company employee	Gestevisión Telecinco, S.A.	Chairman
Premiere Megaplex, S.A.	Film distribution	Company employee	Gestevisión Telecinco, S.A.	Board Member

Mr. Mario Rodriguez Valderas

Name	Activity	Arrangement under which the activity is performed	Company through which the activity is carried out	Position held or function discharged
Canal Factoría de Ficción, S.A.U.	Production and distribution of audiovisual products and programs	Company employee	Gestevisión Telecinco, S.A.	Secretary
Grupo Editorial Tele 5, S.A.U.	Exploitation of rights; production and distribution of publications	Company employee	Gestevisión Telecinco, S.A.	Secretary
Mediacinco Cartera, S.L.	Financial investments	Company employee	Gestevisión Telecinco, S.A.	Secretary

In accordance with the above, we hereby state that José Ramón Álvarez Rendueles, Angel Durández Adeva, Miguel Iraburu Elizondo, Alfredo Messina, Borja de Prado Eulate, Helena Revoredo have not and do not carry out activities, either on their own or on others' behalf, in companies engaging in business activities that are identical, similar or complementary to the activity that constitutes GESTEVISIÓN TELECINCO, S.A.'s corporate purpose.

20. Other disclosures

a) *Employees*

				2009
	At year-end			
	Male	**Female**	**Total**	**Average for the Year**
Senior executives	8	2	10	10
Executives	30	17	47	45
Department managers	19	26	45	46
Technical staff	318	145	463	467
Administrative personnel	28	96	124	126
Operators	19	-	19	19
	422	286	708	713

				2008
	At year-end			
	Male	**Female**	**Total**	**Average for the Year**
Senior executives	9	2	11	11
Executives	27	14	41	43
Department managers	21	30	51	52
Technical staff	324	149	473	480
Administrative personnel	29	104	133	135
Operators	21	-	21	23
	431	299	730	744

b) Audit fees

Audit fees of the 2009 financial statements totaled €86 thousand (2008: €86 thousand).

In addition, the fees paid in the year for other services performed by the Company's statutory auditors in 2009 totaled €74 thousand (2008: €208 thousand).

c) Foreign currency

Foreign-currency transactions related to the acquisition of audiovisual property rights and distribution rights totaled $26 million. (In 2008, $22 million)

"Trade receivables" includes €96 thousand denominated in US dollars. (2008: $842 thousand).

In addition, “Plant, property and equipment" payables includes €8,863 thousand, denominated in US dollars (2008: $3,300 thousand).

21. Significant events after the reporting date

After various meetings and negotiations, once its Board of Directors had expressly granted the corresponding approval, "GESTEVISION TELECINCO, S.A. (Telecinco) signed an agreement of terms and conditions (a Term Sheet" or Agreement) with "SOGECABLE, S.A." and its sole shareholder, "PROMOTORA DE INFORMACIONES, S.A. (Prisa). The main aspects of this agreement are as follows:

- Through an exchange of shares Telecinco acquires all the share capital of a newly formed company, which includes the activity of "Cuatro" (SOGECABLE's open TV channel) in addition to a 22% ownership interest in Digital Plus.
- Prisa receives:
  - Newly issued Telecinco shares which, after the capital increase described below, will be equivalent to 18.3% of Telecinco's share capital. These shares are valued at approximately €550 million based on the average quoted price during the 30 days prior to the signing of the agreement.
  - A cash payment of up to €500 million.
- To finance the transaction and strengthen its financial position, Telecinco will carry out a capital increase of approximately €500 million with pre-emptive subscription rights. Mediaset has acquired the commitment to subscribe all its alloted shares and the remaining portion of the capital increase is fully underwritten by a bank syndicate led by Mediobanca and J.P. Morgan (the banks acting as joint global coordinators and book runners), which will include BBVA and Banca Imi (acting as lead managers and book runners). The terms of the capital increase will be established when it is carried out.
- Prisa will have representation on Telecinco's Board of Directors in proportion to its ownership interest. Telecinco will likewise have representation on the Board of Directors of Digital Plus in line with its ownership interest in that company. In addition, the companies have agreed a series of matters related to their various businesses.
- The agreement is subject to the fulfillment of certain conditions, which include, inter alia, the verification of a legal, financial and tax review (due diligence confirmation), the negotiation and formalization of the definitive documentation, the obtainment of the pertinent legal and competition authorizations, and the approval of the competent governing bodies at each company of the aforementioned transactions contained in the agreement.

Read with the attached Notes.

Madrid, 24 February 2010.

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Alejandro Echevarría Busquet	Mr. Giuseppe Tringali	Mr. Paolo Vasile	Mr. Giuliano Adreani	Mr. José Ramón Álvarez Rendueles
(signed on the original in Spanish)	(Absent)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Massimo Musolino	Mr. Pier Silvio Berlusconi	Mr. Fedele Confalonieri	Mr. Ángel Durández Adeva	Mr. Marco Giordani

(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)	(signed on the original in Spanish)
Mr. Miguel Iraburu Elizondo	Mr. Alfredo Messina	Mr. Borja de Prado Eulate	Mr. Mario Rodriguez	Mrs. Helena Revoredo

BUSINESS ENVIRONMENT

Any attempt to put the corporate situation into context is inextricably linked to analysis of the global economic recession. The severe consequences of the crisis tested the very foundations of the world's economies, with markets falling more than at virtually any time in history barring possibly the 1929 crash. Consumption and investment took a nosedive, while the financial sector turmoil seriously undermined the economic prospects of businesses and families across the globe.

Because of the global economic crisis, unemployment is the most lasting evidence of the economic recession and jobless numbers are likely to remain high in 2010, above all in Spain. Meanwhile, some economies, such as the US, expect unemployment rates to begin easing in the year's second half.

By contrast, other global economic indicators herald a tenuous recovery, mainly underpinned by divergent domestic forecasts in western nations. The IMF and OECD are starting to tout the economic rebound as a stable trend, but tempered by the sluggish performances of domestic economies and businesses that have yet to remedy their financial problems or prune their burgeoning debt levels.

In short, economic activity looks set to remain lacklustre, although the global economic outlook is now showing signs of improving: steady reduction in inflation and moderate rebound in economic activity, jumpstarted by government stimulus packages and intervention in financial markets.

Like the year before, but probably more so given the scale of the slowdown, 2009 was marked by economic recession and the now commonplace declines in consumption and investment.

Given the close relationship between consumption and advertising spend, it was easy to predict that the audiovisual industry would suffer severely during the recession. To be sure, investment in TV advertising continues to plunge, falling an estimated 23.2% in 2009.

As a result, Telecinco was faced with the same challenge as the year before; i.e. the need to tailor its business model to objective market conditions so that it can remain the leading private network.

In this respect, Telecinco should be able to cope, thanks to a business model predicated on efficient, flexible and innovative management of its advertising share and a programming that includes classic programming, with solid earnings, but is constantly adapting to other formats demanded by its audience.

The steady rollout of DTT (digital terrestrial television) has led to a more fragmented TV market, bringing a host of new competitors to the industry. In this setting, it Telecinco wants to remain among the leaders, its needs to react to the new paradigm by diversifying.

Spain

Bank of Spain reports indicate that the Spanish economy continued to contract sharply in 2009, with the recession hitting its peak in the year's first quarter. By the year-end, GDP was still falling, but not as fast.

The numbers paint a picture where recovery would be tantamount to a slight improvement in measured growth rates (in terms of GDP).

Domestic demand, undermined by the fall in business and household consumption, is holding up partly thanks to public administrations and some stimulus measure, e.g. direct aid for automobile purchases.

On the supply side, the drop in consumption had a ripple effect across all productive sectors, especially industry and construction. All this triggered job losses, especially in the early months of the year.

The Spanish monetary authority says that the global economic and financial situation has improved over the last few quarters, but that some areas and countries are rebounding faster than others are. Specifically, forecasts suggest that the economy will fare better than in 2009, but that growth will not top 2% until well into 2011.

Turning to the TV industry, the government has adopted far-reaching measures, such as the elimination of commercial advertising on RTVE as a source of financing, and the possibility of M&A between TV networks. Advertising sales prices have fallen over the last few years, but with RTVE no longer airing commercials, Telecinco possibly has a chance to raise its prices. In fact, prices have begun inching back up since this legislation was enacted. The second government initiative, within the framework of Law 7/2009 on urgent telecommunications measures, was to allow alliances so networks could compete efficiently in the new TV environment.

In short, the global and Spanish economic backdrop, coupled with new legislation makes for a particularly complicated and competitive environment in the communications industry in which Telecinco operates.

The Spanish advertising market

Although final figures are still out, TV advertising revenue fell an estimated 23% in 2009. Despite the magnitude of the fall, it marks an improvement from the nearly 30% year-on-year decline seen in the first nine months of the year.

Broad media industry trends show far larger declines in investment in conventional than unconventional media. In conventional media, TV networks delivered worse advertising investment numbers than newspapers; advertising spend in newspapers not only fell slower, but improved in percentage terms from 2008. Internet was the only unconventional media that maintained advertising revenue, while readings were terrible for investment in other media such as magazines and cinema.

In this setting, fragmentation has been a structural feature of the TV market in recent years. This has serious implications on the fragmentation of the advertising market, as broadcasters must decide where to invest. On top of the fragmentation of advertising spend between conventional and unconventional media, the arrival of new digital channels has led to a more scattered viewer audience.

The elimination of advertising on public networks as of 1 January 2010 provided Telecinco, as Spain's leading private network, a strategic opportunity to raise its advertising sales prices and boost its advertising revenue.

TELECINCO: CURRENT SITUATION AND OUTLOOK

Since the advent of DTT, fragmentation has been a key driver of the new TV media makeup. That said, the analogue blackout, which started on 30 June 2009, alongside the start of the digital era have led to a much broader TV offering, something which viewers certainly appreciate.

DTT now accounts for over half the minutes of viewing. Telecinco leads with way, with a 13.7% share, ahead of all the other public and private networks in Spain. Telecinco began broadcasting in digital in August 2009, achieving 74.7% penetration of Spanish households. Its strategy has made it leader in the multichannel and commercial environment. Looking at the ratios achieved in January 2010, Telecinco looks poised to be the leader once again this year.

In traditional TV, Telecinco is still the most watched private network, with a 15.1% share. By audience group, Telecinco is the channel women and "young, independent viewers" watch most. By region, Telecinco is the number one channel in Catalonia, the Canary Islands and the Basque Country. By time slot, it tops the ranks in late night viewing.

Telecinco is the only one of the three main free-to-air networks to increase its audience share in 2009, posting a 2.6% increase between the first and last quarters of the year.

Amid the fragmented audiovisual industry, a new legislative initiative has paved the way for mergers among TV networks. A case in point is the framework agreement entered into between Telecinco and Prisa. According to the terms of this agreement, Telecinco will acquire, through a share swap, all the shares of a company that will be set up to oversee the business of Cuatro (Sogecable, S.A.'s free-to-air TV broadcaster) in addition to a 22% stake in Digital Plus. In exchange, Prisa will receive EUR 500 million in cash and newly issued Telecinco shares which, after the capital increase described below, will represent an 18.3% stake in Telecinco. This agreement will boost Telecinco's share of the TV advertising market to 45%. Before this agreement can be executed, a series of milestones must be achieved; e.g. completion of confirmatory due diligence, signing of the final documentation and approval from the anti-trust authorities.

Telecinco also has the advantage of a sustainable business model. While the economic turmoil and the crisis in advertising revenue have been much harsher on some companies, Telecinco's solid business model, underpinned by efficient cost control, has enabled the company to stay in the black despite the fall in consumption and plunge in media advertising spend.

The tenuous signs of global economic recovery -sooner or later this should feed through to Spain, but it is anyone's guess as to when- the decision by RTVE not to broadcast commercials, the resilience of TV consumption and Telecinco's leadership in both audience and advertising sales prices all bode well for

Telecinco to increase revenue and margins. However, much will depend on whether the Spanish economy definitely recovers.

Telecinco's main financial indicators in 2009 indicate how despite the adverse economic environment in which the network carried out its business, it was still able to present an excellent set of earnings at group level:

- Operating income for the Group totalled EUR 543.6 million. This was 34.5% lower than in 2008, mainly because of the plunge in advertising spend caused by the dire economic situation, yet Telecinco was once again the leader in TV advertising in Spain, with a share of over 26% of the total.

- Operating expenses amounted to EUR 473.2 million, improving 11.8% from the year before. Stripping out the reversal of provisions set up in the year, costs were 6.5% lower, reflecting the Company's customary ability to clamp down on expenditure even in a fiercely competitive market.

- Profit from operations amounted to EUR 70.5 million, which was equally noteworthy considering the circumstances surrounding the market in the year, leaving an operating margin of 12.9%. Net profit attributable to shareholders of the parent came to EUR 68.5 million.

Investment in 2009

In 2009, Telecinco forged ahead with its policy of investing in audiovisual broadcasting rights, which has proven so successful in recent years, selecting carefully the types of content in order to maintain audience figures in the future and provide the most fertile ground for the advertising business. The Company placed special emphasis once again on investment in Spanish fiction series.

Worth highlighting were the activities undertaken by Telecinco Cinema, the company charged with film production under the legal requirement of TV concessionaires to earmark 5% of operating revenue to Spanish and European film production.

Telecinco views this legal requirement, which will remain in place with the new audiovisual law, as a commitment to develop Spanish cinema. In line with this commitment, the Company produced pictures like Alejandro Amenábar's "Ágora," the Spanish box office hit of the year, with EUR 21 million in ticket sales.

Other noteworthy films produced by Telecinco include “Celda 211,” with gross ticket sales of over EUR 12 million, and “Spanish Movie,” with over EUR 7.5 million. In all, new films by Telecinco represented 39% of all Spanish films watched by moviegoers in Spain in 2009. As for awards, “Celda 211” and “Agora” won 15 of the 28 Goya film awards. They also participated and garnered recognition in leading international film festivals, such as Cannes, Venice and Toronto.

In addition to these hits, Telecinco Cinema produced films in 2009 that will be shown in 2010, such as: “El Mal Ajeno”, featuring Eduardo Noriega and Belén Rueda, selected to participate in the Berlin film festival; “Verbo” starring Miguel Angel Silvestre; or “Rabia,” produced by Guillermo del Toro and chosen to participate in a number of film festivals around the world, including Tokyo (where it won a special jury prize), Havana, Toronto, Hong Kong and Malaga.

Looking ahead to 2010, Telecinco has a number of production projects of varying size and importance in the pipeline. Other productions include the next big budget film by Juan Antonio Bayona, director of blockbuster “El Orfanato” (also produced by Telecinco), which will feature a leading international cast. Projects currently in the production stage include “No habrá paz para los malvados,” directed by Enrique Urbizu and starring José Coronado; “Agnosia,” directed by Eugenio Mira and starring Eduardo Noriega; and “Lo mejor de Eva,” directed by Mariano Barroso and starring Miguel Angel Silvestre.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

Good practice in corporate governance means establishing rules, principles and incentives at companies that help safeguard the interests of the company and its shareholders, and guarantee greater transparency in management.

The main measures adopted by Telecinco in the field of corporate governance since 2006 are as follows:

Amendments of the rules governing the organisation and operation of the main management bodies. Specifically, amendments have been made to article 9 of the Company’s bylaws, four articles in its General Shareholders’ Meeting regulations and 18 articles in the Regulations of the Board of Directors. In addition, the Company drafted an Internal Code of Conduct for Gestevisión Telecinco, S.A and its Group of Companies governing their activities on the stock markets.

Revision of the composition of the Board of Directors and the board committees to increase the percentage of independent directors. Meanwhile, the Audit and Compliance Committee and the Appointments and Remuneration Committee are chaired by independent directors.

Increase in the number of women directors, reflecting the network’s commitment to gender equality.

Continued detailed information on remuneration paid to directors in the Company’s annual financial statements, as well as in the Annual Corporate Governance Report and the Report on the Directors’ Remuneration Policy.

Verification of the Corporate Governance Report by an independent audit (PricewaterhouseCoopers).

The Company's efforts in 2009 were acknowledged by Observatorio de Responsabilidad Social Corporativa, a Spanish corporate social responsibility organisation, which rated Telecinco top among IBEX-35 companies in a study of corporate governance compliance. The network was rated highly for its efforts in transparency and the degree of compliance with the Unified Code Recommendations.

Telecinco is aware of the social impact of its actions. This awareness is all the more important at Telecinco as a mass media, prompting the network to spearhead a variety of initiatives, such as the "12 meses, 12 causas" (12 months, 12 causes) project to make the network's viewers more aware of a series of issues. The program entails a monthly spot and a web platform through the www.12meses12causas.com webpage, which encourages community interaction and awareness of younger people.

Internally, Telecinco also remains firmly committed to the training and career development of its employees.

RESEARCH AND DEVELOPMENT

Telecinco's biggest investments go to the current and future content broadcast by the Group. Telecinco does not have a specific R&D department, although innovation is still a crucial area of future development.

EVENTS AFTER THE REPORTING PERIOD

The main events occurring between the end of the reporting period and the date of authorisation for issue of the financial statements are those discussed in the related Note to the financial statements.

TREASURY SHARES

In 2009, pursuant to the authorisation granted at the Annual General Meeting, the Company acquired treasury shares to cover the share option plan still in effect for Group directors and key management.

During the year, the Company acquired a total of 445,374 shares representing 0.18% of share capital for a nominal amount of EUR 2.9 million.

At year-end, the Company held 3,552,287 shares with a nominal value of EUR 60,7 million, representing 1.44% of share capital.

HEDGING

The Company arranges foreign exchange hedges in connection with transactions (primarily the acquisition of external production rights) denominated in foreign currency. These hedges are designed to prevent exchange-rate fluctuations from impacting the income statement via the outstanding amounts payable on these transactions. Specifically, the Company buys foreign currency forward for the amounts payable so as to match the forecast payment dates. These hedges are arranged when the Company recognises the corresponding rights on the balance sheet.

CAPITAL STRUCTURE

The Company's share capital totals EUR 123,320,928, made up of 246,641,856 shares of the same class represented by book entries and with a par value of EUR 0.50 each.

The Company's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. The ISIN code is ES0152503035.

Gestevisión Telecinco, SA is a member of the IBEX 35 index since 3 January 2005.

RESTRICTIONS ON THE TRANSFER OF SECURITIES

There are no restrictions on the transfer of the shares except as provided in article 21 of Spain's Private Television Law, 10/1988, of 3 May, pursuant to which:

1. Any individuals or legal entities intending to directly or indirectly acquire a significant ownership interest in the share capital of a concession holder shall give prior notification to the Ministry of Infrastructure and Development, indicating the percentage of the aforementioned ownership interest, the terms and conditions of the acquisition and the deadline for the transaction. A significant ownership interest in a concession holder of an essential television service shall be deemed to be a direct or indirect holding of at least five per cent of the share capital or of the voting rights attaching to the entity's shares.

2. The Ministry of Infrastructure and Development shall also be notified, in accordance with paragraph 1, of the intention to directly or indirectly increase the ownership interest so that the percentage ownership of the share capital or voting rights is equal to or exceeds any of the following thresholds: 5, 10, 15, 20, 25, 30, 35, 40 or 45 per cent.

3. The Ministry of Infrastructure and Development shall have three months from the date of entry of the related notification in any of the Department's registers to notify the acceptance or rejection of the intended acquisition. Acquisitions may be ruled out based on the lack of transparency of the structure of the group to which the acquirer may ultimately belong or on the existence of relations between the person or entity that intends to acquire the ownership interest and another concession holder of an essential television service that may breach the principle of non-concentration of media that underpins this Law.

4. The acquisition must be completed within a month of the aforementioned acceptance.

5. The provisions of this article shall apply without prejudice to the regulations governing significant ownership interests established in Securities Market Law 24/1988, of 28 July.

6. After the acquisition has been closed subject to the prior notification procedure provided for herein, the acquirer shall inform the Ministry of Infrastructure and Development, which shall file it in the Special Register of Concession Holders. In order for the registration to be completed, the seller shall also notify the Ministry of Infrastructure and Development of all transfers of shares by the concession holder which may result in a reduction of the ownership percentages below the thresholds established in paragraph 2 above.

Notifications of acquisitions or transfers in accordance herewith shall be made within a month of the related event.

SIGNIFICANT SHAREHOLDINGS

In so far as Telecinco's shares are represented via the book entry system, the shareholder register is managed by a third party entity, so that it is not possible to provide the Company's ownership structure in greater detail than disclosed legally-prescribed significant interests, which at the date of authorising this report for issuance, were as follows:

Name	% direct shareholding	% indirect shareholding	% of total
BERLUSCONI ,SILVIO	0	24.430	24.430
MEDIASET INVESTIMENTI S.P.A.	50.100	0.000	50.100
TWEEDY BROWNE COMPANY LLC	0.000	5.291	5.291
TWEEDY BROWNE GLOBAL VALUE FUND	3.150	0.000	3.150
HARRIS ASSOCIATES L.P.	0.000	5.159	5.159

RESTRICTIONS ON VOTING RIGHTS

There are no legal or bylaw stipulated restrictions on exercising voting rights. Each share carries one vote.

SHAREHOLDER AGREEMENTS

There are no shareholder agreements currently in force.

RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF DIRECTORS AND THE AMENDMENT OF THE COMPANY´S BYLAWS

A. Appointment and removal of directors.

Article 41 of the Company bylaws:

1. Directors shall be appointed pursuant to a resolution of the shareholders at the General Meeting, adopted in accordance with the requirements of article 102 of the Spanish Corporation Law.

2. Notwithstanding the foregoing, the designation of directors through the proportional system referred to in article 137 of the Spanish Corporation Law is duly safeguarded.

3. In the event of a vacancy during the term for which the directors were appointed, the Board may co-opt a shareholder to occupy the position until the earliest General Meeting.

Article 54 of the Company bylaws:

1. Directors shall be appointed for a period of five years and may be re-elected for one or more subsequent terms of equal length. The appointment shall lapse at the end of the term once the subsequent General Meeting has been held or at the end of the legal term established for calling the Annual General Meeting.
2. The appointment of directors designated by cooptation shall be deemed to have been made and the directors shall exercise their functions up to and including the date of the next General Meeting, without prejudice to the shareholders' powers of ratification at the General Meeting.
3. Independent directors may exercise their functions for a maximum period of twelve (12) years and may not be re-elected after such period except subject to a favourable report by the Appointments and Remuneration Committee.

Article 55 - Removal of directors

1. Directors shall cease to hold office when so determined at the General Meeting, when they notify the Company of their resignation or decision to stand down or when the term for which they were appointed elapses. In the latter case, the resignation shall be effective from the date of the earliest General Meeting.
2. Directors shall tender their resignation to the Board of Directors and the Board shall accept their resignation if deemed appropriate in the following situations: (a) when they reach the age of 70; (b) when they retire from the executive positions to which their appointment as directors was associated; (c) when they are involved in any applicable situations of incompatibility or prohibition; (d) when they have been seriously reprimanded by the Appointments and Remuneration Committee for having infringed their duties as directors; and (e) when their continuity as directors jeopardises the Company's interests or adversely affects its prestige and reputation or when the reasons for which they were appointed cease to exist (e.g. when proprietary directors dispose of their ownership interest in the company).
3. Directors who stand down from the Board prior to the end of their mandate must submit a letter to all the members of the Board explaining the reasons for vacating office. The Company shall also notify the Spanish National Securities Market Commission (CNMV) of the resignation in a significant event filing and explain the reasons in the annual Corporate Governance Report.

B. Amendments to the Company's bylaws.

Article 34.- Adoption of resolutions

1. Resolutions shall be adopted at Annual General Meetings or at Extraordinary General Meetings with the majorities required under the Spanish Corporation Law. Every voting share present or duly represented at the General Meeting shall carry one vote.

2. The majority required to approve resolutions shall be one half plus one of the voting shares present or duly represented at the General Meeting, except for the instances stipulating larger majorities, provided for in Law or these bylaws.

POWERS OF DIRECTORS AND, SPECIFICALLY, POWERS TO ISSUE OR BUY BACK SHARES

These powers are regulated firstly in the Company's bylaws and secondly in the internal code of conduct.

A. Article 37 of the bylaws regulates management and supervisory powers as follows:

1. Except for matters reserved solely to General Meeting, the Board of Directors is the Company's highest decision-making body.

2. The Board of Directors has all the powers required to manage the Company. However, the management of the Company's ordinary business shall generally be entrusted to the steering committees and to the management team and the Board of Directors shall focus on establishing the Company's general strategy and exercising general supervisory functions. In any case, decisions on the following matters are the exclusive reserve of the Board of Directors and may not be delegated:

a) Authorisation for issue of the financial statements, management report and proposed distribution of profit and the consolidated financial statements and Group management report.

b) Appointment of directors by co-optation and proposals to the General Meeting for the appointment, ratification, re-election or removal of directors.

c) Designation and re-election of internal positions on the Board of Directors and members of committees.

d) Establishment of the remuneration of the members of the Board of Directors, to be proposed by the Appointments and Remuneration Committee.

e) Payment of interim dividends.

f) Announcements relating to any takeover bids launched for the securities issued by the Company.

g) Approval and amendment of the Board of Directors' Regulations governing internal organisation and functions.

h) Authorisation for issuance of the annual Corporate Governance Report.

i) Exercise of the powers delegated by the shareholders in general meeting when powers of substitution have not been established and the performance of any duties entrusted by the shareholders in general meeting.

j) Conclusion of any agreement or establishment of any legal relationship between the Company and any shareholders (or companies belonging to the same group as the shareholder) with ownership interests of over five per cent and of an amount in excess of EUR 13,000,000.

k) Conclusion of any agreement or establishment of any legal relationship between the Company and any third party valued at over EUR 80,000,000.

l) Approval of annual budgets and, if applicable, strategic plans.

m) Oversight of investing and financing policy.

n) Oversight of the shareholder structure of the Telecinco Group.

o) Approval of corporate governance policy

p) Oversight of corporate social responsibility policy.

q) Approval of the remuneration policy for executive directors for their executive functions and the main terms that their contracts must fulfil.

r) Performance evaluation of the Company's executive directors.

s) Monitoring, following a prior report of the Audit and Compliance Committee, of the risk control and management policy and the internal information and control systems.

t) Approval of Company policy on treasury shares.

u) Staying abreast of the removal and appointment of senior executives and their contract terms.

v) Approval at the proposal of the Audit and Compliance Committee, of the financial information that the Company must publish periodically.

w) Approval of the creation or acquisition of ownership interests in special-purpose entities or companies domiciled in countries or territories considered to be tax havens and any transactions or operations of a similar nature which, due to the complexity thereof, may adversely affect the Group's transparency.

x) Authorisation, following a favourable report of the Audit and Compliance Committee, of the related-party transactions that Telecinco may perform with directors or persons related to the directors or to significant shareholders, except for those which fulfil the following conditions: (i) they are applied en masse to a group of customers and in accordance with standard terms and conditions, (ii) they are performed at prices established in general terms by the supplier of the service or on an arm's length basis, (iii) the related amount does not exceed 1% of Telecinco's annual revenue. The directors affected by related-party transactions which, due to the nature thereof, are subject to vote by the Board of Directors shall not attend the meeting and may not vote or delegate their vote.

y) Any other matters that the Board of Directors Regulations reserve for handling by the Board in full.

The powers reserved for the Board of Directors, except those that legally or statutorily cannot be delegated, are vested in the Executive Committee and the two chief executive officers, Paolo Vasile and Giuseppe Tringali.

B. Section 9 of the in-house Code of Conduct of Gestevisión Telecinco, S.A. and its Group governing its dealings in the securities markets sets out the rules applicable to transactions in treasury shares, specifically providing the following:

9.1. *Definition of treasury share transactions falling under the remit of the securities market code of conduct*

Transactions with treasury shares shall be deemed to be those engaged in with shares issued by Telecinco Group companies and derivative instruments whose underlying is the aforementioned shares.
These transactions may be undertaken:

- Directly by the Company or by other Telecinco Group companies.
- Indirectly, through third parties with an explicit or implicit mandate.
- By third parties without a mandate but acting to the same end.

9.2. *Policy on treasury shares*

Within the scope of the authorisation given at the General Meeting, the Company's Board of Directors shall be responsible for drawing up specific plans for the acquisition or disposal of treasury shares.

9.3. *General principles guiding trading in treasury shares*

Trading in treasury shares shall conform to the following principles:

9.3.1. Compliance with regulations

All Affected Persons are obliged to know and comply with the applicable internalregulations and procedures.

9.3.2. Purpose

The overriding objective of trading in treasury shares is to provide investors with the adequate market liquidity and depth for its securities and to minimise any possible temporary imbalances arising between market demand and supply. Under no circumstances shall trading be engaged in with a view to intervening in the free formation of prices.

9.3.3. Transparency

Transparency in dealings with the stock exchange supervisory and regulatory bodies in connection with treasury share transactions shall be monitored.

9.3.4. Insider information

Under no circumstances may persons who have had access to insider information on the related securities and instruments trade in treasury shares.

9.3.5. Neutrality in price formation

Intervention shall be neutral and under no circumstances may a dominant position be held in the market.

9.3.6. Brokerage

The Telecinco Group companies shall channel all trading in Company shares through a limited number of market members. Prior to any trading the Company shall inform the CNMV in a confidential manner of the designated member and also of any replacement thereof. In the event that a framework agreement is executed with any market member governing treasury share dealing, a confidential copy thereof shall be furnished to the CNMV and to the stock exchange governing bodies.

9.3.7. Counterparty

The Telecinco Group companies shall refrain from buying or selling Company shares where the counterparty is any of the following persons or entities: (i) Telecinco Group companies, (ii) the directors thereof, (iii) their significant shareholders, or (iv) interposed persons of any of the above. Similarly, the Telecinco Group companies may not simultaneously hold purchase and sale orders for Company shares.

9.3.8. Restrictions

Trading in Company shares shall not be engaged in during processes related to public offerings, takeover bids, mergers or other similar corporate operations unless expressly provided for in the prospectus for the transaction in question. The Company shall also refrain from trading in treasury shares during the closed periods established in article 4.3.4 of the Code of Conduct.

9.3.9. Amendment

In the event of the urgent need to protect the interests of the Telecinco Group and its shareholders, the chief executive officer or the director of regulatory compliance may agree to temporarily amend or suspend the application of the foregoing regulations, of which the Board of Directors and the CNMV shall be informed.

9.4. *Stock option plans*

Notwithstanding the foregoing, the rules established in articles 9.1 to 9.3 of the Code shall not apply with respect to the acquisition of treasury shares to be subsequently granted to the beneficiaries of the Company's stock option plans approved by the Board of Directors or to the other trading in treasury shares entered into by the Company within the framework of a share buyback program. The aforementioned transactions shall be executed taking into account the particular characteristics thereof, the manner and the specific features established by the Board of

Directors when approving the plans, which shall comply with the conditions established in the regulations implementing article 81.4 of the Securities Market Law.

9.5. *Designation and functions of the department responsible for the management of treasury shares*

The Management Control Department shall be responsible for managing treasury shares.

9.5.1. Special duty of confidentiality

The persons that form part of the Management Control Department assume special confidentiality commitments with respect to treasury share strategy and trading.

9.5.2. Duties

The Department shall be responsible for:

a) Managing the treasury shares in accordance with the general principles established in the Code of Conduct and those determined by the Telecinco Group's managing bodies.

b) Overseeing the performance of the Telecinco's shares and informing the director of regulatory compliance of any significant changes in the share price which cannot reasonably be attributed to market movements.

c) Keeping a record of all treasury share trades ordered and executed for consultation by the director of regulatory compliance, the Board of Directors or any other persons designated by the Board.

d) Establishing relationships with any supervisory bodies as necessary to correctly comply with the provisions of this Code.

e) Preparing a report on the Department's activities quarterly or whenever so required.

f) Notifying the director of regulatory compliance of any significant incident arising from the management of the treasury shares.

SIGNIFICANT AGREEMENTS THAT WOULD COME INTO FORCE, BE AMENDED OR EXPIRE IN THE EVENT OF A CHANGE OF CONTROL AT THE COMPANY

There are no significant agreements subject to a change in control at the Company.

AGREEMENTS BETWEEN THE COMPANY AND ITS DIRECTORS AND MANAGERS THAT PROVIDE FOR SPECIAL INDEMNITIES

The following table itemises the only instances of special indemnification schemes outstanding between the Company and its directors and managers.

Position	Guarantee or golden parachute clause
General Manager	Termination of contract by the Company (except for just cause): (in replacement of legally prescribed severance, unless the latter is higher) Termination between 24/04/02 and 31/12/07: 24 months' salary Termination between 2008 and 2011: 18 months' salary Termination thereafter: 12 months' salary
General Manager	Severance scheme: a) Voluntary redundancy: accrual per annum: fixed annual salary+annual bonus/13.5, so that total compensation is equivalent to the total years worked. b) Justified or unjustified dismissal: legally prescribed severance + severance set out in a) above
Division Manager	Termination of contract by the Company (except in case of just cause): An indemnity of one year of gross fixed salary plus legally prescribed severance.
Manager	Termination of contract for reason attributable to the Company (except in case of just cause): 18 months of fixed salary (including legally prescribed severance).

Gestevisión Telecinco, S.A.

2009 Management report for the year ended December 31,2009