

Antena 3 de Televisión, S.A.

Financial Statements and
Directors' Report for 2012,
together with Auditors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 24). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 24). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Antena 3 de Televisión, S.A.:

We have audited the financial statements of Antena 3 de Televisión, S.A., which comprise the balance sheet at 31 December 2012 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying financial statements for 2012 present fairly, in all material respects, the equity and financial position of Antena 3 de Televisión, S.A. at 31 December 2012, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

The accompanying directors' report for 2012 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2012. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.

Registered in ROAC under no. S0692

Jesús Mota Robledo

27 February 2013

Antena 3 de Televisión, S.A.

Financial Statements for the year ended
31 December 2012

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 24).
In the event of a discrepancy, the Spanish-language version prevails.

ANTENA 3 DE TELEVISIÓN, S.A.

BALANCE SHEET AT 31 DECEMBER 2012

(Thousands of euros)

ASSETS	Notes	2012	2011	EQUITY AND LIABILITIES	Notes	2012	2011
NON-CURRENT ASSETS		661,935	231,805	EQUITY		308,313	262,172
Intangible assets	6	82,835	5,573	SHAREHOLDERS' EQUITY-	14		
Licences and trademarks	5 & 6	76,287	-	Share capital		207,604	158,335
Computer software		6,548	5,573	Registered share capital		169,300	158,335
Property, plant and equipment	7	47,540	50,805	Share premium		38,304	-
Land and buildings		26,439	28,179	Reserves		142,521	140,955
Plant and other items of property, plant and equipment		20,291	22,450	Legal and bylaw reserves		40,281	40,281
Property, plant and equipment in the course of construction		810	176	Other reserves		102,240	100,674
Non-current investments in Group companies and associates	9.3 & 21	211,746	133,053	Treasury shares		(99,453)	(87,861)
Equity instruments		74,445	13,207	Other equity instruments		42,643	-
Loans to companies		137,301	119,846	Prior years' losses		-	(2,644)
Non-current financial assets	9.1	16,385	733	Profit for the year		35,862	96,184
Other financial assets		16,385	733	Interim dividend		(21,352)	(43,734)
Deferred tax assets	18	303,429	41,641	VALUATION ADJUSTMENTS-			
				Hedges		488	937
CURRENT ASSETS		478,016	599,265	NON-CURRENT LIABILITIES		91,800	256
Non-current assets held for sale	12	2,000	-	Non-current payables	16.1	68,914	256
Inventories	13	249,151	211,105	Derivatives	11	197	-
Programme rights		216,937	175,908	Non-current payables to Group companies and associates	21.2	68,534	2
Raw and other materials		2,921	2,595	Other financial liabilities		183	254
Advances to suppliers		29,293	32,602	Deferred tax liabilities	18	22,886	-
Trade and other receivables		190,184	131,787	CURRENT LIABILITIES		739,838	568,642
Trade receivables for sales and services		3,986	6,259	Short-term provisions	15	41,692	31,540
Receivable from Group companies and associates	21.2	180,797	120,668	Bank borrowings	16.2	137,388	86,442
Sundry accounts receivable		2,187	3,395	Financial derivatives	11	485	46
Employee receivables		117	147	Current payables to Group companies and associates	21.2	83,190	153,329
Current tax assets	18	3,097	1,318	Trade and other payables		476,607	296,963
Current investments in Group companies and associates	21.2	30,487	245,303	Payable to suppliers		326,454	261,432
Loans to companies		30,487	245,303	Payable to suppliers - Group companies and associates	21.2	124,719	14,124
Current financial assets	9.2	2,454	3,127	Sundry accounts payable		139	42
Derivatives	11	1,245	2,264	Remuneration payable		17,445	13,532
Other financial assets		1,209	863	Other accounts payable to public authorities	18	7,146	6,934
Current prepayments and accrued income		-	81	Customer advances		704	899
Cash and cash equivalents		3,740	7,862	Current accruals and deferred income		476	322
Cash		3,740	862				
Cash equivalents		-	7,000				
TOTAL ASSETS		1,139,951	831,070	TOTAL EQUITY AND LIABILITIES		1,139,951	831,070

The accompanying Notes 1 to 24 are an integral part of the balance sheet at 31 December 2012.

ANTENA 3 DE TELEVISIÓN, S.A.

INCOME STATEMENT FOR 2012

(Thousands of euros)

	Notes	2012	2011
CONTINUING OPERATIONS			
Revenue	20.1	574,109	614,805
Advertising revenue		574,109	614,805
Procurements	20.2	(400,534)	(333,412)
Programme amortisation and other		(598,249)	(537,731)
Cost of raw materials and other consumables used		(979)	(1,666)
Inventories		198,694	205,985
Other operating income		18,194	18,648
Non-core and other current operating income/Other services		18,194	18,648
Staff costs		(58,594)	(71,737)
Wages, salaries and similar expenses		(50,611)	(61,297)
Employee benefit costs	20.3	(7,983)	(10,440)
Other operating expenses	20.4	(128,153)	(143,094)
Outside services		(128,458)	(144,068)
Taxes other than income tax		(810)	(1,332)
Losses on, impairment of and change in allowances for trade receivables		1,115	2,306
Depreciation and amortisation charge	6 & 7	(12,582)	(11,514)
Excessive provisions	15	550	23,574
Impairment and gains or losses on disposals of non-current assets	7	37	81
Gains or losses on disposals and other		37	81
PROFIT (LOSS) FROM OPERATIONS		(6,973)	97,351
Finance income	20.5	27,849	22,519
From investments in equity instruments	9.3	26,356	19,510
- Group companies and associates	21.1	26,356	19,510
From marketable securities and other financial instruments		1,493	3,009
- Group companies and associates	21.1	1,289	2,837
- Third parties		204	172
Finance costs	20.5	(10,014)	(6,066)
On debts to Group companies and associates	21.1	(2,303)	(1,138)
On debts to third parties		(7,711)	(4,928)
Changes in fair value of financial instruments		4,932	2,428
Held-for-trading financial assets/liabilities and other		4,932	2,428
Exchange differences	19	4,089	(3,497)
Impairment and gains or losses on disposals of financial instruments	9.3	(5,483)	(8,759)
Impairment and other losses		(6,664)	(8,759)
Gains or losses on disposals and other		1,181	-
FINANCIAL PROFIT		21,373	6,625
PROFIT BEFORE TAX		14,400	103,976
Income tax	18.4	21,462	(7,792)
PROFIT FOR THE YEAR		35,862	96,184

The accompanying Notes 1 to 24 are an integral part of the income statement for 2012.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 24). In the event of a discrepancy, the Spanish-language version prevails.

ANTENA 3 DE TELEVISIÓN, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2012

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Thousands of euros)

	2012	2011
PROFIT PER INCOME STATEMENT (I)	35,862	96,184
Income and expense recognised directly in equity:		
- Arising from cash flow hedges	(631)	(233)
- Tax effect	189	70
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	(442)	(163)
Transfers to profit or loss:		
- Arising from cash flow hedges	(10)	294
- Tax effect	3	(88)
TOTAL TRANSFERS TO PROFIT OR LOSS (III)	(7)	206
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	35,413	96,227

The accompanying Notes 1 to 24 are an integral part of the statement of recognised income and expense for 2012.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 24). In the event of a discrepancy, the Spanish-language version prevails.

ANTENA 3 DE TELEVISIÓN, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2012

B) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousands of euros)

	Share capital	Share premium	Reserves	Interim dividend	Treasury shares	Profit for the year	Other equity instruments	Valuation adjustments	Total equity
BEGINNING BALANCE AT 01/01/11	158,335	-	136,745	(40,111)	(78,650)	91,818	-	894	269,031
Total recognised income/(expense)	-	-	-	-	-	96,184	-	43	96,227
Distribution of profit									
Interim dividends paid	-	-	-	(43,734)	-	-	-	-	(43,734)
Prior year's dividends paid	-	-	-	-	-	(50,141)	-	-	(50,141)
Treasury share transactions									
Treasury share transactions (net)	-	-	-	-	(9,211)	-	-	-	(9,211)
Other changes in equity									
Transfers between equity items	-	-	1,566	40,111	-	(41,677)	-	-	-
ENDING BALANCE AT 31/12/11	158,335	-	138,309	(43,734)	(87,861)	96,184	-	937	262,172
Total recognised income/(expense)	-	-	-	-	-	35,862	-	(449)	35,413
Transactions with shareholders or owners									
Increase in equity arising from the merger (Note 5)	10,965	38,304	(3,446)	-	7,427	-	42,643	-	95,893
Distribution of profit									
Interim dividends paid	-	-	-	(21,352)	-	-	-	-	(21,352)
Prior year's dividends paid	-	-	-	-	-	(44,792)	-	-	(44,792)
Treasury share transactions									
Treasury share transactions (net)	-	-	-	-	(19,019)	-	-	-	(19,019)
Other changes in equity									
Transfers between equity items	-	-	7,658	43,734	-	(51,392)	-	-	-
ENDING BALANCE AT 31/12/12	169,300	38,304	142,521	(21,352)	(99,453)	35,862	42,643	488	308,313

The accompanying Notes 1 to 24 are an integral part of the statement of changes in total equity for 2012.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 24). In the event of a discrepancy, the Spanish-language version prevails.

ANTENA 3 DE TELEVISIÓN, S.A.

STATEMENT OF CASH FLOWS FOR 2012

(Thousands of Euros)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES (I)	(21,529)	113,116
Profit for the year before tax	14,400	103,976
Adjustments for:	3,697	8,964
- Depreciation and amortisation charge	12,582	11,514
- Impairment losses	6,664	8,759
- Changes in provisions	12,525	4,155
- Gains on derecognition and disposal of non-current assets	(1,218)	(81)
- Finance income	(27,849)	(22,519)
- Finance costs	10,014	6,067
- Exchange differences	(4,089)	3,497
- Changes in fair value of financial instruments	(4,932)	(2,428)
Changes in working capital	(58,095)	6,742
- Inventories	(18,314)	(48,503)
- Trade and other receivables	24,407	586
- Trade and other payables	(102,214)	70,394
- Other current assets and liabilities	38,026	(15,735)
Other cash flows from operating activities	18,469	(6,566)
- Interest paid	(5,974)	(4,531)
- Dividends received	26,356	19,510
- Income tax recovered (paid)	(1,913)	(21,545)
CASH FLOWS FROM INVESTING ACTIVITIES (II)	(8,494)	(15,310)
Payments due to investment	(10,214)	(15,310)
- Group companies and associates	(1,433)	(637)
- Property, plant and equipment and intangible assets	(8,781)	(14,673)
Proceeds from disposal	1,720	-
- Group companies and associates	1,720	-
CASH FLOWS FROM FINANCING ACTIVITIES (III)	23,971	(90,738)
Proceeds and payments relating to equity instruments	(19,019)	(9,212)
- Purchase of treasury shares	(19,019)	(9,212)
Proceeds and payments relating to financial liability instruments	109,134	12,347
- Repayment of bank borrowings	50,946	(13,703)
- Proceeds from issue of borrowings from Group companies and associates	58,188	26,050
Dividends and returns on other equity instruments paid	(66,144)	(93,873)
- Dividends	(66,144)	(93,873)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)	-	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)	(6,052)	7,068
Cash and cash equivalents at beginning of year	7,862	794
Change due to merger	1,930	-
Cash and cash equivalents at end of year	3,740	7,862

The accompanying Notes 1 to 24 are an integral part of the statement of cash flows for 2012.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 24). In the event of a discrepancy, the Spanish-language version prevails.

Antena 3 de Televisión, S.A.

Notes to the financial statements for the year ended 31 December 2012

1.- Company activities

Antena 3 de Televisión, S.A. ("the Company"), with registered office at Avenida Isla Graciosa, 13, San Sebastián de los Reyes (Madrid), was incorporated on 7 June 1988, and its then sole company object was the indirect management of a public television service.

For this purpose, it submitted a bid in response to the call for tenders made under Article 8 of Private Television Law 10/1988, of 3 May, and, pursuant to a resolution of the Spanish Cabinet of 25 August 1989, was awarded a concession for the indirect management of the public television service, for a period of ten years, which ended on 3 April 2000.

On 7 May 1996, the shareholders at the Annual General Meeting resolved to change and extend the Company's object, as permitted by Satellite Telecommunications Law 37/1995.

On 10 March 2000, the Spanish Cabinet adopted a resolution renewing the concession for the indirect management of the public television service for a period of ten years from 3 April 2000. The terms of this renewal were the same as for the former concession, with the added obligation of commencing digital broadcasting on 3 April 2002. The Company made all the necessary investments to enable it to begin broadcasting on that date the Antena 3 de Televisión, S.A. signal pursuant to Royal Decree 2169/1998, of 9 October, approving the Spanish Technical Plan for Digital Terrestrial Television (DTT). On 3 April 2010, the National Government renewed, for a period of ten years, the concession for the indirect management of the public television service, under the same terms and conditions as the previous concession.

The shareholders at the Annual General Meeting of Antena 3 de Televisión, S.A. on 28 April 2003 and the Company's Board of Directors at their meeting on 29 July 2003 resolved to request the admission to listing of all the shares of Antena 3 de Televisión, S.A. on the Madrid, Barcelona, Bilbao and Valencia stock exchanges, and their inclusion in the Spanish Stock Market Interconnection System. On 29 October 2003, the Company's shares commenced trading on these stock exchanges.

Additional Provision One of Royal Decree 944/2005, of 29 July, approving the Spanish Technical Plan for Digital Terrestrial Television established 3 April 2010 as the date for the switch-off of analogue television broadcasting in all the transition projects defined in the National Plan for the Transition to Digital Terrestrial Television. From that date onwards, all terrestrial television was broadcast using digital technology.

Following this milestone, in accordance with Additional Provision Three of Royal Decree 944/2005, of 29 July, each national terrestrial public television service concession operator would gain access to a digital multiplex with national coverage.

Royal Decree 365/2010, of 26 March, governs the allocation of the Digital Terrestrial Television multiplexes following the switch-off of terrestrial television broadcasting using analogue technology.

It established two phases for the allocation of the digital multiplexes. Phase 1 (transitional), in which each national terrestrial public service television concession operator would gain access to the capacity equivalent to one digital multiplex with national coverage, provided they demonstrated that they had met the terms and conditions established in relation to the drive and development of digital terrestrial television, and phase 2, in which new digital multiplexes will be planned, and adjustments will be established so that the radioelectric channels 61 to 69, which were being used by the digital multiplexes in the previous phase can be replaced by others in phase 2. This will conclude before 1 January 2015 with the allocation of the definitive digital multiplexes to each qualifying company, thereby ending the shared use of digital multiplex capacity by the national terrestrial public service concession operators.

On 16 July 2010, the Spanish Cabinet adopted a resolution to allocate a national digital multiplex to each national DTT concession operator: Antena 3, Gestevisión Telecinco, Sogecable, Veo Televisión, NET TV and la Sexta. The digital multiplex is composed of four digital television channels that can be operated twenty-four hours a day.

The allocation was made upon request and after the switch-off of analogue broadcasting, once it had been verified that the digital terrestrial television service concession operators had met the obligations relating to the drive and development of digital terrestrial television that they had assumed in the framework of the Spanish Technical Plan for Digital Terrestrial Television and the Royal Decree governing the specific allocation of DTT multiplexes, following the switch-off of analogue terrestrial television broadcasting.

In any event, the definitive multiplex will be accessed by 1 January 2015, in accordance with the phases established in the Royal Decree.

A judgment handed down on 27 November 2012 by Chamber Three of the Spanish Supreme Court rendered void the resolution of the Spanish Cabinet of 16 July 2010 which allocated to each of the Digital Terrestrial Television (DTT) licence holders, including Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A., the capacity equivalent to a digital multiplex with national coverage composed of four channels.

This allocation had been made pursuant to a set of rules which, since 1997, upon approval of the National Plan for Digital Terrestrial Television, and particularly upon enactment of Law 10/2005, of 14 June, governed the transition from analogue terrestrial television to DTT, which was completed in 2010. The allocation was made once the Government had verified that the licence holders had complied with all the requirements and obligations incumbent upon them to foster transition to DTT, as a condition for gaining access to the multiplex.

The judgment of the Spanish Supreme Court annulling the allocation was based primarily on the fact that the allocation was made after the General Audiovisual Communications Law came into force (which had been enacted one month before the Spanish Cabinet adopted the annulled resolution), which stipulates that the licences must be granted through a tendering procedure. The Supreme Court inferred from this that "the licences must reflect the content which existed upon entry into force of the Law, with no more channels being allowed", while the General Audiovisual Communications Law does not provide for any safeguard permitting the regulations to be applied prior to their entry into force.

The judgment of the Spanish Supreme Court noted that the matter would have been resolved had the General Audiovisual Communications Law included a provision envisaging that the rules in force prior to its enactment should continue to be valid. The obstacle posed by the judgment of the Spanish Supreme Court is therefore basically formal, because neither the phases of the DTT, nor consequently their completion involving the allocation of a multiplex to each operator, have ever been questioned. Therefore, the solution would not be complex, as has been stated at meetings held with the competent ministerial department staff. The Company expects the defect to be remedied in the short term.

The Company is the head of a group of subsidiaries and is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements of the Antena 3 Group for 2012 were formally prepared by its directors at the Board of Directors Meeting held on 27 February 2013. The consolidated financial statements for 2011 were approved by the shareholders at the Annual General Meeting of Antena 3 de Televisión, S.A. on 25 April 2012, and were filed at the Mercantile Registry of Madrid.

On 14 December 2011, following a resolution by its Board of Directors, Antena 3 de Televisión, S.A. entered into an agreement with the shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. to merge the two companies, through the merger by absorption of La Sexta into Antena 3, subject to the obtainment of the relevant authorisations from the regulatory and competition authorities.

On 25 January 2012, the Boards of Directors of Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. approved the draft terms of merger of both companies, the main terms and conditions of which are described in Note 5.

The shareholders at the Annual General Meeting held on 25 April 2012 approved the merger involving the absorption by Antena 3 de Televisión, S.A. (absorbing company) of Gestora de Inversiones Audiovisuales La Sexta, S.A. under the draft terms of merger filed with the Madrid Mercantile Registry on 7 February 2012.

The merger was authorised by the Spanish anti-trust authorities on 24 August 2012, by virtue of a resolution adopted by the Spanish Cabinet on the same date.

On 5 October 2012, the Spanish Cabinet also resolved to authorise the transfer of the audiovisual communication licence held by La Sexta and the assignment for private use of the associated public radioelectric domain. From that date onwards, the operations of La Sexta are deemed to be performed for accounting purposes by Antena 3.

The public deed of merger of Antena 3 de Televisión, S.A. with Gestora de Inversiones Audiovisuales La Sexta, S.A. was filed with the Madrid Mercantile Registry on 31 October 2012, and as a result the latter was dissolved and all its assets and liabilities were transferred en bloc to the former.

2.- Basis of presentation of the financial statements

Regulatory financial reporting framework applicable to the Company

The accompanying financial statements were formally prepared by the Company's directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

- a) The Spanish Commercial Code and all other Spanish corporate law.
- b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, and Spanish National Securities Market Commission (CNMV) Circular 1/2008, of 30 January, on the periodic information of issuers whose securities are admitted to trading on regulated markets.
- c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, in addition to the mandatory rules approved by the Spanish National Securities Market Commission.
- d) All other applicable Spanish accounting legislation.

Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2012. These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2011 were approved by the shareholders at the Annual General Meeting held on 25 April 2012.

Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets (see Notes 4.4 and 9).
- The useful life of the property, plant and equipment and intangible assets (see Notes 4.1 and 4.2).
- The calculation of provisions (see Notes 4.9 and 15).
- Programme amortisation (see Notes 4.5 and 13).
- The calculation of income tax and recoverability of tax losses (see Notes 4.7 and 18.).
- The fair value of the assets acquired and liabilities assumed in a business combination (see Note 5).

Although these estimates were made on the basis of the best information available at 2012 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

At 31 December 2012, the Company had a working capital deficiency due mainly to the effect of the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A., although it is considered that this effect may be absorbed in the ordinary course of business. The Company's directors consider that the cash flows arising from the business and the roll-over of the financing facilities as in previous years, together with a lengthening of the terms thereof, currently at an advanced stage of negotiation, will make it possible to settle the liabilities in the short term.

Comparative information

The information relating to 2012 contained in these notes to the financial statements is presented, for comparison purposes, with the information for 2011.

Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

Changes in accounting policies

In 2012 there were no significant changes in accounting policies with respect to those applied in 2011.

Correction of errors

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2011.

Effect of not consolidating

The Company is the majority shareholder of certain companies and has ownership interests equal to or exceeding 20% in the share capital of other companies (see Note 9). The separate financial statements at 31 December 2012 do not reflect the increases in the value of the Company's ownership interests in these companies which would arise from fully consolidating majority ownership interests and accounting for investments in associates using the equity method. Pursuant to current legislation, the Company prepared consolidated financial statements separately in accordance with International Financial Reporting Standards.

In 2012 the main aggregates in the consolidated financial statements are as follows: total assets EUR 1,174 million; equity EUR 336 million; revenue EUR 713 million; and profit for the year EUR 32 million.

3.- Distribution of profit

The proposed distribution of the profit for the year that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows (in thousands of euros):

	2012
Interim dividends paid in 2012 (EUR 0.11 per share)	21,352
To legal reserve	2,193
To voluntary reserves	12,317
Total	35,862

On 11 December 2012, the Company's Board of Directors approved the distribution out of the Company's profit for 2012 of EUR 0.11 gross per share for all the shares carrying interim dividend rights, giving rise to a total interim dividend of EUR 21,352 thousand, which was recognised under "Equity – Interim Dividend" in the balance sheet.

The provisional accounting statement prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the dividends is as follows:

**LIQUIDITY STATEMENT FOR THE PAYMENT
OF THE 2012 INTERIM DIVIDEND**

	Thousands of euros
Liquidity at 31 October 2012	154,578
Projected cash until 31 December 2012:	
Current transactions from November to December 2012	28,381
Financial transactions from November to December 2012	(60,064)
Projected dividend payment	(21,352)
Projected liquidity at 31 December 2012	101,543

4.- Accounting policies

The principal accounting policies used by the Company in preparing its financial statements for 2012 and 2011, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Licences and trademarks

These accounts include the amounts relating to the licence and the trademark identified in the purchase price allocation process arising from the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A.

The trademark is amortised on a straight-line basis over its useful life, which is estimated to be 20 years.

With regard to the licence, based on an analysis of all the relevant factors, the Company considers that there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Company. As a result, the licence was classified as an intangible asset with an indefinite useful life and, therefore, it is not amortised. This indefinite useful life assessment is reviewed at each reporting date and is consistent with the Company's related business plans.

Computer software

The Company recognises under "Computer Software" the costs incurred in the acquisition and development of computer programs, including website development costs. Computer software maintenance costs are recognised with a charge to the income statement for the year in which they are incurred. Computer software is amortised on a straight-line basis over three to five years.

4.2 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in this note.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Years of estimated useful life
Buildings	33
Plant	5 to 8
Computer hardware	3 to 5
Other fixtures	6 to 10
Other items of property, plant and equipment	6 to 10

Impairment of intangible assets and property, plant and equipment

At the end of each reporting period (for intangible assets with indefinite useful lives) or whenever there are indications of impairment (for other tangible and intangible assets), the Company tests these assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

In the case of property, plant and equipment, the impairment tests are performed individually for each asset.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

4.3 Operating leases

Lease income and expenses from operating leases are recognised in income on an accrual basis.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

The leases in which the Company is a lessor consist basically of facilities which the Company has leased to companies in its Group.

4.4 Financial instruments

4.4.1. Financial assets

Classification -

The financial assets held by the Company are classified in the following categories:

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
- b) Equity investments in Group companies and associates: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence.
- c) Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.
- d) Held-for-trading financial assets: assets acquired with the intention of selling them in the near term and assets that form part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. This category also includes financial derivatives that are not financial guarantees (e.g. suretyships) and that have not been designated as hedging instruments.

Initial recognition -

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

In the case of equity investments in Group companies affording control over the subsidiary, since 1 January 2010 the fees paid to legal advisers and other professionals relating to the acquisition of the investment have been recognised directly in profit or loss.

Subsequent measurement -

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Held-for-trading financial assets are measured at fair value, based on the expected results, the estimated dividend payable, the price per share and the volatility thereof, and the risk-free rate at year-end. The result of these fair value changes is recognised in profit or loss.

Investments in Group companies and associates are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement.

The Company uses the strategic plans of the various businesses to calculate any possible impairment and discounts expected future cash flows. The Company prepares the various projections individually, taking into account the expected future cash flows of each cash-generating unit.

For the radio unit, the key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience, advertising efficiency ratios and the evolution of expenses. Except for advertising data, which is measured on the basis of external sources of information, the assumptions are based on past experience and reasonable projections approved by Company management and updated in accordance with the performance of the advertising markets.

These future projections cover the next five years. The cash flows for the years not considered in the projections are estimated to be perpetual, with growth of 0%.

In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In order to calculate the rate, the current value of money and the risk premiums generally used by analysts for the business and geographical area are taken into account, giving rise to future discount rates of 9%-10%.

The most sensitive variable is the growth of the radio advertising market, for which cumulative annual growth of 1.1% was used for the projection period. A change of 0.5% in this connection would give rise to a value variation of EUR 9.5 million. A change of 0.5% in the discount rate would give rise to a variation of EUR 7.5 million. Zero perpetual growth was used. An increase of 0.5% would give rise to an increase in value of EUR 5.5 million.

In calculating such valuation adjustments as might be required for trade and other receivables, the Company takes into account the date on which the receivables are due to be settled and the equity position of related debtors.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred, such as in the case of firm asset sales.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting.

4.4.2 Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.4.3 Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

4.4.4 Hedges

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Basically, these risks relate to changes in exchange rates. The Company arranges hedging financial instruments in this connection.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

In 2012 the Company used the following type of hedge, which is accounted for as described below:

Cash flow hedges: in hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the income statement in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

4.5 Inventories

Programme rights

Rights and programme inventories are valued, based on their nature, as follows:

- Inventoriable in-house productions (programmes produced to be re-run, such as series) are measured at acquisition and/or production cost, which includes both external costs billed by third parties for programme production and for the acquisition of resources and internal production costs, which are calculated by applying pre-established internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programmes are recognised, based on their nature, under the appropriate headings in the income statement and are included under "Programme Rights" in the balance sheet with a credit to "Procurements – Inventories" in the income statement.

Amortisation of these programmes is recognised under "Programmes Amortisation and Other" in the income statement, on the basis of the number of showings, in accordance with the rates shown below:

	Amortisation rate
1st showing	90%
2nd showing	10 %

The maximum period for the amortisation of series is three years, after which the unamortised amount is written off.

Given their special nature, the series which are broadcast daily are amortised in full when the first showing of each episode is broadcast.

- Non-inventoriable in-house productions (programmes produced to be shown only once) are measured using the same methods and procedures as those used to measure inventoriable in-house productions. Programmes produced and not shown are recognised at year-end under "Programme Rights - In-House Productions and Productions in Process" in the balance sheet. The cost of these programmes is recognised as an expense under "Programme Amortisation and Other" in the income statement at the time of the first showing.

- Rights on outside productions (films, series and other similar productions) are measured at acquisition cost. These rights are deemed to have been acquired when the term of the right commences for the Company. Payments made to outside production distributors prior to commencement of the term of the right are recorded under "Advances to Suppliers" in the balance sheet.

The amortisation of the rights is recognised under “Programme Amortisation and Other” in the income statement on the basis of the number of showings, in accordance with the rates shown below, which are established on the basis of the number of showings contracted:

FILMS	Number of showings contracted		
	1	2	3 or more
1st showing	100%	50%	50%
2nd showing	-	50%	30%
3rd showing	-	-	20%

SERIES	Number of showings contracted	
	1	2 or more
1st showing	100%	50%
2nd showing	-	50%

- Live broadcasting rights are measured at cost. The cost of these rights is recognised as an expense under “Programme Amortisation and Other” in the income statement at the time of broadcast of the event on which the rights were acquired.

Raw and other materials

Dubbings, sound tracks, titles and signature tunes of outside productions are recorded at acquisition or production cost. The amortisation of rights is recorded under “Programme Amortisation and Other” in the income statement at the time of the showing, using the same methods as those used for outside productions.

Other inventories are recorded at acquisition cost and are allocated to profit or loss by the effective or actual amortisation method over the production period.

Write-downs

The Company recognises write-downs to reduce the unamortised value of in-house productions and of the rights on outside productions which it considers will not be shown. When these rights expire, the valuation adjustments are recognised in profit or loss when the cost of the rights is derecognised.

Classification of programmes

In accordance with the Spanish National Chart of Accounts, programme inventories are classified as current assets on the basis of the normal business cycle and standard practice in the industry in which the Company operates. However, programmes are amortised over several years (see Note 13).

4.6 Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be “foreign currency transactions” and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

Monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The resulting gains or losses are recognised in equity or in profit or loss by applying the same methods as those used to recognise changes in fair value, as indicated in Note 4.4 on financial instruments.

4.7 Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

In 2001 the Company began to be taxed on a consolidated basis with other Group companies (see Note 18). In this connection, in calculating its income tax, the Company took into consideration the corresponding Spanish Accounting and Audit Institute (ICAC) resolutions, establishing the methods for the recognition of income tax at companies that file consolidated tax returns.

4.8 Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

At present, the Company basically obtains revenue from the sale of advertising space; this revenue is recognised in the income statement when the related advertising spot is broadcast.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

4.9 Provisions and contingencies

When preparing the financial statements the Company's directors made a distinction between:

- Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and
- Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the Company's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

4.10 Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

4.11 Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

In view of the business activities carried on 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 disclosures relating to environmental issues are included in these notes to the financial statements.

4.12 Business combinations

Business combinations are accounted for by applying the acquisition method, for which the acquisition date is determined and the cost of the combination is calculated, and the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair value.

Goodwill or gains from a bargain purchase arising from a combination are calculated as the difference between the acquisition-date fair value of the assets acquired and liabilities assumed and the cost of the business combination at the acquisition date.

The cost of a business combination is the aggregate of:

- The acquisition-date fair value of the assets acquired, the liabilities assumed and the equity instruments issued.
- The fair value of any contingent consideration that depends on future events or on the fulfilment of certain specified conditions.

The costs incurred to issue equity or debt securities given up in exchange for the items acquired are not included in the cost of a business combination.

Also, since 1 January 2010 the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination or, clearly, any costs incurred internally in this connection. Such amounts are charged directly to profit or loss.

If, exceptionally, a gain from a bargain purchase arises from the business combination, it is recognised as income in the income statement.

The fair value of intangible assets may not be determined by reference to an active market. Accordingly, Recognition and Measurement Standard no.19 of the Spanish National Chart of Accounts, as drafted by Royal Decree 1159/2010, limits the recognition thereof up to the amount in which the value of the net assets acquired is equal to the cost of the business combination.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete, and the provisional amounts may be adjusted in the period required to obtain the necessary information. However, the measurement period shall not exceed one year from the acquisition date. The effects of the adjustments made in that period are recognised retrospectively and comparative information for prior periods must be revised as needed.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration has been classified as equity, in which case subsequent changes in its fair value are not recognised.

4.13 Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.14 Non-current assets and disposal groups classified as held for sale

The Company classifies a non-current asset or disposal group as held for sale when the decision to sell it has been taken and the sale is expected to occur within twelve months.

These assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale are not depreciated, but rather at the end of each reporting period the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell.

Income and expenses arising from non-current assets and disposal groups classified as held for sale which do not qualify for classification as discontinued operations are recognised under the related heading in the income statement on the basis of their nature.

4.15 Current and non-current items

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period, financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

5.- Business combinations

Description of the transaction

On 14 December 2011, following a resolution by its Board of Directors, Antena 3 de Televisión, S.A. (Antena 3), entered into an agreement with Gestora de Inversiones Audiovisuales La Sexta, S.A. (La Sexta) and its shareholders (GAMP Audiovisual, S.A., Grupo Televisa, S.A.B. and Gala Desarrollos Comerciales, S.L., as well as Imagina Media Audiovisual, S.L.), to merge the two television companies through a merger by absorption of La Sexta into Antena 3.

La Sexta engages mainly in the management of a licence to provide audiovisual communication services, for a period of fifteen years, pursuant to a resolution adopted by the Spanish Cabinet on 11 June 2010.

On 25 January 2012, the members of the Boards of Directors of Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. signed the draft terms of merger in accordance with Articles 30, 31 and related provisions of Law 3/2009, of 3 April, on structural changes to companies, in order to merge their respective businesses through a merger transaction.

The draft terms of merger were filed at the Madrid Mercantile Registry on 7 February 2012 and published in the Official Gazette of the Mercantile Registry (BORME) on 17 February 2012.

The draft terms of merger consisting of the absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A. into Antena 3 de Televisión, S.A. were approved by the shareholders at the Annual General Meeting of the absorbing company and the shareholders at the Universal Extraordinary General Meeting of the absorbed company on 25 April 2012.

On 24 August 2012, the Spanish Cabinet approved the business combination on the grounds of general interest, but making the approval conditional upon the fulfilment of certain conditions which modify some of those included in the resolution of the Spanish Anti-Trust Commission, of 13 July 2012.

On 5 October 2012, the Spanish Cabinet also authorised the transfer of La Sexta's audiovisual communication licence and the assignment for private use of the associated radioelectric public domain. The last administrative authorisation established in the draft terms of merger as a condition precedent for the completion of the transaction was obtained at the acquisition date, from which time onwards La Sexta's operations were considered to be performed for accounting purposes by Antena 3.

On 29 October 2012, the merger resolutions adopted by the shareholders of Antena 3 de Televisión, S.A., as the absorbing company, and Gestora de Inversiones Audiovisuales La Sexta, S.A., as the absorbed company, at their respective Annual General Meetings on 25 April 2012, were executed in public deeds, as a result of which the draft terms of merger were fully approved. As a result, Antena 3 de Televisión, S.A. acquired by universal succession all the assets and liabilities of Gestora de Inversiones Audiovisuales La Sexta, S.A. with the concomitant dissolution of the latter.

Following the merger resolution approved by the shareholders at the Annual General Meetings of the two companies and the filing of the merger deed at the Madrid Mercantile Registry on 31 October 2012, the shareholders of La Sexta received, as consideration for the assets and liabilities of this company, 15,801,296 shares of Antena 3 de Televisión, S.A., which represent 7% of its share capital. For the purposes of the share exchange, Antena 3 de Televisión, S.A. increased its share capital through the issue of 14,620,000 new shares (of which 13,438,704 were ordinary shares and a further 1,181,296 were shares with no dividend rights for a period of two years from the date on which the merger became effective), while the remaining shares corresponding to the shareholders of La Sexta were delivered with a charge to the treasury shares of Antena 3 de Televisión, S.A. (see Note 14).

Also, within the framework of the merger resolution, the parties resolved to grant the shareholders of La Sexta an additional ownership interest of 15,818,704 shares of Antena 3 de Televisión, S.A., representing 7% of its share capital, the delivery of which is conditional upon the fulfilment in 2012, 2013, 2014, 2015 and 2016 of certain objectives relating to the earnings of the Antena 3 Group. The delivery of these additional shares will be carried out in full by way of treasury shares of Antena 3 provided that the related objectives are met.

The main advantage and economic benefit of this transaction is the synergy achieved, with an extended range of contents, greater efficiency in the use of Company resources and increased advertising efficiency.

Consideration transferred

The business combination consideration was estimated at the fair value (market price on 5 October 2012) of the shares delivered to the shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. (a total of 15,801,296 shares representing 7.00% of the Company's share capital and delivered as a result of the capital increase described in Note 14) and at the fair value of the shares subject to deferred delivery, calculated on the basis of the forward price of the shares of Antena 3 de Televisión, S.A. at that date, taking into account a 0.90% IRS rate and in accordance with management's estimate of the profit before tax for 2012 to 2016.

The fair value of the consideration transferred in the business combination amounted to EUR 95,893 thousand. The breakdown of this amount is as follows:

	Thousands of euros
Deferred delivery of shares	42,643
7% ownership interest in the share capital	53,250
Total consideration transferred	95,893

In order to enable the shareholders of La Sexta to receive a number of Antena 3 shares that is proportional to their respective ownership interests in La Sexta, Antena 3 increased its share capital through the creation of newly issued shares and the delivery of treasury shares.

Additionally, Antena 3 agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 Antena 3 shares representing 7% of its share capital, although the delivery thereof is conditional upon the earnings of the Antena 3 Group from 2012 to 2016. The delivery of these additional shares will be carried out in full through treasury shares of Antena 3 and, therefore, does not constitute an additional issue.

Assets acquired and liabilities assumed at the acquisition date

The assets and liabilities of Gestora de Inversiones Audiovisuales La Sexta, S.A., assumed at the acquisition date and measured at fair value, were as follows:

	Thousands of euros
Current assets:	62,718
Inventories	21,790
Trade receivables	24,787
Investments in Group companies	13,331
Current financial assets	696
Current prepayments and accrued income	184
Cash and cash equivalents	1,930
Non-current assets:	337,937
Intangible assets	77,201
Property, plant and equipment	615
Investments in Group companies and associates	9,445
Non-current financial assets	8,926
Deferred tax assets (*)	241,596
Non-current trade receivables	154
Current liabilities:	(213,282)
Short-term provisions	(14,079)
Current payables	(6)
Current payables to Group companies and associates	(22,879)
Trade payables	(176,318)
Non-current liabilities:	(91,480)
Deferred tax liabilities	(22,945)
Non-current payables to Group companies and associates	(68,535)
Total fair value of net identifiable assets acquired	95,893

(*) Under current accounting legislation, deferred tax assets recognised in a business combination are not measured at fair value, but rather at their nominal amount.

The gross contractual amount receivable in relation to the accounts receivable acquired, which relate in full to trade receivables and are recognised at their fair value of EUR 24,787 thousand, is EUR 24,795 thousand. The best estimate at the acquisition date of the contractual cash flows not expected to be collected amounts to EUR 8 thousand.

The detail of the property, plant and equipment and intangible assets included as a result of the merger, by year of acquisition, is as follows (in thousands of euros):

	2006	2007	2008	2009	2010	2011	2012	Total
Intangible assets								
Computer software	-	-	-	1	54	460	201	716
								716
Property, plant and equipment								
Plant	4	-	20	29	-	-	-	53
Furniture	293	15	6	2	20	21	-	358
Computer hardware	-	-	0	28	76	89	11	204
								615

Assets not reflected in the accounting records of Gestora de Inversiones Audiovisuales La Sexta, S.A. were included (the "La Sexta" trademark and the audiovisual communication licence granted). The fair value of intangible assets may not be determined by reference to an active market. Accordingly, Recognition and Measurement Standard no.19 of the Spanish National Chart of Accounts, as drafted by Royal Decree 1159/2010, limits the recognition thereof up to the amount in which the value of the net assets acquired is equal to the cost of the business combination. In accordance with this standard, the licence and trademark were only valued at a maximum amount of EUR 77,201 thousand since it was not possible to recognise a gain from a bargain purchase arising in a business combinations in this connection. The fair value of the licence was calculated on the basis of its capacity to generate income with an indefinite useful life using the discounted cash flow method. The royalty relief method was used to calculate the fair value of the trademark, considering a useful life of 20 years.

The allocation of the fair values of the assets acquired and liabilities assumed at 2012 year-end is provisional since the Company is in the process of definitively assigning the fair values, which will be completed within one year from the acquisition date, as required by accounting legislation.

Had the business combination been performed at the beginning of 2012, revenue would have amounted to EUR 671,483 thousand and a loss of EUR 16,249 thousand would have been incurred in the year.

Once the business combination had been included at the acquisition date, since it was not possible to extract separate information on the revenue and on the net gain arising from the business combination, this information was not included.

The directors consider that these pro forma figures represent a reasonable approximation of the annual performance of the new combined entity and an initial point of reference for comparison with future periods. In order to determine these pro forma revenue and profit or loss figures, Company management took into account non-current asset depreciation and amortisation calculated on the basis of the acquisition-date fair values and borrowing costs calculated on the basis of the situation of the debt existing after the date of the business combination.

Lastly, it should be noted that fees paid to legal advisers and other professionals involved in the transaction amounted to EUR 1,440 thousand, recognised under "Other Operating Expenses" in the income statement.

6.- Intangible assets

The changes in "Intangible Assets" in the balance sheets in 2012 and 2011 were as follows (in thousands of euros):

Cost	Balance at 01/01/12	Additions	Increase or decrease due to merger (Note 5)	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/12
Licence	-	-	60,666	-	-	60,666
Trademark	-	-	15,819	-	-	15,819
Computer software	30,443	2,517	716	-	(1)	33,675
Other intangible assets	304	-	-	-	-	304
Total cost	30,747	2,517	77,201	-	(1)	110,464

Accumulated amortisation	Balance at 01/01/12	Charge for the year	Disposals or reductions	Balance at 31/12/12
Trademark	-	(198)	-	(198)
Computer software	(24,870)	(2,258)	1	(27,127)
Other intangible assets	(304)	-	-	(304)
Total accumulated amortisation	(25,174)	(2,456)	1	(27,629)

Total intangible assets	Balance at 01/01/12	Balance at 31/12/12
Cost	30,747	110,464
Accumulated amortisation	(25,174)	(27,629)
Total, net	5,573	82,835

Cost	Balance at 01/01/11	Additions	Increase or decrease due to transfer of intangible assets in progress	Disposals or reductions	Balance at 31/12/11
Computer software	27,682	2,761	-	-	30,443
Other intangible assets	304	-	-	-	304
Total cost	27,986	2,761	-	-	30,747

Accumulated amortisation	Balance at 01/01/11	Charge for the year	Disposals or reductions	Balance at 31/12/11
Computer software	(22,567)	(2,303)	-	(24,870)
Other intangible assets	(304)	-	-	(304)
Total accumulated amortisation	(22,871)	(2,303)	-	(25,174)

Total intangible assets	Balance at 01/01/11	Balance at 31/12/11
Cost	27,986	30,747
Accumulated amortisation	(22,871)	(25,174)
Total, net	5,115	5,573

At the end of 2012 and 2011 the Company had fully amortised intangible assets still in use, the detail being as follows (in thousands of euros):

	Gross carrying amount	
	2012	2011
Computer software	24,001	19,450
Other intangible assets	304	304
Total	24,305	19,754

7.- Property, plant and equipment

The changes in 2012 and 2011 in "Property, Plant and Equipment" in the balance sheets and the most significant information affecting this heading were as follows (in thousands of euros):

Cost	Balance at 01/01/12	Additions	Increase or decrease due to transfer	Increase or decrease due to merger (Note 5)	Disposals or reductions	Balance at 31/12/12
Land and buildings	55,916	-	156	-	(48)	56,024
Plant	103,335	-	3,921	53	(2,444)	104,865
Machinery	188	-	4	-	-	192
Tools	93	-	-	-	-	93
Furniture	8,066	-	94	358	(182)	8,336
Computer hardware	26,769	-	1,452	204	(1,558)	26,867
Transport equipment	52	-	-	-	-	52
Property, plant and equipment in the course of construction	176	6,261	(5,627)	-	-	810
Total cost	194,595	6,261	-	615	(4,232)	197,239

Accumulated depreciation	Balance at 01/01/12	Charge for the year	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/12
Land and buildings	(27,737)	(1,890)	-	42	(29,585)
Plant	(86,780)	(5,811)	-	2,436	(90,155)
Machinery	(187)	(1)	-	-	(188)
Tools	(90)	(2)	-	-	(92)
Furniture	(7,184)	(404)	-	180	(7,408)
Computer hardware	(21,760)	(2,018)	-	1,559	(22,219)
Transport equipment	(52)	-	-	-	(52)
Total accumulated depreciation	(143,790)	(10,126)	-	4,217	(149,699)

Total property, plant and equipment	Balance at 01/01/12	Balance at 31/12/12
Cost	194,595	197,239
Accumulated depreciation	(143,790)	(149,699)
Total, net	50,805	47,540

Cost	Balance at 01/01/11	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/11
Land and buildings	55,497	-	419	-	55,916
Plant	98,439	-	7,866	(2,970)	103,335
Machinery	188	-	-	-	188
Tools	93	-	-	-	93
Furniture	7,994	-	261	(189)	8,066
Computer hardware	24,531	-	3,527	(1,289)	26,769
Transport equipment	166	-	-	(114)	52
Property, plant and equipment in the course of construction	243	12,006	(12,073)	-	176
Total cost	187,151	12,006	-	(4,562)	194,595

Accumulated depreciation	Balance at 01/01/11	Charge for the year	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/11
Land and buildings	(25,837)	(1,900)	-	-	(27,737)
Plant	(84,522)	(5,212)	-	2,954	(86,780)
Machinery	(187)	-	-	-	(187)
Tools	(88)	(2)	-	-	(90)
Furniture	(7,038)	(335)	-	189	(7,184)
Computer hardware	(21,218)	(1,762)	-	1,220	(21,760)
Transport equipment	(167)	-	-	115	(52)
Total accumulated depreciation	(139,057)	(9,211)	-	4,478	(143,790)

Net impairment losses	Balance at 01/01/11	Additions	Increase or decrease due to transfer	Reversals	Disposals or reductions	Balance at 31/12/11
Plant	(1,297)	-	-	1,297	-	-
Total net impairment losses	(1,297)	-	-	1,297	-	-

Total property, plant and equipment	Balance at 01/01/11	Balance at 31/12/11
Cost	187,151	194,595
Accumulated depreciation	(139,057)	(143,790)
Net impairment losses	(1,297)	-
Total, net	46,797	50,805

The Company owns buildings, the value of which, net of depreciation, and that of the land, at the end of 2012 and 2011 were as follows (in thousands of euros):

Property	2012	2011
Land	11,517	11,517
Buildings	14,922	16,662
Total	26,439	28,179

In 2012 the Company derecognised items of property, plant and equipment for a net amount of EUR 17 thousand (2011: EUR 84 thousand), giving rise to a gain of EUR 37 thousand (2011: EUR 81 thousand).

At the end of 2012 and 2011 the Company had fully depreciated items of property, plant and equipment still in use, the detail being as follows (in thousands of euros):

	Gross carrying amount	
	2012	2011
Buildings	5,696	4,629
Other assets	101,619	97,030
Total	107,315	101,659

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At the end of 2012 and 2011 the property, plant and equipment were fully insured against these risks.

8.- Leases

At the end of 2012 and 2011 the Company, as a lessor under operating leases, had annual lease arrangements with certain Group companies for facilities and other scanty material lease arrangements with a term of more than one year with non-Group companies. Since the leased facilities are in the same building as the Company, they are not considered to be investment property included in the Company's assets.

Income from operating leases in 2012 and 2011 amounted to EUR 3,023 thousand and EUR 1,275 thousand, respectively.

9.- Financial assets (non-current and current)

9.1 Non-current financial assets

The detail of "Non-Current Financial Assets" at the end of 2012 and 2011 is as follows (in thousands of euros):

	2012	2011
Held-for-trading financial assets:		
Other assets	7,402	-
Derivatives:		
Derivatives (Note 11)	-	655
Loans and receivables:		
Long-term guarantees and deposits	8,983	78
Total	16,385	733

In relation to held-for-trading financial assets, in December 2012 the Company entered into various agreements with the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A., including one whereby in exchange for a fixed consideration, determined at the date of the agreement, the aforementioned shareholders undertook to pay the Company a variable cash amount determined on the basis of the economic results of the Antena 3 Group from 2012 to 2016, inclusive, and payable in 2017. The fixed consideration received by the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. was recognised as a finance cost in the income statement for the year. At 2012 year-end the balance of "Held-For-Trading Financial Assets" represented the fair value of the financial instrument at that date and the gain thereon was recognised under "Changes in Fair Value of Financial Instruments" in the income statement.

"Long-Term Guarantees and Deposits" includes EUR 8,840 thousand relating to the amount deposited in connection with the appeal filed by La Sexta against assessments issued by the tax authorities relating to the levy on games (see Note 15).

9.2 Current financial assets

The detail of "Current Financial Assets" at the end of 2012 and 2011 is as follows (in thousands of euros):

	2012	2011
Derivatives:		
Derivatives (Note 11)	1,245	2,264
Loans and receivables:		
Short-term guarantees and deposits	1,209	863
Total	2,454	3,127

9.3 Non-current investments in Group companies and associates

The detail of "Non-Current Investments in Group Companies and Associates" at the end of 2012 and 2011 is as follows (in thousands of euros):

	2012	2011
Investments in Group companies and associates	74,445	13,207
Long-term loans to Group companies and associates	137,301	119,846
Total	211,746	133,053

The most significant information in relation to investments in **Group companies and associates** at the end of 2012 is as follows:

Company name / Location / Line of business	% of ownership		Thousands of euros								
	Direct	Indirect	Share capital	Profit (Loss)		Other equity items	Total equity	Dividend received	Carrying amount		
				From operations	Net				Cost	Impairment losses recognised in the year	Accumulated impairment losses
Antena 3 Multimedia, S.L.U. Madrid Commercial management by television	100%	-	3	7	-	195	198	-	3	-	-
Atres Advertising, S.L.U. Madrid Advertising management	100%	-	3	28,938	20,251	(18,598)	1,656	20,522	3	-	-
Antena 3 Noticias, S.A.U. Madrid News producer	100%	-	6	513	329	-	335	-	6	-	-
Antena 3 Eventos, S.L.U. Madrid Organisation of events	100%	-	150	(45)	(31)	1,187	1,306	-	1,623	(31)	(317)
Antena 3 Juegos, S.A.U. Madrid Games	100%	-	100	567	391	(66)	425	-	100	-	-
Cordina Planet, S.L. Barcelona Management of intellectual works	50%	-	203	(1,860)	(1,859)	799	(857)	-	503	(503)	(503)
Guadiana Producciones, S.A.U. Madrid Producer	100%	-	60	(282)	(200)	191	51	-	716	(199)	(662)
Hola TV América, S.L. Madrid Television	50%	-	31	(469)	(489)	(14)	(472)	-	58	(58)	(58)
Uniprex, S.A.U. Madrid Radio broadcasting services	100%	-	900	(17,124)	(12,925)	96,583	84,558	-	106,635	-	(46,335)
Música Aparte, S.A.U. Madrid Management of copyrights	100%	-	60	4,631	3,258	39	3,357	5,834	60	-	-
Antena 3 Films, S.L.U. Madrid Audiovisual productions	100%	-	1,900	(14,153)	(2,937)	6,166	5,129	-	34,022	(2,937)	(28,894)
La Sexta Editorial Musical, S.A.U. Madrid Management of copyrights	100%	-	3	(110)	(77)	1,177	1,103	-	1,180	(77)	(77)
Publiseis, Iniciativas Comerciales, S.A.U. Madrid Advertising management	100%	-	5,000	(2,817)	(1,967)	3,264	6,297	-	8,264	(1,967)	(1,967)
I3 Televisión, S.L. Madrid IT services	50%	-	300	(8)	(9)	(120)	171	-	150	28	(65)
Antena 3 de Televisión Colombia, S.A. Colombia Television	55%	-	576	(10)	(10)	(527)	39	-	366	(366)	(366)
Canal 3 Televisión de Colombia, S.A. Colombia Television	2%	22%	1,265	(95)	(95)	(1,109)	61	-	29	(29)	(29)
TVI Televisao Independente, S.A. Lisbon Television	0.001%	(a)	(a)	(a)	(a)	(a)	(a)	-	2,016	-	(2,016)
Total investments			10,560	(2,317)	3,630	89,167	103,357	26,356	155,734	(6,139)	(81,289)

(a) Information not available

The most significant information in relation to investments in **Group companies and associates** at the end of 2011 is as follows:

Company name / Location / Line of business	% of ownership		Thousands of euros								
	Direct	Indirect	Share capital	Profit (Loss)		Other equity items	Total equity	Dividends received	Carrying amount		
				From operations	Net				Cost	Impairment losses recognised in the year	Accumulated impairment losses
Antena 3 Multimedia, S.L.U. Madrid Commercial management by television	100%	-	3	50	27	168	198	-	3	-	-
Atres Advertising, S.L.U. Madrid Advertising management	100%	-	3	19,871	14,021	(12,097)	1,927	13,485	3	-	-
Antena 3 Eventos, S.L.U. Madrid Organisation of events	100%	-	150	(359)	(92)	1,279	1,337	-	1,623	(92)	(285)
Antena 3 Canarias S.L.U. Madrid Television	100%	-	3	(2)	(1)	(4)	(2)	-	5	-	-
Antena 3 Juegos, S.A.U. Madrid Games	100%	-	100	(94)	(66)	-	34		100	-	-
Cordina Planet, S.L. Barcelona Management of intellectual works	50%	-	3	-	-	-	3		3		
Guadiana Producciones, S.A.U. Madrid Producer	100%	-	60	(246)	(175)	-	(115)	-	475	(119)	(464)
Hola TV América, S.L. Madrid Television	50%	-	31	(122)	(85)	85	31	-	58	-	-
Uniprex, S.A.U. (*) Madrid Radio broadcasting services	100%	-	660	724	270	388	(44,768)	-	10,505	-	(10,505)
Música Aparte, S.A.U. Madrid Management of copyrights	100%	-	60	8,239	5,825		(858)	5,770	60	-	-
Movierecord Cine, S.A.U. Madrid Advertising in cinemas	100%	-	801	81	48	(45,616)	629	-	23,477	48	(22,838)
Antena 3 Films, S.L.U. Madrid Audiovisual productions	100%	-	1,900	(211)	(4,455)	1,697	1,318	-	34,023	(4,455)	(25,957)
Vnews Agencia de Noticias, S.L.U. Granada News agency	100%	-	603	(235)	(135)	160	5,885	-	1,020	-	(1,020)
I3 Televisión, S.L. Madrid IT services	50%	-	300	(35)	(35)	(85)	180	-	150	-	(93)
Antena 3 de Televisión Colombia, S.A. Colombia Television	55%	-	488	(12)	(12)	47	523	-	315	-	-
Canal 3 Televisión de Colombia, S.A. Colombia Television	2%	22%	1,058	(5)	(12)	191	1,236	-	25	-	-
Unipublic, S.A. Madrid Organisation of the Tour of Spain cycling race	51%	-	450	458	297	2,819	3,566	255	18,090	(3,965)	(15,566)
TVI Televisao Independente, S.A. Lisbon Television	0.001%	(a)	(a)	(a)	(a)	(a)	(a)	-	2,016	-	(2,016)
Total investments			6.673	28.102	15.420	(50.968)	(28.876)	19.510	91.951	(8.583)	(78.744)

(a) Information not available

(*) Formerly Publicidad 3, S.A.U.

The detail of the long-term loans granted to Group companies and associates is as follows (in thousands of euros):

Loans	Balance at 01/01/12	Additions	Amount converted into capital	Disposals	Charge for the year	Balance at 31/12/12
Uniprex, S.A.U (*)	60,300	90,000	(96,130)	-	35,830	90,000
Antena 3 Films, S.L.U.	59,134	-	-	(12,405)	-	46,729
Hola TV América, S.L.	412	160	-	-	-	572
Total	119,846	90,160	(96,130)	(12,405)	35,830	137,301

Loans	Balance at 01/01/11	Additions	Disposals	Amount converted into capital	Transfers	Charge for the year	Balance at 31/12/11
Uniprex, S.A.U (*)	283,300	-	(10,000)	-	(223,000)	10,000	60,300
Antena 3 Films, S.L.U.	78,714	-	(7,059)	(24,007)	-	11,486	59,134
Hola TV América, S.L.	-	412	-	-	-	-	412
Total	362,014	412	(17,059)	(24,007)	(223,000)	21,486	119,846

(*) Formerly Publicidad 3, S.A.U.

The Company had granted two participating credit facilities to Uniprex, S.A. (Sole-Shareholder Company) (formerly Publicidad 3, S.A. (Sole-Shareholder Company)), for a maximum amount of EUR 334,000 thousand, which earned interest at floating rates based on the EBITDA of the borrower.

In December 2011 EUR 10,000 thousand of the participating credit facility granted on 10 September 2002 was repaid early and the related charge for the year was reversed. Additionally, at 2011 year-end, EUR 223,000 thousand were transferred to short term since the amount matures on 30 November 2012 and, as it relates to a participating credit facility, it must be either converted into capital or repaid.

On 18 August 2012, the other participating loan granted to Uniprex, S.A. (Sole-Shareholder Company) and maturing on 12 May 2014 was repaid early through the conversion into capital of the balance thereof at that date (EUR 96,130 thousand). Also, the charge for the year recognised in this connection, amounting to EUR 35,830 thousand, was reversed.

In December 2012 the Company granted a new loan to this subsidiary for a total amount of EUR 100,000 thousand, EUR 90,000 thousand of which are non-current, mature annually between 2014 and 2018 and earn fixed interest of 4.5%, reviewable annually (see Note 21.2).

Also, the participating credit facility that the Company granted to Antena 3 Films, S.L. (Sole-Shareholder Company) was converted into capital in 2008, and in May 2008 the Company renegotiated the short-term credit facility it had granted to this company, raising the limit to EUR 100,000 thousand and lengthening its maturity to three years. On 31 December 2010, the limit of this credit facility was raised to EUR 150,000 thousand and the maturity was extended to 31 December 2013. In December 2012 the maturity date was extended to 31 December 2016. This credit facility earns interest at a floating rate tied to Euribor.

In December 2011 a shareholder contribution of EUR 24,007 thousand was made to Antena 3 Films, S.L. (Sole-Shareholder Company) against this credit facility. The charge for the year recognised in this connection, amounting to EUR 11,486 thousand, was reversed. The amount drawn down at 31 December 2012 was EUR 46,729 thousand.

In September 2012 the Company granted a participating loan of EUR 160 thousand to Hola Televisión América, S.L. This loan earns floating interest determined on the basis of the borrower's profit from operations.

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2012 were as follows:

- Antena 3 Directo, S.A. (Sole-Shareholder Company) was dissolved in 2012, which was registered at the Mercantile Registry on 20 January 2012. This gave rise to a gain of EUR 704 thousand, which is recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the accompanying income statement.

- In January 2012 the Company subscribed to a EUR 500 thousand capital increase in Cordina Planet, S.L. However, this did not result in an increase in the percentage of ownership held in this company.

- In February 2012 the investments in Antena 3 de Televisión Colombia, S.A. and Canal 3 Televisión de Colombia were increased, with a cost of EUR 51 thousand and EUR 4 thousand, respectively, although there was no increase in the percentage of ownership interest in these companies. These investments were acquired for the purpose of participating in the invitation to tender for a television channel in Colombia.

- On 14 March 2012, the Company incorporated Antena 3 Noticias, S.L. (Sole-Shareholder Company), whose company object is to create audiovisual productions for their broadcast in any media.

- On 20 July 2012, the Company sold its full ownership interest in Movierecord Cine, S.A. (Sole-Shareholder Company) and recognised a loss of EUR 239 thousand in this connection under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the accompanying income statement.

- The full ownership interest held in VNews Agencia de Noticias, S.L. (Sole-Shareholder Company) was sold on 30 July 2012. This transaction gave rise to a gain of EUR 722 thousand, recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the accompanying income statement.

- On 31 August 2012, the Company subscribed to a capital increase involving the issue of 4,000 new shares by Uniprex, S.A. (Sole-Shareholder Company) for EUR 240 thousand, and a share premium of EUR 95,890 thousand.

- In October 2012 Antena 3 Canarias, S.L. (Sole-Shareholder Company) was liquidated, which gave rise to a loss of EUR 7 thousand, recognised under "Impairment and Gains or Losses on Disposals of Financial Instruments" in the accompanying income statement.

- On 29 October 2012, the merger resolutions adopted by the shareholders of Antena 3 de Televisión, S.A., as the absorbing company, and Gestora de Inversiones Audiovisuales La Sexta, S.A., as the absorbed company, at their respective Annual General Meetings on 25 April 2012, were executed in public deeds, as a result of which the draft terms of merger were fully approved (see Note 5). As a result of the merger, Publiseis, S.A. and La Sexta Editorial Musical S.L. (Sole-Shareholder Company) joined the Antena 3 Group.

- In December 2012 a shareholder contribution of EUR 240 thousand was made to offset losses at Guadiana, Producciones Audiovisuales, S.A. (Sole-Shareholder Company).

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2011 were as follows:

- In June 2011 the investments in Antena 3 Colombia, S.A. and Canal 3 Televisión de Colombia were increased by EUR 44 thousand and EUR 4 thousand, respectively, although there was no increase in the percentage of ownership interest in these companies. These investments were acquired for the purpose of participating in the invitation to tender for a television channel in Colombia. At 2011 year-end the tender had not yet been awarded.

- On 21 October 2011, Antena 3 Juegos, S.A. (Sole-Shareholder Company), the company object of which is the organisation, sale and operation of games, was incorporated with a share capital of EUR 100 thousand.

- On 14 November 2011, the Company acquired 50% of the shares of Cordina Planet, S.L., the company object of which is the management of marketable securities and investment portfolios, for EUR 3 thousand.

- On 16 November 2011, Hola Televisión América, S.L., the company object of which is the management and operation of audiovisual communication services of any kind, was incorporated with a monetary contribution of EUR 58 thousand. Antena 3 de Televisión, S.A. has a 50% ownership interest in this company.

This company was granted a participating loan amounting to EUR 412 thousand, maturing on 31 December 2013 and earning interest at floating rates based on the EBIT of the borrower.

- In December 2011 the Company made shareholder contributions in order to offset prior years' losses in Antena 3 Films, S.L. (Sole-Shareholder Company) and Guadiana Producciones, S.A. (Sole-Shareholder Company) for amounts of EUR 24,007 thousand and EUR 131 thousand, respectively.

- In December 2011 the share capital of Uniprex, S.A. (Sole-Shareholder Company) (formerly Publicidad 3, S.A. (Sole-Shareholder Company)) was increased by EUR 10,000 thousand.

- On 16 December 2011, the merger by absorption of various companies wholly owned by Publicidad 3, S.A. (Sole-Shareholder Company) was registered in a public deed. The absorbed companies included Uniprex, S.A. (Sole-Shareholder Company). As a result of the merger, Uniprex, S.A. (Sole-Shareholder Company) ceased to exist following its dissolution without liquidation and the transfer en bloc of all its assets, liabilities, rights and obligations to the absorbing company Publicidad 3, S.A. (Sole-Shareholder Company), by universal succession.

In the process, the absorbing company (Publicidad 3, S.A. (Sole-Shareholder Company)) changed its name to that of the absorbed company Uniprex, S.A. (Sole-Shareholder Company).

None of the investees of Antena 3 de Televisión, S.A. are listed on Spanish or foreign stock exchanges.

At the end of each year or period the directors assess the business plans of the Company's investees, revise them if necessary and estimate the value of the ownership interests and the recoverability of the investments made.

For investments for which business plans are not available, impairment is estimated on the basis of the company's equity and the unrealised gains at the end of the year or period.

Impairment losses of EUR 2,937 thousand, EUR 1,967 thousand and EUR 77 thousand were recognised in relation to the ownership interests held in Antena 3 Films, S.L. (Sole-Shareholder Company), PubliSeis, Iniciativas Comerciales, S.A. and La Sexta, Editorial Musical, S.L. (Sole-Shareholder Company), respectively.

The Company has the firm intention of selling at short term its current interest in Unipublic, S.A. Since the requirements contained in the Spanish National Chart of Accounts for this asset to be classified as a non-current asset held for sale are met, the appropriate reclassifications were made at 2012 year-end.

10.- Information on the nature and level of risk of financial instruments

The Company's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

The advertising contracting terms enable bank guarantees to be demanded prior to the launch of advertising campaigns. Also, it should be noted that the Company does not have a significant concentration of credit risk exposure to third parties and no significant incidents arose in 2012.

At 31 December 2012, 5% of total borrowings were past-due.

In any case, the Company estimates allowances for doubtful debts based on the age of the debt. Allowances for doubtful debts amounted to EUR 6,674 thousand at 31 December 2012 (31 December 2011: EUR 7,838 thousand) (see Note 20.4).

b) Liquidity risk:

The Company's liquidity policy is to arrange credit lines and current financial assets that are sufficient to support its financial needs, on the basis of expected business performance. These are all tied to floating interest rates.

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the credit and financing facilities detailed in Note 16.

c) Foreign currency risk:

Foreign currency risk relates mainly to the payments to be made in international markets to acquire broadcasting rights, primarily from major production companies in the US, denominated in US dollars. In order to mitigate this risk, the Company arranges financial instruments (mainly foreign currency hedges) which reduce exchange differences on foreign currency transactions (see Note 11).

d) Interest rate risk:

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows. The Company's financing is arranged at interest rates tied to Euribor. In view of the bank borrowings at 31 December 2012, changes of 100 basis points in the total cost borne would give rise to a +/- EUR 1.9 million change in the debt at that date.

11.- Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. As part of these transactions, the Company has arranged certain hedging financial instruments, the detail of which is as follows:

Foreign currency hedges

The Company uses currency derivatives to hedge significant future transactions and cash flows. The instruments purchased are denominated in US dollars.

The Company applies hedge accounting and documents the hedging relationships and the measurement of their effectiveness as required by current legislation. In all cases, these include the cash flow hedges of firm commitments, of which the EUR/USD forward exchange rate exposures to possible variations in the cash flows payable in euros associated with broadcasting rights is hedged.

For 2012, due to the commencement of the period in which the broadcasting rights being hedged came into force, EUR 303 thousand from equity was deducted from inventories. For 2011 the amount deducted from equity and recognised as an addition to inventories was EUR 268 thousand. The changes in the fair value of the derivatives arranged by the Company depend on the change in the EUR/USD exchange rate and on the euro yield curve.

At 31 December 2012, the Company had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 89,611 thousand, at a weighted average exchange rate of EUR 1.3058/USD 1. At 31 December 2011, the Company had arranged hedging instruments amounting to USD 70,091 thousand, at a weighted average exchange rate of EUR 1.3699/USD 1.

At the end of 2012 and 2011, the total amount of outstanding forward currency contracts entered into by the Company is as follows (the terms reflect the moment in which the hedged portion is recognised and in which the value of the hedging instruments is adjusted in equity as an increase in/reduction of inventories):

						Fair value (thousands of euros)	
	Classification	Type	Maturity	Amount arranged (thousands of euros)	Ineffectiveness recognised in profit or loss (thousands of euros)	Assets	Liabilities
Foreign currency hedges	Foreign currency hedge	USD call	2013	60,575	-	1,245	485
Foreign currency hedges	Foreign currency hedge	USD call	2014	8,053	-	-	197

The information in this connection at 31 December 2011 is as follows:

	Classification	Type	Maturity	Amount arranged (thousands of euros)	Ineffectiveness recognised in profit or loss (thousands of euros)	Fair value (thousands of euros)	
						Assets	Liabilities
Foreign currency hedges	Foreign currency hedge	USD call	2012	37,889	-	2,264	46
Foreign currency hedges	Foreign currency hedge	USD call	2013	13,275	-	655	-

At 31 December 2012, the fair value of the Company's foreign currency derivatives, which are designated and are effective as cash flow hedges, was estimated to be positive by EUR 1,245 thousand and negative by EUR 682 thousand (31 December 2011: positive by EUR 2,919 thousand and negative by EUR 46 thousand). This amount was deferred and recognised in equity.

The foreign currency derivatives have been arranged in such a way that they are fully effective at each reference date and, accordingly, are recognised in full in equity, until the inventories are recognised.

The sensitivity analysis indicates that positive or negative changes of 10% in spot EUR/USD exchange rates would give rise to changes of approximately EUR 9 million in the fair value of the foreign currency derivatives (2011: EUR 10 million). Increases in the value of the euro (depreciation of the US dollar) would increase negative values while decreases in the value of the euro would increase positive values.

12.- Non-current assets classified as held for sale

The Company has the firm intention and opportunity to sell its current interest in Unipublic, S.A. in the short term. Since the requirements contained in the Spanish National Chart of Accounts for this asset to be classified as a non-current asset held for sale are met, the appropriate reclassifications were made at 2012 year-end (see Note 9.3).

As indicated in Note 4.14, this investment is measured at fair value less costs to sell.

13.- Inventories

The detail of "Inventories" in the balance sheets at 31 December 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Programme rights, net-		
Rights on outside productions	189,363	155,519
In-house productions and programmes in process	43,876	34,741
Sports broadcasting rights	3,214	3,214
Inventory write-downs	(19,516)	(17,566)
	216,937	175,908
Consumables and other inventories-		
Dubbings, soundtracks and titles	1,991	1,566
Other materials	930	1,029
	2,921	2,595
Advances to suppliers	29,293	32,602
Total	249,151	211,105

"Advances to Suppliers" in the accompanying balance sheets at 31 December 2012 and 2011 includes basically advances paid in connection with outside production commitments.

The changes in the write-downs relating to "Inventories" in the accompanying balance sheets were as follows (in thousands of euros):

	Balance at 31/12/10	Additions	Disposals or reductions	Balance at 31/12/11	Additions	Disposals or reductions	Balance at 31/12/12
Inventory write-downs	(21,404)	(1,951)	5,788	(17,566)	(1,956)	6	(19,516)

The write-downs recognised arose since it was decided that certain titles would not be marketable and it was not likely that they would form part of the Company's programme schedule. These write-downs were recognised under "Programme Amortisation and Other" in the accompanying income statement.

At 31 December 2012, the Company had commitments, mainly for the purchase of audiovisual property rights, amounting to EUR 149,617 thousand (31 December 2011: EUR 82,970 thousand). In addition, the Company has purchase commitments to distributors, the definitive amount and price of which will be determined once the programmes are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. In 2012 the best estimate of these commitments amounts to EUR 12,826 thousand (2011: EUR 38,312 thousand).

It is estimated that most of the rights on inventoriable in-house and outside productions at 2012 year-end will be amortised in 2013 (see Note 4.5).

14.- Equity and shareholders' equity

On 29 October 2012, Antena 3 de Televisión, S.A. increased share capital by a nominal amount of EUR 10,965 thousand through the issue of (i) 13,438,704 shares of EUR 0.75 par value each, of the same class and series as the shares outstanding prior to the increase and without dividend rights with a charge to the profit generated before the date on which the merger was filed at the Mercantile Registry, irrespective of the payment date, and (ii) 1,181,296 shares of EUR 0.75 par value each, of a different class and carrying the same restriction on dividend rights as the aforementioned shares, applicable for 24 months following the date on which the merger was filed at the Mercantile Registry.

The aforementioned capital increase, the sole purpose of which was to cater for part of the share exchange, was approved by the shareholders at the Company's Annual General Meeting held on 25 April 2012 in accordance with the conditions of the draft terms of merger and was conditional upon the obtainment of the related administrative authorisations.

The new shares were issued at EUR 3.37 each, equal to the quoted market price of Antena 3's shares on 5 October 2012, the date on which the capital increase resolution became effective. The difference between the issue price and the par value (i.e. EUR 2.62 per share) was treated as a share premium. The total capital increase amounted to EUR 49,269 thousand. The capital increase, including both the par value and the share premium thereof, was fully paid as a result of the transfer en bloc of the assets and liabilities of the acquired company at the date on which the merger deed was filed at the Madrid Mercantile Registry (i.e. 31 October 2012).

In accordance with Article 304.2 of the Spanish Limited Liability Companies Law, approved by Legislative Royal Decree 1/2010, of 2 July, shareholder pre-emption rights were disapplied on the occasion of the increase.

At 31 December 2012, the share capital of the Company amounted to EUR 169,300 thousand and was represented by 225,732,800 fully subscribed and paid shares of EUR 0.75 par value each, with the same rights except for the restriction on dividend rights mentioned in Note 14.3.

At 31 December 2011, there were 211,112,800 shares of the same par value.

The detail of the shareholder structure at the end of 2012 and 2011 is as follows:

	2012	2011
	% of ownership	% of ownership
Planeta-deAgostini, S.L. Group	41.70	44.58
Ufa Film und Fernseh, GMBH	19.17	20.49
Treasury shares	7.01	5.98
Gamp Audiovisual, S.A. (*)	3.64	-
Imagina Media Audiovisual, S.L.	2.85	-
Other shareholders	25.63	28.95
Total	100.00	100.00

* Gamp Audiovisual, S.A. is an Imagina Group company, which is controlled, pursuant to Article 4 of the Spanish Securities Market Law, by the Imagina Group through Mediaproducción, S.L.

The Company's shares are listed on the Spanish stock market interconnection system and all carry the same voting and dividend rights, except for the 1,181,296 shares mentioned above, which will be admitted to trading 24 months following the date on which the merger was filed at the Mercantile Registry in accordance with the draft terms of merger.

There are agreements between the main shareholders that guarantee the Company's shareholder stability, the grant of mutual rights of acquisition on their shares and the undertaking not to take control of the Company or to permit a third party to do so, and also include management agreements, as described in the Corporate Governance Report.

14.1 Reserves

Legal reserve

Under the Spanish Limited Liability Companies Law, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2012, the legal reserve had not reached the legally required minimum as a result of the capital increase carried out in 2012.

Other reserves

"Other Reserves" includes an amount of EUR 281 thousand which is restricted as to its use since it corresponds to the "Reserve for the Adjustment of Share Capital to Euros".

As a result of the capital reduction made in 2006, a reserve of EUR 8,333 thousand was established, equal to the par value of the retired shares, which may only be used if the same requirements as those for the reduction of share capital are met, pursuant to Article 335-c of the Spanish Limited Liability Companies Law.

The remaining reserves recognised under "Other Reserves" are unrestricted.

14.2 Other equity instruments

As indicated in Note 5, pursuant to the agreement to merge the two companies, Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 Antena 3 shares representing 7% of its share capital, although the delivery thereof is conditional upon the earnings of the Antena 3 Group from 2012 to 2016. The delivery of these additional shares will be carried out in full through treasury shares of Antena 3 and, therefore, does not constitute an additional issue. "Other Equity Instruments" includes the measurement of the aforementioned consideration at the fair value of the shares whose delivery was deferred, calculated as indicated in Note 5.

14.3 Treasury shares

The detail of the treasury shares held by the Company at the end of 2012 and 2011 is as follows:

Year	No. of shares	Par value (euros)	Average acquisition price (euros)	Total acquisition cost (thousands of euros)
2012	15,818,704	11,864,028	6.29	99,453
2011	12,630,728	9,473,046	6.96	87,861

At 31 December 2012, the Company held 15,818,704 treasury shares, representing 7.01% of its share capital.

The delivery of shares in 2012 was part of the merger transaction detailed above in these financial statements. Specifically 1,181,296 of the Company's treasury shares representing 0.523% of voting rights were delivered to the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. to cater for the share exchange in accordance with the draft terms of merger (see Note 5). The treasury shares delivered do not carry rights to receive dividends with a charge to the profit generated before the date on which the merger deed was filed (i.e. 31 October 2012), irrespective of the payment date.

The difference between the fair value of the treasury shares delivered as consideration at the effective merger date and the acquisition price thereof gave rise to a loss recognised in the Company's equity.

The shareholders at the Annual General Meeting held on 24 March 2010 adopted a resolution authorising the Company to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time. This limit was established at 10% of registered share capital by Law 3/2009, of 3 April, on structural changes to companies.

The changes in "Treasury Shares" in 2012 and 2011 were as follows:

Number of shares	2012	2011
At beginning of year	12,630,728	10,555,640
Purchases	4,369,272	2,075,088
Delivery	(1,181,296)	-
At end of year	15,818,704	12,630,728

14.4 Dividends

At the Annual General Meeting held on 25 April 2012, the shareholders of the Company approved the proposed distribution of profit for 2011, whereby EUR 88,526 thousand were allocated to the payment of dividends, of which EUR 43,734 thousand related to the interim dividend paid out of 2011 profit on 14 December 2011. The remaining EUR 44,792 thousand related to the payment of a 2011 final dividend, which was paid on 4 May 2012.

On 12 December 2012, the Company's Board of Directors approved the distribution out of the Company's profit for 2012 of EUR 0.11 gross per share, giving rise to a total dividend of EUR 21,352 thousand, which was paid to the shareholders on 20 December 2012.

15.- Provisions and contingencies

The detail of short-term provisions in the balance sheets at 31 December 2012 and 2011 is as follows (in thousands of euros):

Short-term provisions	Balance at 01/01/12	Charge for the year	Additions due to merger (Note 5)	Amounts used	Excessive provisions	Balance at 31/12/12
Litigation and other provisions	31,540	6,261	14,079	(9,638)	(550)	41,692
Total	31,540	6,261	14,079	(9,638)	(550)	41,692

Short-term provisions	Balance at 01/01/11	Charge for the year	Amounts used	Excessive provisions	Balance at 31/12/11
Litigation and other provisions	51,313	9,853	(6,052)	(23,574)	31,540
Operating provisions	9,996	-	(9,996)	-	-
Total	61,309	9,853	(16,048)	(23,574)	31,540

The charge for the year is reflected under "Outside Services" and the excessive provisions are recognised under "Excessive Provisions" in the accompanying income statement.

At 31 December 2012 and 2011, certain civil, labour, criminal and administrative lawsuits had been filed against the Company which were taken into account in estimating potential contingent liabilities. Noteworthy, in view of their amount, were the lawsuits with certain collection societies. In 2011, as a result of the judgments handed down in this connection, a portion of the provision recognised for this purpose was reversed.

In 2012 the tax authorities issued assessments relating to the levy on games of luck, betting or chance, raffles and tombolas against the absorbed company Gestora de Inversiones Audiovisuales La Sexta, S.A. for an amount of EUR 6,903 thousand. In this respect, the merger agreements establish that La Sexta shareholders must indemnify Antena 3 de Televisión, S.A. for any economic loss that could arise from these assessments.

The directors of the Company and its legal advisers do not expect any material liabilities additional to those already recognised to arise from the outcome of the lawsuits in progress.

16.- Non-current and current payables

16.1 Non-current financial liabilities

The detail of "Non-Current Payables" at the end of 2012 and 2011 is as follows (in thousands of euros):

	2012	2011
Accounts payable:		
Non-current payables to associates	68,534	-
Other payables	183	256
Derivatives:		
Derivatives (Note 11)	197	-
Total	68,914	256

The detail, by maturity, of "Non-Current Payables" is as follows (in thousands of euros):

	2014	2015	2016	2017	2018 and subsequent years	Total
Non-current payables to associates	68,534	-	-	-	-	68,534
Other payables	32	101	10	10	30	183
Derivatives	197	-	-	-	-	197
Total at 31/12/12	68,763	101	10	10	30	68,914

	2013	2014	2015	2016	2017 and subsequent years	Total
Other payables	89	31	94	10	32	256
Derivatives	-	-	-	-	-	-
Total at 31/12/11	89	31	94	10	32	256

"Non-Current Payables to Associates" relates mainly to payables assumed by the Company and owed to new shareholders joining the Company as a result of the aforementioned merger transaction, which fall due in 2014 and bear interest at a floating rate tied to Euribor plus a market spread.

16.2 Current financial liabilities

At 31 December 2012, current bank borrowings amounted to EUR 137,388 thousand (2011: EUR 86,442 thousand), including the amounts drawn down against the credit facilities and the related interest.

The Company has been granted credit facilities and loans with the following limits (in thousands of euros):

	2012		2011	
	Limit	Undrawn amount	Limit	Undrawn amount
Short- and long-term credit facilities	256,300	125,905	349,000	273,829
Bank loans	6,000	-	10,000	-

The rate of interest paid by the Company in 2012 on the loans and credit facilities arranged with banks was mainly tied to Euribor.

17.- Trade payables

The maximum payment period applicable to the Company under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, is 75 days in the period between the entry into force of the Law and 31 December 2012.

The detail of the amounts paid and payable at 31 December 2012 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	380,809	83%
Remainder	75,921	17%
Total payments made in 2012	456,730	
Weighted average period of late payment (in days)	50	
Payments at year-end not made in the maximum payment period	18,224	

The detail of the amounts paid and payable at 31 December 2011 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	411,467	89%
Remainder	48,547	11%
Total payments made in 2011	460,014	
Weighted average period of late payment (in days)	46	
Payments at year-end not made in the maximum payment period	5,189	

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

18.- Tax matters

18.1 Current tax receivables and tax payables

The detail of the current tax receivables and payables is as follows (in thousands of euros):

Tax receivables

	2012	2011
To be settled in 2013:	3,806	8,481
Deferred tax assets	2,779	499
Unused tax credits and tax relief	1,027	7,982
To be settled from 2014:	299,623	33,160
Deferred tax assets	19,572	6,193
Tax loss carryforwards	221,701	-
Unused tax credits and tax relief	58,350	26,967
Total non-current assets	303,429	41,641
Income tax refundable	1,188	945
2012 income tax refundable	566	-
Other tax receivables	1,343	373
Total current assets	3,097	1,318
TOTAL TAX RECEIVABLE	306,526	42,959

Tax payables

	2012	2011
Deferred tax liabilities	22,886	-
Total non-current liabilities	22,886	-
Short term-		
Tax withholdings payable	2,073	4,565
Accrued social security taxes payable	621	954
VAT payable	4,452	1,415
Total current liabilities	7,146	6,934
TOTAL TAX PAYABLE	30,032	6,934

18.2 Reconciliation of the accounting profit to the taxable profit

Pursuant to Spanish Corporation Tax Law 43/1995, of 27 December, on 26 December 2000, Antena 3 de Televisión, S.A. notified the Madrid tax authorities of its decision to file income tax returns under the special regime for corporate groups. This application is considered indefinite provided that the requirements established in the current Article 67 of the Consolidated Spanish Corporation Tax Law are met and the Company does not opt to cease to apply the aforementioned regime.

The companies composing the tax Group at 31 December 2012 are as follows:

TAXPAYER IDENTIFICATION NUMBER	SUBSIDIARY	Date of inclusion in the Group
B84744952	Antena 3 Canarias, S.L.U.	01/01/06
A81028797	Antena 3 Directo, S.A.U.	01/01/01
B85384881	Antena 3 Eventos, S.L.U.	01/01/08
B82832841	Antena 3 Films, S.L.U.	01/01/03
A86317872	Antena 3 Juegos, S.A.U.	01/01/11
B84187335	Antena 3 Multimedia, S.L.U.	01/01/04
A84920230	Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	01/01/06
B86424132	Antena 3 Noticias, S.L.U.	01/01/12
B84171453	Atres Advertising, S.L.U.	01/01/04
A81797656	Canal Media Radio, S.A.U.	01/01/05
A50005875	Estaciones Radiofónicas de Aragón, S.A.U.	01/01/03
A80847601	Guadiana Producciones, S.A.U.	01/01/01
A20175634	Ipar Onda, S.A.U.	01/01/03
B85408128	La Sexta Editorial Musical, S.L.U.	01/10/12
A79458535	Música Aparte, S.A.U.	01/01/01
A78683851	Onda Cero, S.A.U.	01/01/03
A84615178	Publiseis Iniciativas Comerciales, S.A.U.	01/10/12
B15609837	Radio Media Galicia, S.L.U.	01/01/05
B84196914	Uniprex Televisión, S.L.U.	01/01/04
B84405422	Uniprex Valencia TV, S.L.U.	01/01/05
A28782936	Uniprex, S.A.U.	01/01/01

The filing of consolidated tax returns gives rise to reciprocal intra-Group balances, due to the offset of the losses incurred by certain companies against the profit earned by other Group companies. These balances are recognised under “Payable to Group Companies” and “Receivable from Group Companies”, as appropriate.

Income tax is calculated on the basis of the accounting profit determined by application of generally accepted accounting principles, which does not necessarily coincide with the taxable profit.

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2012 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
Accounting profit after tax			35,862
Permanent differences -	4,797	52,832	(48,035)
Penalties	761	-	761
Donations	868	-	868
Elimination of provisions	3,168	-	3,168
Elimination of dividends	-	26,356	(26,356)
Elimination of intra-Group transactions	-	5,014	(5,014)
Income tax	-	21,462	(21,462)
Deductible temporary differences:	16,170	7,038	9,132
<i>Arising in the year:</i>			
Provision for litigation	5,058	-	5,058
Non-current accounts payable	4,141	-	4,141
Impairment losses	6,971	3,433	3,538
<i>Arising in prior years:</i>			
Provisions and accounts payable	-	685	(685)
Provision for contingencies and charges	-	2,012	(2,012)
Impairment losses		908	(908)
Taxable temporary differences:	198	-	198
<i>Arising in the year:</i>			
Impairment losses	198	-	198
Gross taxable profit	21,165	59,870	(2,843)
Tax rate			30%
Gross tax payable			(853)
Accounts receivable from (payable to) Group companies			2,891
Tax credits used in 2012			(640)
2012 tax prepayments			(1,964)
Income tax payable (refundable)			(566)

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2011 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
Accounting profit after tax			96,184
Permanent differences -	17,608	23,432	(5,824)
Donations and penalties	1,057	-	1,057
Impairment of goodwill	3,965	-	3,965
Provisions and accounts payable	-	-	-
Elimination of provisions	4,794	-	4,794
Elimination of dividends	-	19,255	(19,255)
Elimination of intra-Group transactions	-	4,177	(4,177)
Income tax	7,792	-	7,792
Temporary differences -	7,859	25,732	(17,873)
<i>Arising in the year:</i>			
Provision for contingencies and charges	1,803	-	1,803
Non-current accounts payable	6,056	-	6,056
<i>Arising in prior years:</i>			
Provisions and accounts payable	-	21,705	(21,705)
Provision for contingencies and charges	-	4,027	(4,027)
Gross taxable profit	25,467	49,164	72,487
Tax rate			30%
Gross tax payable			21,746
Accounts receivable from (payable to) Group companies			7,040
Tax credits used in 2011			(10,461)
2011 tax prepayments			(19,270)
Income tax payable (refundable)			(945)

18.3 Tax recognised in equity

The detail of the taxes recognised directly in equity in 2012 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
Current taxes:			
Capital increase expenses			
Capital reduction expenses			
Total current taxes			
Deferred taxes:			
Arising in the year:			
Available-for-sale financial assets			
Revaluation of other financial assets	192	-	192
Grants			
Effect of first-time application of New Spanish National Chart of Accounts			
Arising in prior years:			
Available-for-sale financial assets			
Revaluation of other financial assets			
Grants			
Total deferred taxes	192	-	192
Total tax recognised directly in equity			192

The detail of the taxes recognised directly in equity in 2011 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
Current taxes:			
Capital increase expenses			
Capital reduction expenses			
Total current taxes			
Deferred taxes:			
Arising in the year:			
Available-for-sale financial assets			
Revaluation of other financial assets	-	18	(18)
Grants			
Effect of first-time application of New Spanish National Chart of Accounts			
Arising in prior years:			
Available-for-sale financial assets			
Revaluation of other financial assets			
Grants			
Total deferred taxes		18	(18)
Total tax recognised directly in equity			(18)

18.4 Reconciliation of the accounting profit to the income tax expense

The merger by absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A. ("La Sexta") by Antena 3 de Televisión, S.A. was registered at the Madrid Mercantile Registry on 31 October 2012.

As a result of the merger, Antena 3 acquired all the assets and liabilities of La Sexta by universal succession and was subrogated to all the rights and obligations of the absorbed company.

The merger became effective for accounting purposes on 5 October 2012.

The Company opted to avail itself of the special tax regime for mergers, spin-offs, asset contributions, security exchanges provided in Title VII, Chapter VIII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

In the process of allocating the price of the business combination to assets and liabilities, certain intangible assets were identified, such as the "La Sexta" brand and its audiovisual operating licence. The brand will be amortised for accounting purpose in 20 years, while the licence is considered to be an intangible asset with an indefinite useful life.

The reconciliation of the accounting profit to the income tax expense is as follows (in thousands of euros):

	2012	2011
Accounting profit before tax	14,400	103,976
Tax charge at 30%	4,320	31,193
Tax credits earned in the year:	(17,532)	(19,199)
Audiovisual productions	(17,532)	(18,875)
Donations to not-for-profit entities	-	(201)
Other	-	(123)
Offset of tax losses:		
Other-		
Permanent differences (Note 18.2)	(7,971)	(4,085)
Total income tax expense for the year	(21,183)	7,909
Income tax adjustments	(279)	(116)
Adjustment - difference in income tax per tax return	(279)	(116)
Total income tax expense recognised in profit or loss	(21,462)	7,792

The breakdown of the income tax expense for the year is as follows (in thousands of euros):

	2012	2011
Current tax	(18,385)	2,547
Deferred tax	(2,798)	5,362
Total income tax expense for the year	(21,183)	7,909

18.5 Deferred tax assets recognised

The difference between the tax charge allocated to 2011 and to prior years and the tax charge already paid or payable for such years, which is recognised under “Deferred Tax Assets”, arose as a result of temporary differences derived from the following:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros						
	2011	Additions	Disposals	Other	Transfers	Inclusion due to merger	2012
Contingencies and charges	5,960	2,508	(205)	-	(215)	1,561	9,609
Accounts payable	871	1,242	(604)	237	(95)	497	2,148
Other items	262	1,101	(272)	(81)	310	-	1,320
Tax effect of assets at fair value	-	-	(1,030)	-	-	10,513	9,483
Financial hedging instruments	(401)	192	-	-	-	-	(209)
Total	6,692	5,043	(2,111)	156	0	12,571	22,351

The detail for 2011 is as follows:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros				
	2010	Additions	Disposals	Other	2011
Contingencies and charges	6,628	541	(1,208)	-	5,961
Accounts payable	6,863	1,817	(6,438)	(1,371)	871
Other items	335	-	(73)	-	262
Financial hedging instruments	(383)	-	(18)	-	(401)
Total	13,443	2,358	(7,737)	(1,371)	6,693

At 31 December 2012, the tax effect of the valuation adjustments relating to the hedging instruments amounting to EUR (209) thousand was recognised under “Non-Current Assets”.

The deferred tax assets indicated above were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

The tax effect of the fair value recognition of the absorbed company's assets (inventories) amounted to EUR 10,513 thousand and was recognised under "Deferred Tax Assets" with a charge to "Goodwill". The recovery of the adjustment, on the basis of amortisation and time-limit criteria, was included in the tax settlement as a reversal of the deductible temporary difference.

On the basis of the estimate made by the Company's directors of the timing of future profits for the offset and use of these deferred tax assets, EUR 19,572 thousand were considered to be recoverable in the long term while EUR 2,779 thousand were considered to be recoverable in the short term. Both amounts are recognised under "Deferred Tax Assets". Also, on the basis of the aforementioned estimate of the timing of future profits, the directors consider that there are no reasonable doubts as to the recovery of the amounts recognised in the accompanying balance sheet within the statutory time periods and limits.

The changes in deferred tax assets recognised under "Other" include the difference between the estimated tax for 2011 and the amount actually reported in the tax return, giving rise to an adjustment of EUR 156 thousand to deferred tax assets. Also, the effect of this difference, amounting to EUR 279 thousand, on the income tax expense is recognised under "Negative Adjustments to Income Tax".

The decreases due to temporary differences include the adjustment arising from the application of Article 12.3 of the Spanish Corporation Tax Law to the ownership interests held by Antena 3 de Televisión in I3 Televisión, S.L. Unipublic, S.A., Antena 3 de Televisión Colombia, S.A., Canal 3 de Televisión Colombia, S.A., Cordina Planet, S.L. and Hola Televisión América, S.L., which entails making an adjustment (positive or negative, as appropriate) that does not require recognition in the income statement for the difference between the cost of the ownership interest less the amounts deducted in prior tax periods and the company's equity, adjusted by the amount of unrealised gains existing on the acquisition date and still existing on the measurement date.

The following tables reflect the 2011 income tax adjustments and the estimated income tax for 2012 (in thousands of euros):

2012																		
Company name	% of ownership	Share capital	Profit (Loss) from operations	Other equity items	Total equity	Net goodwill	Adjusted underlying carrying amount	Adjusted underlying carrying amount (n-1)	Underlying carrying amount differences (+ denotes profit)	Carrying amount			Increase/ decrease in cost	Adjustments to income tax of subsidiary	Article 12.3 of Spanish Corporation Tax Law (plus positive adjustment to taxable profit)	Impairment ()/Overstatement of impairment (+) accumulated impairment for tax purposes	2012 tax losses	Outstanding amount
										Cost	Impairment losses recognised in the year	Accumulated impairment losses						
I3 Televisión, S.L.	50%	300	(8)	(120)	171	-	85	90	(4)	150	-	(65)	-	-	28	32	(4)	(28)
Unipublic, S.A.	51%	450	248	3,116	3,813	1,541	3,485	3,359	126	18,090	-	16,089	-	46	1,008	863	145	(1,008)
Antena 3 de TV Colombia, S.A.	55%	576	(10)	(527)	38	-	21	2	(32)	366	-	(366)	51	-	32	269	32	301
Canal 3 Televisión de Colombia, S.A.	2%	1,265	(95)	(1,109)	61	-	1	25	(28)	29	-	(29)	4	-	(28)	(22)	(28)	(50)
Cordina Planet, S.L.	50%	203	(1,860)	799	(857)	1	(427)	3	(930)	503	503	(503)	500	-	(503)	-	(503)	503
Hola Televisión América, S.L.	50%	31	(469)	(14)	(472)	-	(236)	16	(251)	58	-	(58)	-	-	(58)	-	(58)	58

	2011															
Company name	% of ownership	Share capital	Profit (Loss) from operations	Other equity items	Total equity	Net goodwill	Adjusted underlying carrying amount	Carrying amount			Increase/decrease in cost	Adjustments to income tax of subsidiary	Article 12.3 of Spanish Corporation Tax Law (plus positive adjustment to taxable profit)	Cumulative tax loss	2011 tax losses	Outstanding amount
								Cost	Impairment losses recognised in the year	Accumulated impairment losses						
I3 Televisión, S.L.	50%	300	(35)	(85)	180	-	90	150	-	92		-	32	52	(20)	(32)
Unipublic, S.A.	51%	450	297	2,819	3,566	1,541	3,359	18,090	3,965	11,601		27	863	(1,017)	(154)	(863)
Antena 3 de TV Colombia, S.A.	55%	488	(12)	47	523	-	287	315	-	-	44	-	(269)	-	(269)	269
Canal 3 Televisión de Colombia, S.A.	2%	1,073	(1,268)	124	(71)	-	(1)	25	-	-	4	-	(22)	-	(22)	22
Cordina Planet, S.L.	50%	3	-	-	3	1	3	3	-	-		-	-	-	-	-
Hola Televisión América, S.L.	50%	31	(85)	85	32	-	16	58	-	-		-	(50)	-	(50)	50

At 31 December 2012, the Company had recognised unused tax credits amounting to EUR 59,377 thousand (of which EUR 7,324 thousand corresponded to La Sexta) and tax loss carryforwards (corresponding to La Sexta in their entirety) amounting to EUR 221,701 thousand.

Thousands of euros			
Amount	Deducted in the year	Carried forward	Last year for deduction
804	467	337	2016
625	-	625	2017
1,094	-	1,094	2018
4,347	-	4,347	2019
14,417	-	14,417	2020
21,025	-	21,025	2021
17,532	-	17,532	2022
59,844	467	59,377	

	Thousands of euros	Last year for deduction
Unused tax credits	7,324	
2006	804	2016
2007	625	2017
2008	1,094	2018
2009	1,617	2019
2010	1,034	2020
2011	2,150	2021
Tax loss carryforwards	221,701	
2005	207	2023
2006	59,064	2024
2007	45,185	2025
2008	38,301	2026
2009	34,758	2027
2010	10,053	2028
2011	18,568	2029
2012	15,565	2030
Total deferred tax assets recognised relating to La Sexta	229,025	

Of the tax credits taken during the year (EUR 640 thousand), EUR 467 thousand were audiovisual production tax credits and EUR 173 thousand were international double taxation tax credits.

As a result of the merger by universal succession, the Company assumed the right to deduct the tax credit and tax loss carryforwards of the transferor, in accordance with the following schedule of deductions:

18.6 Deferred tax liabilities recognised

The detail of "Deferred Tax Liabilities" and of the changes therein is as follows:

DEFERRED TAX LIABILITIES					
	2011	Additions	Disposals	Inclusion due to merger (Note 5)	2012
Tax effect of identification of intangible assets	-	-	(59)	22,945	22,886
Total	-	-	(59)	22,945	22,886

In accordance with income tax recognition and measurement standard number 13, the Company will recognise the deferred tax liabilities relating to goodwill provided that these do not arise on the initial recognition thereof.

The deferred tax liabilities relate to the identification of the "La Sexta" brand and signal transmission licence. The brand is amortised for accounting purposes at an annual rate of 5% (amortisation charge for 2012: EUR 198 thousand), while the licence is not amortised.

The amortisation is not deductible for tax purposes and, therefore, gives rise to a positive adjustment to the taxable profit (tax loss) which is recognised as a deferred tax liability.

18.7 Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 31 December 2012, the Company had from 2005 onwards open for review for income tax since in 2010 it underwent a partial review in this connection. The Company has from 2008 onwards open for review for all the other taxes applicable to it.

The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

18.8. Other disclosures

In 2008 the Company acquired non-current assets as required under the terms established in Article 36.ter of the Spanish Corporation Tax Law as amended in Law 24/2001, for the reinvestment of the extraordinary income obtained by the Group company Uniprex Televisión, S.L.U. on the transfer of the ownership interest in a company. This reinvestment (EUR 499,950) gave rise to a tax credit of EUR 42 thousand, which was taken in 2008.

The aforementioned non-current assets continue to be held in use at Antena 3 de Televisión, S.A. in accordance with Article 42.8 of Spanish Corporation Tax Royal-Decree Law 4/2004.

Also, in 2009 the Company used the aforementioned tax credit for the reinvestment of extraordinary income deriving from the transfer of the ownership interest of Gloway Broadcasting Services, S.L., in compliance with the requirement of Article 42. In 2009 the Company acquired non-current assets amounting to EUR 6,414 thousand, under the terms and conditions established in the aforementioned Article to comply with the reinvestment and earned tax credits of EUR 46 thousand that it did not use.

The Company used these tax credits in 2011.

These non-current assets continue to be used and are held in the equity of Antena 3 de Televisión, S.A.

19.- Foreign currency balances and transactions

The detail of the most significant balances and transactions in foreign currency, valued at the year-end exchange rate and the average exchange rates for the year, respectively, is as follows (in thousands of euros):

	2012	2011
Accounts receivable	1,141	1,604
Accounts payable	121,224	64,572
Sales	2,377	2,922
Purchases	104,070	124,584

The detail, by class of financial instrument, of the exchange differences recognised in 2012 in profit or loss is as follows (in thousands of euros):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	8	(123)	(115)
Total financial assets	8	(123)	(115)
Trade payables	1,128	3,076	4,204
Total financial liabilities	1,128	3,076	4,204

The detail for 2011 is as follows (in thousands of euros):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	(70)	52	(18)
Total financial assets	(70)	52	(18)
Trade payables	32	(3,511)	(3,479)
Total financial liabilities	32	(3,511)	(3,479)

20. Income and expenses

20.1 Revenue

The breakdown, by business line and geographical market, of the Company's revenue for 2011 and 2010 is as follows (in thousands of euros):

Business activity	2012	2011
Advertising sales	574,109	614,805
Total	574,109	614,805

Geographical market	2012	2011
Spain	574,109	614,805
Total	574,109	614,805

20.2 Procurements

The detail of "Procurements" in 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Broadcasting of in-house productions	241,198	206,840
Outside production services	222,735	199,440
Programme broadcasting rights	123,244	116,611
Live broadcasting rights	43,465	913
Performances and contributions of entertainers	9,776	9,734
Other amortisation	7,477	5,859
Addition to inventories	(247,361)	(205,985)
Total	400,534	333,412

"Addition to Inventories" reflects the expenses incurred in making programmes that, in accordance with the Company's procedures, are capitalised and subsequently amortised in accordance with the policies described in Note 4.5.

In 2012 EUR 19 million of total procurements relate to purchases in other European Union countries (2011: EUR 39 million) and approximately EUR 38 million to purchases made in countries outside the European Union, mainly the United States (2011: EUR 41 million).

20.3 Employee benefit costs

The detail of "Employee Benefit Costs" in 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Employer social security costs	6,545	8,636
Other employee benefit costs	1,438	1,804
Total	7,983	10,440

20.4 Other operating expenses

The detail of "Other Operating Expenses" in the income statements for 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Rent and royalties	47,530	45,187
Work performed by other companies	35,409	34,151
Communications	7,018	7,324
Advertising and publicity	6,260	7,812
Copyrights and other expenses	31,936	48,620
Total	128,153	143,094

"Rent and Royalties" includes, inter alia, mainly the amounts paid to Retevisión I, S.A. for the audiovisual signal distribution charge and the contribution of the television operators to the financing of Corporación RTVE.

"Copyrights and Other Expenses" includes changes in the allowance for doubtful debts. In 2012 the Company recognised a provision of EUR 57 thousand and used provisions amounting to EUR 1,164 thousand (2011: EUR 2,306 thousand used).

20.5 Finance income and finance costs

The detail of the finance income and finance costs calculated by applying the effective interest method is as follows (in thousands of euros):

	2012	2011
Finance income	27,849	22,519
Finance costs	10,014	6,066

EUR 26,356 thousand of total finance income for 2012 relate to dividends received by Antena 3 de Televisión, S.A. from its subsidiaries (2011: EUR 19,510 thousand) (see Note 9.3).

21. Related party transactions and balances

21.1 Related party transactions

The detail of the transactions with related parties in 2012 and 2011 is as follows (in thousands of euros):

	2012		2011	
	Group companies	Associates	Group companies	Associates
Sales	574,182	3,034	609,567	577
Purchases and services received	15,140	32,257	4,226	4,401
Accrued interest payable	351	1,952	1,106	32
Accrued interest receivable	1,289	-	2,837	-
Guarantees (provided and received)	6,284	182	8,818	68
Dividends received	26,356	-	19,255	255

"Accrued Interest Payable" includes borrowing costs payable to the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A., totalling EUR 1,942 thousand (see Note 9.1).

In addition to these transactions, in 2012 the Company purchased advertising space from related companies amounting to EUR 1,469 thousand (2011: EUR 1,195 thousand) through advertising agencies.

21.2 Related party balances

The detail of the balances with related parties at 31 December 2012 and 2011 is as follows (in thousands of euros):

2012	Equity instruments	Non-current loans to companies	Trade receivables	Current financial assets	Non-current payables	Current payables	Trade payables
Group companies:	74,360	136,729	172,924	29,987	2	73,183	9,885
Antena 3 Canarias, S.L.U.	-	-	-	-	-	-	-
Antena 3 Eventos, S.L.U.	1,306	-	22	-	-	700	40
Antena 3 Films, S.L.U.	5,129	46,729	1,212	-	-	3,477	(1,035)
Antena 3 Juegos, S.A.	100	-	1	168	-	8	59
Antena 3 Multimedia, S.L.U.	3	-	32	219	-	-	967
Antena 3 Noticias, S.L.U.	6	-	414	6,242	-	-	7,634
Antena 3 TDT de Canarias, S.A.	-	-	41	8	-	317	185
Atres Advertising, S.L.U.	3	-	170,601	8,688	-	50,017	155
Canal Media Radio Galicia, S.L.U.	-	-	-	2	-	-	-
Estaciones Radiofónicas de Aragón, S.A.U.	-	-	-	3	-	-	-
Guadiana Producciones, S.A.	53	-	3	29	-	86	120
Ipar Onda, S.A.U.	-	-	-	6	-	-	-
La Sexta Editorial Musical, S.L.U.	1,103	-	-	1,830	-	-	-
Música Aparte, S.A.U.	60	-	87	1,396	-	3,877	23
Publiseis Iniciativas Publicitarias, S.A.U.	6,297	-	97	334	-	10,473	842
Uniprex Televisión, S.L.U.	-	-	20	424	-	-	44
Uniprex Valencia Televisión, S.L.U.	-	-	-	-	-	7	-
Uniprex, S.A.U.	60,300	90,000	394	10,638	2	4,221	851
Associates:	85	572	196	500	-	6,295	1,258
Antena 3 de TV Colombia, S.A.	-	-	-	-	-	-	-
Canal 3 Televisión Colombia, S.A.	-	-	-	-	-	-	-
Fundación Antena 3	-	-	22	-	-	1,035	4
I3 Televisión, S.L.	85	-	60	-	-	-	1,247
Organizaciones Deportivas y Culturales de Unipublic, S.A.	-	-	-	-	-	50	-
Unipublic, S.A.	-	-	26	-	-	5,210	7
Hola Televisión América, S.L.	-	572	18	-	-	-	-
Cordina Planet, S.L.	-	-	70	500	-	-	-
Related companies:	-	-	7,677	-	68,532	3,712	113,576
GAMP Audiovisual, S.A.	-	-	-	-	35,619	1,929	-
Imagina Media Audiovisual, S.L.	-	-	-	-	27,918	1,513	-
Gala Desarrollos Comerciales, S.L.	-	-	-	-	4,995	270	-
Planeta Group	-	-	189	-	-	-	4,767
RTL Group	-	-	251	-	-	-	7,782
Imagina Group	-	-	7,237	-	-	-	101,027

2011	Equity instruments	Non-current loans to companies	Trade receivables	Current financial assets	Non-current payables	Current payables	Trade payables
Group companies:	10,225	119,434	120,157	245,303	2	147,148	11,193
Antena 3 Canarias, S.L.U.	5	-	-	-	-	1	-
Antena 3 Directo, S.A.U.	-	-	-	10,000	-	10,705	-
Antena 3 Eventos, S.L.U.	1,337	-	20	-	-	759	-
Antena 3 Films, S.L.U.	8,066	59,134	23	-	-	6,526	9,212
Antena 3 Juegos, S.A.	100	-	-	-	-	28	-
Antena 3 Multimedia, S.L.U.	3	-	23	270	-	-	1,001
Antena 3 TDT de Canarias, S.A.	-	-	-	1,524	-	343	710
Atres Advertising, S.L.U.	3	-	119,609	6,009	-	14,462	59
Canal Media Radio Galicia, S.L.U.	-	-	-	2	-	-	-
Estaciones Radiofónicas de Aragón, S.A.U.	-	-	-	98	-	-	-
Guadiana Producciones, S.A.	12	-	-	-	-	94	-
Ipar Onda, S.A.U.	-	-	-	6	-	-	-
Medipress Valencia, S.A.U.	-	-	-	-	-	-	-
Movierecord Cine, S.A.U.	639	-	84	22	-	736	-
Música Aparte, S.A.U.	60	-	14	2,496	-	7,271	-
Rkor Radio, S.L.U.	-	-	-	-	-	-	-
Uniprex Televisión, S.L.U.	-	-	28	230	-	4	53
Uniprex Valencia Televisión, S.L.U.	-	-	-	-	-	6	-
Uniprex, S.A.U.	-	60,300	356	223,003	2	106,137	158
VNews Agencia de Noticias, S.L.	-	-	-	1,643	-	76	-
Associates:	2,982	412	318	-	-	6,181	954
Antena 3 de Televisión Colombia, S.A.	315	-	-	-	-	-	-
Canal 3 Televisión Colombia, S.A.	25	-	-	-	-	-	-
Cordina Planet, S.L.	3	-	-	-	-	-	-
Fundación Antena 3	-	-	43	-	-	1,406	-
Hola Televisión América, S.L.	58	412	-	-	-	-	-
I3 Televisión, S.L.	58	-	11	-	-	-	946
Organizaciones Deportivas y Culturales de Unipublic, S.A.	-	-	-	-	-	50	-
Unipublic, S.A.	2,523	-	264	-	-	4,725	8
Related companies:	-	-	193	-	-	-	1,977
Planeta Group	-	-	174	-	-	-	1,501
RTL Group	-	-	19	-	-	-	476

"Current Financial Assets" includes the amounts drawn down on the credit facilities granted by the Company to companies in its Group.

In June 2012 the Company granted Cordina Planet, S.L. a participating loan for EUR 500 thousand, paying EUR 250 thousand in June and another EUR 250 thousand in August of the same year. The loan earns interest at a floating rate equal to 5% of the borrower's annual positive EBITDA.

The short-term participating loan granted by the Company to Uniprex, S.A. (Sole-Shareholder Company) for EUR 223,000 thousand was repaid at the maturity date, 30 November 2012. In December, a loan was entered into with this subsidiary for a total of EUR 100,000 thousand, of which EUR 10,000 thousand mature at short term and earn interest at a fixed rate of 3%, subject to review each year (see Note 9).

"Current Payables" includes the balances relating to cash surpluses managed by the Company on behalf of its Group companies.

The sale of television advertising services has been managed by the Group company Atres Advertising, S.L. (Sole-Shareholder Company) since its incorporation. On 1 April 2010, Antena 3 de Televisión, S.A. decided to begin billing the aforementioned service from Atres Advertising, S.L.U., in line with the most widely used sales model in the television advertising industry. Accordingly, Antena 3 de Televisión, S.A. invoices this Group company for the sale of advertising space and Atres Advertising, S.L.U. bills the end customers.

The accounts receivable from and payable to the companies in which the investments held are intended to be realised or settled at short term were taken into account in order to estimate the net asset value and to consider the total risk associated with Antena 3 de Televisión, S.A.'s investments in these companies.

The Company centrally manages its cash and the cash of its subsidiaries (see Note 21.5).

21.3 Remuneration of directors and senior executives

The remuneration earned in 2012 by the current and former members of the Company's Board of Directors (composed of two women and eleven men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 3,447 thousand, EUR 778 thousand and EUR 16 thousand, respectively. In 2011 this remuneration amounted to EUR 3,448 thousand, EUR 643 thousand and EUR 14 thousand, respectively.

In 2012 remuneration in the form of salaries and life insurance premiums of senior executives who are not directors amounted to EUR 4,230 thousand and EUR 25 thousand, respectively (2011: EUR 3,626 thousand and EUR 23 thousand, respectively).

The Company has not granted any loans or advances to its Board members or senior executives and it does not have any supplementary pension, retirement bonus, special indemnity or life insurance obligations to them in their capacity as directors and executives.

21.4 Detail of investments in companies with similar activities and of the performance, as independent professionals or as employees, of similar activities by the directors

Pursuant to Article 229 et seq. of the Spanish Limited Liability Companies Law (LSC), the following information is included:

- A) As notified by each of the directors, at 31 December 2012 none of the directors or parties related thereto held direct or indirect equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A. and the companies composing the Group, except for the director **Imagina Media Audiovisual, S.L.U.**, who holds direct or indirect equity interests in the share capital of the following companies, all of which belong to the Antena 3 Group:

Investee	Business activity	% of ownership	Position held in the company, where applicable
Mediaproduction Properties, B.V.	Ownership of securities - Audiovisual industry	100	None
Grupo Globo Media, S.A.U.	Holding company - Audiovisual industry	100	None
Adisar Media, S.L.	Audiovisual production services	60	None
Antena Local, S.L.	Radio and television	60	None
Asturmedia Producciones Audiovisuales, S.L.	Audiovisual production and distribution	49	None
Avenida dos Aliados, S.A.	Holding company - Audiovisual industry	52.35	None
Bikini Pos Produção de Filmes, Ltda.	Post-production	90	None
Centroamerica TV, Llc	Television	82.5	None
CLS Audiovisuais, Lda	Production services	75	None
Distribuidora Digital de Fútbol, S.L.	Audiovisual services	100	None
Enef Holding, S.L.U.	Holding company - Audiovisual industry	100	None
Equille Investment, B.V.	Holding company - Audiovisual industry	100	None
Estudios Hackenbush, S.L.	Advertising	100	None
Flaix Canal Televisió, S.L.	Radio broadcasting services	50	None
Full Zoom-producciones audiovisuales, Ltda.	Audiovisual production	50	None
Gabinete de Estudios de la Comunicación Audiovisual, S.A.U.	Studies and reports of sporting events	100	None
GAMP Audiovisual, S.A.	Holding company - Audiovisual industry	72.74	None

Geca Minutados, S.L.	Studies and reports of sporting events	100	None
GLM Brasil Conteudos Audiovisuais, Ltda	Audiovisual content	100	None
Globeopro Telecomunicaciones, S.L.	Broadcasting of audiovisual signals via satellite	100	None
Globo Media, S.A.	Audiovisual content	98.7	None
Gol Televisión S.L.U.	Television	100	None
GTV Estudios, Lda	Multimedia services	100	None
Hangin, S.A.	Distribution of audiovisual programmes	50	None
Hostoil Produkcioak, S.L.	Audiovisual production	100	None
Imagina Contenidos Audiovisuales, S.L.	Audiovisual content	100	None
Imagina Media Inversiones de Comunicación Audiovisual, S.L.U.	Publishing and sale of publications and other items relating to the audiovisual industry	100	
Imagina Group France	Exploitation of mobile units for broadcasting of sporting events	100	None
Imagina International Sales, S.L.	Marketing of audiovisual works	100	None
Imagina USA, Inc.	Purchase and sale of audiovisual rights	100	None
Imalatam, S.L.A.	Audiovisual production and services	82.5	None
Imalatam Caracas, C.A.	Audiovisual production	40.43	None
Imasblue Estudio, S.L.	Post-production services	54.46	None
Infinia, AD, S.A.	Post-production services	54.46	None
K 2000, S.A.	Content production	100	None
Labo Productions 2007, LLC	Content production	82.5	None
Liquid Media, S.L.	Television, telematic network and internet content	100	None
Media 3.14, S.L.	Television content production	90	None
Media Base Sports, S.L.	Image rights management (sports)	55	None
Media Burst Servicios para Empresas Audiovisuais Sociedade Unipessoal	Audiovisual-industry related industrial facilities	100	None
Media Cam Producción Audiovisual, S.L.	Management and exploitation of marketing rights	100	None
Media Luso Produções para la Televisao, Lda	Videographic production	100	None
Media Sports Marketing, S.L.	Image rights management (sports)	80	None
Media World, LLC	Distribution of television rights, television production and sports marketing	82.5	None
Mediaconti Servicios de Continuidad, S.L.	Audiovisual continuity services	100	None
Mediamag Management Kft	Videographic production	100	None
Mediamóvil Unidad de Producción, S.L.	Equipment and technical facilities for audiovisual-related fields	60	None
Mediapro Middle East FZ L.L.C.	Audiovisual production and services	100	None
Mediaproducción, S.L.	Exploitation of mobile units for broadcasting of sporting events	100	None
Mediapropiedades, S.A.	Audiovisual production and services	50	None
Mediarena Servicios, S.A.	Videographic production	100	None
Mediasur Producciones Audiovisuales, S.L.	Videographic production	100	None
Mediatem Canales Temáticos, S.L.	Videographic production	100	None
Molinare, S.A.	Purchase and sale of shares	100	None
MW Colombia LLC	Audiovisual production and services	82.5	None
Nuevas Iniciativas Audiovisuales, S.L.	Exploitation of radiobroadcasting companies or media	100	None
Ombú Producciones, S.A.	Film production	62.96	None

Omnicamm Sistemas Avançados de captação de imagem, Ltda.	Provision of television services	50	None
Overon América, Llc	Broadcasting	40.43	None
Overon Bulgaria EOOD	Broadcasting	49	None
Overon US, Inc	Broadcasting	50	None
Ovideo Lisboa, Lda	Production and editing of film and video programmes	30.24	None
Ovideo TV, S.A.	Production and editing of film and video programmes	60	None
Pasiones TV, Llc	TV channel management	49.5	None
Plataforma de Televisión Digital Terrestre, S.L.	Dormant Company - Audiovisual communication services	100	None
Play Televisión, S.L.	Consulting and integration of information systems and technology	50	None
POC Ventures, B.V.B.A.	Audiovisual production services	100	None
Pro TV Global Production Services FZ-LLC.	Audiovisual production and services	100	None
Promo Caracas, C.A.	Audiovisual production	99.95	None
Prom TV, S.A.	Audiovisual production	70	None
Promofilm California, L.L.C.	Audiovisual production	82.5	None
Promofilm Colombia, Ltda.	Audiovisual production	100	None
Promofilm do Brasil, Ltda.	Audiovisual production	100	None
Promofilm México S.A. de C.V.	Audiovisual production	100	None
Promofilm Music, L.L.C	Audiovisual production	82.5	None
Promofilm US, L.L.C.	Audiovisual production	82.5	None
Promofilm, S.A.	Audiovisual production	100	None
Revolution Broadcast Produções Artísticas Ltda	Exploitation of mobile units for broadcasting of sporting events	65	None
Royal Media Internacional, S.L.	Videographic production	100	None
Servicios Audiovisuales Overon, S.L.	Broadcasting	49	None
Servicios Integrales Unitecnic, S.L.	Industrial facilities related to the audiovisual industry	100	None
Sociedad Europea de Unidades Móviles, S.L.	Exploitation of mobile units for broadcasting of sporting events	96.84	None
Sociedad General de Producción y Explotación de Contenidos, S.L.	Television content production	100	None
Teamazonas Internacional, Llc	Theme channel production and management	41.25	None
Trivideo Tricycle Ovideo, S.L.	Audiovisual production	50	None
T&M Tecnologia & Media, Consultadoria e Produção Multimedia, Lda	Videographic production	50	None
Televisión Dominicana, Llc	Television channel management	82.5	None
US Imagina, Llc	Audiovisual production and services	82.5	None
Video Shopping Broadcast, S.L.	Sale of professional audio and video products	80	None
Wisdom TV España, S.L.	Production, marketing and consulting services	50	None
Wisdom Televisión, Sistemas Informáticos para Televisao, Lda	Production, marketing and consulting services	50	None
Wtvision Sistemas Informáticos para televisao, Ltda	Production, marketing and consulting services	50	None
Wtvision, INC	Production, marketing and consulting services	50	None

Xarxa Oberta, de Comunicació i Tecnologia de Catalunya, S.A.	Construction and exploitation of next generation networks	65	None
You Whisp Company, S.L.	Consulting and integration of technological tools for audiovisual content management	28.05	None
Umedia Sports Advertising, S.L.	Static advertising	50	None
12 Hearts, LLC	Any lawful company object	41.25	None

In addition, **Imagina Media Audiovisual, S.L.U.** notified the Parent that **José Miguel Contreras Tejera**, its designated representative to perform the duties of director of Antena 3 de Televisión, S.A., at 31 December 2012 held direct or indirect equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A. and the companies composing its Group:

Investee	Business activity	% of ownership	Position held in the company, where applicable
Imagina Media Audiovisual, S.L.	Holding company - Audiovisual industry	3.45	Director
JMC 2000, S.L.	Audiovisual consulting	50	Sole director

In addition, **Gamp Audiovisual, S.A.** notified the Parent that **Josep María Benet Ferrán**, its designated representative to perform the duties of director of Antena 3 de Televisión, S.A., at 31 December 2012 held direct or indirect equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A. and the companies composing its Group:

Investee	Business activity	% of ownership	Position held in the company, where applicable
Imagina Media Audiovisual, S.L.	Holding company - Audiovisual industry	7.35	Chairman

- B) With regard to the performance of activities carried on by the members of the Board of Directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A., at 31 December 2012, the directors or their representatives had notified the Company of the following:

Nicolas Abel Bellet de Tavernost:

Business activity	Company through which the activity is performed	Position held or functions discharged
Television	Rtl Group, S.A.	Member of the operations management committee Member of the management committee
Television	Métropole Television, S.A.*	Chairman of the Executive Committee

* As a result of his position in this company, he carries on activities related to the audiovisual industry through the M6 Group in France.

Josep María Benet Ferrán, representing the director Gamp Audiovisual, S.A.:

Business activity	Company through which the activity is performed	Position held or functions discharged
Audiovisual continuity services	Mediaconti Servicios de Continuidad, S.L.	Director acting severally
Publishing, distribution and sale of publications	Imagina Media Inversiones de Comunicación Audiovisual, S.L.U.	Director acting jointly
Holding company - Audiovisual industry	Mediaproduction Properties, BV	Director acting severally
Informative productions	Medianews Canarias, S.L.	Director acting jointly
Marketing of advertising space	Umedia Sports Advertising, S.L.	Director
Audiovisual content	Imagina Contenidos Audiovisuales, S.L.	Representative

José Miguel Contreras Tejera, representing the director Imagina Media Audiovisual, S.L.:

Business activity	Company through which the activity is performed	Position held or functions discharged
Holding company - Audiovisual industry	Gamp Audiovisual, S.A.	Director
Audiovisual production	Grupo Globomedia, S.A.	Representative of the director JMC 2000, S.L.
Audiovisual production	Globo Media, S.A.	Director
Holding company - Audiovisual industry	Imagina Contenidos Audiovisuales, S.L.	Director

Silvio González:

Business activity	Company through which the activity is performed	Position held or functions discharged
Advertising	Atres Advertising, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Sales	Antena 3 Eventos, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Audiovisual production	Antena 3 Films, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Operation of games	Antena 3 Juegos, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Sales	Antena 3 Multimedia, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
News production	Antena 3 Noticias, S.L.U.	Representative of the sole director Antena 3 de Televisión, S.A. since 12 March 2012
Television	Antena 3 TDT de Colombia, Ltda.	Member of the Board of Directors
Spots production	Guadiana Producciones, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Rights management	Música Aparte, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Radio	Uniprex, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Television	Antena 3 TDT de Canarias, S.A.U.	Representative of the sole director (Uniprex, S.A.U.)
Television	Uniprex Televisión, S.L.U.	Representative of the sole director (Uniprex, S.A.U.)
Television	Uniprex Valencia TV, S.L.U.	Representative of the sole director (Uniprex, S.A.U.)
Television	Uniprex TDT de Andalucía, S.L.	Representative of the sole director (Uniprex, S.A.U.)

Elmar Heggen:

Business activity	Company through which the activity is performed	Position held or functions discharged
Holding company - Audiovisual industry	RTL GROUP, S.A.	Financial Manager and Corporate Director of the head office of the RTL Group
Holding company - Audiovisual industry	Ufa Film und Fernseh, Gmbh	General Manager
Holding company - Audiovisual industry	CLT-Ufa, S.A.	Director
Holding company - Audiovisual industry	Immobilière Bayar d'Antin, S.A.	Director
Radio in Belgium	Inadi, S.A.	Director
Radio in France	IP France, S.A.	Director
Television	RTL 9, S.A.	Director
Television in Belgium	RTL Belgium S.A.	Director
Holding company - Audiovisual industry	RTL Group Central and Eastern Europe, S.A.	Director
Holding company - Audiovisual industry	RTL Group Germany, S.A.	Director
Holding company - Audiovisual industry	RTL Group Central and Eastern Europe, Gmbh	Executive Chairman
Radio in Germany	RTL Radio Berlin, Gmbh	General Manager
German television	RTL Television, Gmbh	General Manager
Holding company - Audiovisual industry	Fremantlemedia, S.A.	Chairman of the Board of Directors
Holding company - Audiovisual industry	RTL Group Deutschland, Gmbh	General Manager
Holding company - Audiovisual industry	RTL Group Vermögensverwaltung, Gmbh	General Manager
Production	RTL Group Services, Gmbh	General Manager
Holding company - Audiovisual industry	RTL TV D.O.O.	Director
Radio in France	Ediradio, S.A.	Member of the Supervisory Committee
Television in France	Métropole Television, S.A.	Member of the Supervisory Committee
Holding company - Audiovisual industry	Audiomédia Investments, S.A.	Chairman of the Board of Directors
Radio broadcasting	Broadcasting Center Europe, S.A.	Chairman of the Board of Directors
Insurance	Media Assurances, S.A.	Chairman of the Board of Directors
Technical services	Media Properties, Sàrl	Chairman of the Management Committee
Television and radio holding company	RTL Nederland Holding, BV	Chairman of the Supervisory Committee
Holding company	Bertelsmann Capital Investment, S.A. SICAR	Director
New technologies	Duchy Digital, S.A.	Chairman of the Board of Directors
Licences	RTL Group Licensing Asia, Gmbh	Executive Manager

The following must be stated in relation to the activities performed by the aforementioned directors:

1. In all cases, the proprietary directors perform their professional activities at companies that form part of the corporate groups of their respective reference shareholders, which they represent on the Board of Directors of Antena 3 de Televisión, S.A.
2. At the time of their appointment by the shareholders at the Annual General Meeting, information was disclosed on the relationship existing between the aforementioned proprietary directors and the shareholders that proposed their appointment in each case and on those who were associated as non-executive proprietary directors.
3. In the case of the Chief Executive Officer, Silvio González, executive director, all the professional activities indicated are performed at companies owned by the Antena 3 Group and, therefore, no competition is entailed. In all cases, he acts as representative of the legal entity holding the position of sole director, which may be Antena 3 de Televisión, S.A. itself or any of its subsidiaries. Each of these subsidiaries has its own management team.
4. The inclusion of this information in the Company's financial statements complies with Article 230 of the Spanish Limited Liability Companies Law on notifying the shareholders at the Annual General Meeting and obtaining their express authorisation.

The other directors, José Manuel Lara Bosch, Maurizio Carlotti, Mauricio Casals Aldama, Aurora Catá Salas, José Creuheras Margenat, Marco Drago, María Entrecanales Franco and Pedro Ramón y Cajal Agüeras have notified the Company that, at 31 December 2012, they did not perform any activities as independent professionals or employees that were identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A.

21.5 Financial structure

As indicated in Note 1, the Company is the head of a group of subsidiaries. It holds its cash and cash equivalents at banks with high credit ratings.

External financing is basically obtained by the Company, which also manages the financial transactions of the rest of the Group, including both financing activities and asset management activities (see Note 21.2).

22.- Other disclosures

22.1 Employees

The average number of employees in 2012 was 537 (2011: 752). The detail, by professional category, is as follows:

Professional category	2012	
	Women	Men
Senior executives	2	8
Managers	34	69
Other line personnel	144	142
Clerical staff	37	10
Other	51	40
Total	268	269

There were 451 employees at 2012 year-end. The detail, by gender and professional category, is as follows:

Professional category	2012	
	Women	Men
Senior executives	2	8
Managers	34	69
Line personnel	109	121
Clerical staff	36	11
Other	34	27
Total	215	236

The number of senior executives includes two directors (both men).

The average number of employees in 2012 with a disability of more than 33%, by professional category, is as follows:

Professional category	2012
Other line personnel	2
Other	1
Total	3

22.2 Fees paid to auditors

In 2012 and 2011 the fees for financial audit and other services provided by the Company's auditors, Deloitte, S.L., or by a firm in the same group or related to the auditors, were as follows (in thousands of euros):

	Financial audit services	Audit-related services	Tax advisory services	Other services
2012	241	1	-	71
2011	205	36	-	83

The Annual Corporate Governance Report contains a description of the work of the Audit Committee and explains how auditor objectivity and independence is guaranteed when auditors provide other non-audit services.

22.3 Off-balance-sheet agreements

The detail of the guarantees provided by the Company to banks for third parties is as follows:

Thousands of euros	2012	2011
Group companies and associates	6,466	8,886
Other guarantees	14,009	7,084
Total	20,475	15,970

The Company's directors consider that any liabilities not foreseen at 31 December 2012 that might arise from the guarantees provided would not be material.

23.- Events after the reporting period

There were no significant events between year-end and the date of preparation of the Company's financial statements.

24. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2.1). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Antena 3 de Televisión, S.A.

Directors' Report

2012

**ANTENA 3 DE TELEVISIÓN, S.A.
DIRECTORS' REPORT FOR 2012**

Business performance and situation of the Company

The economic context in which Antena 3 de Televisión, S.A. carries on its business activities continued its markedly negative trend in 2012. In this respect, 2012 was the fifth consecutive year in which general economic activity either stagnated or decreased. Although a well known fact, it should still be underlined due to the impact it has on our market and the results that may be achieved. Also, due to the general economic downturn, the Spanish economic policies to reduce debt have a particularly negative impact directly on household spending and, as a result, on the advertising expenditure of companies, particularly those selling consumer goods and services.

Although to date no final figures are available, it is estimated that in 2012 the advertising market experienced a decrease of around 16%, with radio advertising performing slightly better with a decrease of 14% and television advertising performing slightly worse with a decrease of 19%. This accelerated decrease in advertising placed the market in 2012, in nominal terms, on a similar level with that of 1998, which means that the deterioration observed in recent years is much worse than that experienced by the Spanish economy as a whole.

In 2012 the reorganisation and concentration of the free-to-air television industry continued, the structure of which had previously been unfeasible, particularly in a stagnant economic environment. The most significant event was the completion of the merger by absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A. by Antena 3 de Televisión, S.A. The transaction was initiated in December 2011, when an agreement was entered into to integrate the two companies and was completed in October 2012 with the registration of the transaction at the Madrid Mercantile Registry, once all the necessary procedures had been completed and authorisations obtained. The effective date of integration as of which the operations of La Sexta are considered to be performed for accounting purposes by Antena 3 is 5 October 2012, when the Spanish Cabinet adopted a resolution authorising the transfer of the audiovisual communications licence.

As explained in the initial presentation, in the draft terms of merger and other documentation, the transaction was undertaken mainly to improve the shareholders' return on their investments by expanding the content offering and improving advertising efficiency. In spite of the current macro-economic situation, this merger was carried out in accordance with the initial forecasts and it was possible to obtain benefits from the outset both in terms of content and programming, as well as from a commercial point of view, which immediately strengthened the position and visibility of the Antena 3 Group.

The combined effects of the decrease in the advertising market, the increase in market share and the inclusion of three months of operations of La Sexta resulted in net advertising revenue of EUR 574 million as compared to EUR 614 million in 2011, representing a 6.7% decrease. Excluding the effect of the increase in revenue on the inclusion of La Sexta, the decrease in advertising revenue was smaller in comparison to the market as a whole. The Company's revenue totalled EUR 592 million, down 6.5% on 2011.

The performance of operating variables was highly positive. The audience share of the Group's channels, including those of Antena 3 and those formerly of La Sexta, achieved an all-time-high of 27.6% in the fourth quarter of 2012, the first year of the post-merger entity. This share is 1.5% up on the preceding quarter and 2.2% up on that of the same period in 2011. As mentioned above, it was possible to achieve improvements in audiences almost from the outset and the same trend has been observed in early 2013. Both the Antena 3 and La Sexta channels show marked improvement in their audiences. It should be underlined that the improvement observed in La Sexta is being achieved without coverage of any sporting event, unlike in prior years.

As expected, the Company's operating expenses were affected by the inclusion of La Sexta in the fourth quarter of 2012, growing 11.8% to EUR 586 million. In 2012 the rigorous cost control policy was reinforced with cuts in all areas, except in programming, due to the addition of three La Sexta channels in October and to the effort made in relation to the Formula 1 broadcasting rights.

Profit before tax amounted to EUR 14 million. After-tax profit amounted to EUR 36 million in 2012, compared with EUR 96 million in 2011.

Significant events for the Company after the reporting period

There were no significant events between the end of the reporting year and the date of preparation of the Company's financial statements.

Outlook for the Company

It is to be expected that the weak economic activity will continue throughout 2013, which will have a negative impact on the advertising market and, therefore, on the capacity of our businesses to generate higher revenue. This outlook was taken into consideration in the approach adopted to manage Group activities for the near future.

Over the coming months the aim will be to reinforce the Company's position in the markets in which it operates and, in particular, to consolidate the positive results of the merger initiated in October 2011. Initiatives to improve the variety of programmes and channels currently offered will provide the basis for achieving ongoing improvements in audience and market shares. Additionally, maximum flexibility will be maintained in terms of costs and achieving operating efficiency in order to enable the Company to adapt quickly to whatever negative circumstances may arise.

In any event the policy of prudence observed in recent years will continue to be applied. Taking advantage of business opportunities when they arise is aligned with the mitigation of risks and the aim of maintaining the Company's financial and equity balance.

Research and development activities

The Company did not carry out any specific research and development activities. However, it updates its investments in all new technologies related to engineering, systems and content distribution on an ongoing basis. In this field Antena 3 de Televisión, S.A. has and uses state-of-the-art technology, which enables it to be at the forefront in the deployment of digital activities and in the Internet.

Treasury share acquisitions

In 2012 4,369,272 treasury shares were acquired for a total amount of EUR 19,019 million. In accordance with the draft terms of merger, 1,181,296 treasury shares were delivered to the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. Following the aforementioned transactions, at 31 December 2012, the Company held 15,818,704 treasury shares of EUR 0.75 par value each, representing 7.01% of the Parent's share capital.

Use of financial instruments and main financial risks

The Company performs transactions with financial instruments mainly to hedge the foreign currency risk on the purchases of broadcasting rights in the year.

At 31 December 2012, the Company had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 89,611 thousand, at a weighted average EUR/USD rate of 1.3058. The net fair value of these hedging instruments gave rise to a financial asset of EUR 1,245 thousand and a financial liability of EUR 682 thousand at year-end.

The Company has established the risk management systems required to ensure that transactions in markets are performed in accordance with its established policies, rules and procedures and within the limits approved for each case. The Company's main financial risks are as follows:

- a) Foreign currency risk. Foreign currency risks relate mainly to the payments to be made in international markets to acquire broadcasting rights. In order to mitigate this risk, the Company arranges hedging instruments (mainly foreign currency hedges).
- b) Liquidity risk. The Company's liquidity policy is to arrange credit lines and current financial assets that are sufficient to support its financial needs, on the basis of expected business performance.
- c) Credit risk. The Company does not have a significant credit risk since the average customer collection period is very short and guarantees are required for deferred payment sales. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.
- d) Interest rate risk. Both the Company's cash and its bank borrowings are exposed to interest rate risk. The Company's financing is at interest rates tied to Euribor.

Antena 3 de Televisión, S.A. and Subsidiaries

Auditors' Report

Consolidated Financial Statements
for the year ended 31 December 2012

Translation of a report originally issued in Spanish and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Antena 3 de Televisión, S.A.:

We have audited the consolidated financial statements of Antena 3 de Televisión, S.A. (the Parent) and Subsidiaries (the Group), which comprise the consolidated balance sheet at 31 December 2012 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2 to the accompanying consolidated financial statements, the directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2012 present fairly, in all material respects, the consolidated equity and consolidated financial position of Antena 3 de Televisión, S.A. and Subsidiaries at 31 December 2012, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2012 contains the explanations which the directors of Antena 3 de Televisión, S.A. consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2012. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Antena 3 de Televisión, S.A. and Subsidiaries.

DELOITTE, S.L.

Registered in ROAC under no. S0692

Jesús Mota Robledo

27 February 2013

Antena 3 de Televisión, S.A. and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2012

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2012

Thousands of euros	NOTES	2012	2011
ASSETS			
Goodwill	5	150,012	175,879
Other intangible assets	6	140,820	38,153
Property, plant and equipment	7	57,414	62,895
Investments accounted for using the equity method	8	86	6,033
Deferred tax assets	22-e	322,539	60,791
Other non-current assets	9	13,052	1,270
Financial instruments	9	7,402	655
NON-CURRENT ASSETS		691,325	345,676
Programme rights	10	238,977	203,695
Inventories		2,924	2,600
Trade and other receivables	11	221,885	215,707
Current financial assets	15-a	1,245	2,264
Current tax assets	22-d	8,865	1,709
Other current assets		1,595	3,429
Cash and cash equivalents		4,973	8,103
CURRENT ASSETS		480,464	437,507
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS	3-g	2,000	23
TOTAL ASSETS		1,173,789	783,206
EQUITY AND LIABILITIES			
Share capital	12-a	169,300	158,335
Share premium	12-b	38,304	-
Restricted reserves	12-c	40,282	40,282
Retained earnings		166,482	227,240
Treasury shares	12-e	(99,453)	(87,861)
Interim dividends	12-f	(21,352)	(43,734)
Other equity instruments	4	42,643	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		336,206	294,262
Non-controlling interests	12-g	(4)	(2)
EQUITY		336,202	294,260
Financial instruments	15-a	197	-
Bank borrowings	14	226	452
Other non-current liabilities	13	69,469	742
Deferred tax liabilities	22	31,488	136
NON-CURRENT LIABILITIES		101,380	1,330
Bank borrowings	14	137,669	86,800
Trade and other payables	16	479,308	295,752
Other financial liabilities	15-a	485	46
Provisions	13	79,192	73,601
Current tax liabilities	22-d	13,598	12,257
Other current liabilities	13	25,955	19,157
CURRENT LIABILITIES		736,207	487,613
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS	3-g	-	3
TOTAL EQUITY AND LIABILITIES		1,173,789	783,206

The accompanying Notes 1 to 29 are an integral part of the consolidated balance sheet at 31 December 2012.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros	NOTES	2012	2011
Revenue	19-a	712,574	778,678
Other income		28,589	26,531
Programme amortisation and other procurements	19-b	(406,468)	(375,357)
Staff costs	19-c	(120,298)	(123,234)
Other operating expenses	19-d	(174,911)	(182,188)
Depreciation and amortisation charge	6 and 7	(16,645)	(15,838)
Impairment and losses on disposals of non-current assets	5	(25,392)	-
Gains on bargain purchases arising on business combinations	4	19,536	-
PROFIT FROM OPERATIONS		16,985	108,592
Net gain on changes in the value of financial instruments at fair value	20	4,931	2,428
Exchange differences	20	4,077	(3,514)
Financial loss	20	(9,835)	(4,838)
Impairment of financial assets	20	-	(3,965)
Gains (losses) on disposals of financial assets	20	(3,174)	303
Result of companies accounted for using the equity method	8	(1,080)	646
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		11,904	99,652
Income tax	22-b	(20,005)	6,220
PROFIT FOR THE YEAR		31,909	93,432
Loss attributable to non-controlling interests		2	2
PROFIT ATTRIBUTABLE TO THE PARENT		31,911	93,434
Earnings per share:		2012	2011
From continuing operations			
Basic	24	0.149	0.467
Diluted	24	0.149	0.467

The accompanying Notes 1 to 29 are an integral part of the consolidated income statement for 2012.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros	2012	2011
CONSOLIDATED PROFIT FOR THE YEAR	31,909	93,432
Income and expense recognised directly in equity:		
Revaluation / (Reversal of the revaluation) of property, plant and equipment and intangible assets	-	-
Revaluation of financial instruments:	-	-
a) Available-for-sale financial assets	-	-
b) Other income / (expenses)	-	-
Cash flow hedges	(630)	(233)
Translation differences	-	-
Actuarial gains and losses and other adjustments	-	-
Companies accounted for using the equity method	-	-
Other income and expenses recognised directly in equity	-	-
Tax effect	189	70
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(441)	(163)
Transfers to profit or loss:		
Revaluation of financial instruments:		
a) Available-for-sale financial assets	-	-
b) Other income / (expenses)	-	-
Cash flow hedges	(10)	294
Translation differences	-	-
Companies accounted for using the equity method	-	-
Other income and expenses recognised directly in equity	-	-
Tax effect	3	(88)
TOTAL TRANSFERS TO PROFIT OR LOSS	(7)	206
TOTAL COMPREHENSIVE INCOME	31,461	93,475
Loss attributable to non-controlling interests	2	2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT	31,463	93,477

The accompanying Notes 1 to 29 are an integral part of the consolidated statement of comprehensive income for 2012.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 29).
In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros	Share capital	Share premium	Restricted reserves	Treasury shares	Total retained earnings		Interim dividend	Other equity instruments	Equity attributable to the Parent	Non-controlling interests	Equity
					Valuation adjustments	Retained earnings					
Balance at 31 December 2010	158,335	-	40,282	(78,650)	894	223,140	(40,111)	-	303,890	-	303,890
Total comprehensive income	-	-	-	-	45	93,432	-	-	93,477	(2)	93,475
Treasury share transactions:											
Acquisition of treasury shares	-	-	-	(9,211)	-	-	-	-	(9,211)	-	(9,211)
Distribution of profit:											
2010 interim dividend paid in 2010	-	-	-	-	-	(40,111)	40,111	-	-	-	-
2010 final dividend paid in 2011	-	-	-	-	-	(50,139)	-	-	(50,139)	-	(50,139)
2011 interim dividend paid in 2011	-	-	-	-	-	-	(43,734)	-	(43,734)	-	(43,734)
Changes in the scope of consolidation and other	-	-	-	-	-	(21)	-	-	(21)	-	(21)
Balance at 31 December 2011	158,335		40,282	(87,861)	939	226,301	(43,734)		294,262	(2)	294,260
Total comprehensive income	-	-	-	-	(446)	31,909			31,463	(2)	31,461
Treasury share transactions:											
Acquisition of treasury shares	-	-	-	(19,019)	-	-	-	-	(19,019)	-	(19,019)
Transactions with shareholders:											
Increase (decrease) in equity arising from business combinations	10,965	38,304	-	7,427	-	(3,446)	-	42,643	95,893	-	95,893
Distribution of profit:											
2011 interim dividend paid in 2011	-	-	-	-	-	(43,734)	43,734	-	-	-	-
2011 final dividend paid in 2012	-	-	-	-	-	(44,792)		-	(44,792)	-	(44,792)
2012 interim dividend paid in 2012	-	-	-	-	-		(21,352)	-	(21,352)	-	(21,352)
Changes in the scope of consolidation and other	-	-	-	-	-	(249)		-	(249)	-	(249)
Balance at 31 December 2012	169,300	38,304	40,282	(99,453)	493	165,989	(21,352)	42,643	336,206	(4)	336,202

The accompanying Notes 1 to 29 are an integral part of the consolidated statement of changes in equity for 2012.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 29). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

Thousands of euros	2012	2011
1.- CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated profit for the year before tax	11,904	99,652
Adjustments for:	36,958	47,394
- Depreciation and amortisation charge	16,645	15,838
- Provisions and other	39,022	25,632
- Provisions	9,376	22,616
- Net impairment losses (+/-)	28,566	3,662
- Result of companies accounted for using the equity method	1,080	(646)
- Net finance income	827	5,924
- Gains on bargain purchases arising on business combinations	(19,536)	-
Changes in working capital	10,559	43,331
Cash flows from operating activities	59,421	190,377
Income tax paid	(1,913)	(21,545)
Net cash flows from operating activities	57,508	168,832
2.- CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	(28,118)	(41,714)
Subsidiaries, joint ventures and associates	(4,440)	(565)
Property, plant and equipment and intangible assets	(23,678)	(41,149)
Disposals	1,620	-
Subsidiaries, joint ventures and associates	1,620	-
Net cash flows from investing activities	(26,498)	(41,714)
3.- CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(6,317)	(4,536)
Financing of associates	917	1,196
Dividends paid	(66,144)	(93,873)
Acquisition of treasury shares	(19,019)	(9,211)
Bank borrowings	50,644	(14,172)
Net cash flows from financing activities	(39,919)	(120,596)
NET INCREASE / DECREASE IN CASH	(8,907)	6,522
Cash and cash equivalents at beginning of year	8,103	1,581
Changes in the scope of consolidation/IFRSs	5,777	-
Cash and cash equivalents at beginning of year - new scope of consolidation	13,881	1,581
Cash and cash equivalents at end of year	4,973	8,103

The accompanying Notes 1 to 29 are an integral part of the consolidated statement of cash flows for 2012.

Antena 3 de Televisión, S.A. and Subsidiaries

Notes to the 2012 Consolidated Financial Statements

1. Group activities

Antena 3 de Televisión, S.A., the Group's Parent, with registered office at Avenida Isla Graciosa, 13, San Sebastián de los Reyes (Madrid), was incorporated on 7 June 1988, and its then sole company object was the indirect management of a public television service.

For this purpose, it submitted a bid in response to the call for tenders made under Article 8 of Private Television Law 10/1988, of 3 May, and, pursuant to a resolution of the Spanish Cabinet of 25 August 1989, was awarded a concession for the indirect management of the public television service, for a period of ten years, which ended on 3 April 2000.

On 7 May 1996, the shareholders at the Annual General Meeting resolved to change and extend the Parent's company object, as permitted by Satellite Telecommunications Law 37/1995.

On 10 March 2000, the Spanish Cabinet adopted a resolution renewing the concession for the indirect management of the public television service for a period of ten years from 3 April 2000. The terms of this renewal were the same as for the former concession, with the added obligation of commencing digital broadcasting on 3 April 2002. The Parent made all the necessary investments to enable it, on that date, to begin broadcasting the Antena 3 de Televisión, S.A. signal pursuant to Royal Decree 2169/1998, of 9 October, which approved the Spanish Technical Plan for Digital Terrestrial Television (DTT). On 3 April 2010, the National Government renewed, for a period of ten years, the concession for the indirect management of the public television service, under the same terms and conditions as the previous concession.

Additional Provision One of Royal Decree 944/2005, of 29 July, approving the Spanish Technical Plan for Digital Terrestrial Television established 3 April 2010 as the date for the switch-off of analogue television broadcasting in all the transition projects defined in the National Plan for the Transition to Digital Terrestrial Television. From that date onwards, all terrestrial television was broadcast using digital technology.

Following this milestone, in accordance with Additional Provision Three of Royal Decree 944/2005, of 29 July, each national terrestrial public television service concession operator would gain access to a digital multiplex with national coverage.

Royal Decree 365/2010, of 26 March, governs the allocation of the Digital Terrestrial Television multiplexes following the switch-off of terrestrial television broadcasting using analogue technology.

It established two phases for the allocation of the digital multiplexes. Phase 1 (transitional), in which each national terrestrial public service television concession operator would gain access to the capacity equivalent to one digital multiplex with national coverage, provided they demonstrated that they had met the terms and conditions established in relation to the drive and development of digital terrestrial television, and phase 2, in which new digital multiplexes will be planned, and adjustments will be established so that the radioelectric channels 61 to 69, which were being used by the digital multiplexes in the previous phase can be replaced by others in phase 2. This will conclude before 1 January 2015 with the allocation of the definitive digital multiplexes to each qualifying company, thereby ending the shared use of digital multiplex capacity by the national terrestrial public service concession operators.

On 16 July 2010, the Spanish Cabinet adopted a resolution to allocate a national digital multiplex to each national DTT concession operator: Antena 3, Gestevisión Telecinco, Sogecable, Veo Televisión, NET TV and la Sexta. The digital multiplex is composed of four digital television channels that can be operated twenty-four hours a day.

The allocation was made upon request and after the switch-off of analogue broadcasting, once it had been verified that the digital terrestrial television service concession operators had met the obligations relating to the drive and development of digital terrestrial television that they had assumed in the framework of the Spanish Technical Plan for Digital Terrestrial Television and the Royal Decree governing the specific allocation of DTT multiplexes, following the switch-off of analogue terrestrial television broadcasting.

In any event, the definitive multiplex will be accessed by 1 January 2015, in accordance with the phases established in the Royal Decree.

A judgment handed down on 27 November 2012 by Chamber Three of the Spanish Supreme Court rendered void the resolution of the Spanish Cabinet of 16 July 2010 which allocated to each of the Digital Terrestrial Television (DTT) licence holders, including Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A., the capacity equivalent to a digital multiplex with national coverage composed of four channels.

This allocation had been made pursuant to a set of rules which, since 1997, upon approval of the National Plan for Digital Terrestrial Television, and particularly upon enactment of Law 10/2005, of 14 June, governed the transition from analogue terrestrial television to DTT, which was completed in 2010. The allocation was made once the Government had verified that the licence holders had complied with all the requirements and obligations incumbent upon them to foster transition to DTT, as a condition for gaining access to the multiplex.

The judgment of the Spanish Supreme Court annulling the allocation was based primarily on the fact that the allocation was made after the General Audiovisual Communications Law came into force (which had been enacted one month before the Spanish Cabinet adopted the annulled resolution), which stipulates that the licences must be granted through a tendering procedure. The Supreme Court inferred from this that "the licences must reflect the content which existed upon entry into force of the Law, with no more channels being allowed", while the General Audiovisual Communications Law does not provide for any safeguard permitting the regulations to be applied prior to their entry into force.

The judgment of the Spanish Supreme Court noted that the matter would have been resolved had the General Audiovisual Communications Law included a provision envisaging that the rules in force prior to its enactment should continue to be valid. The obstacle posed by the judgment of the Spanish Supreme Court is therefore basically formal, because neither the phases of the DTT, nor consequently their completion involving the allocation of a multiplex to each operator, have ever been questioned. Therefore, the solution would not be complex, as has been stated at meetings held with the competent ministerial department staff. The Parent expects the defect to be remedied in the short term.

In relation to the renewal of the public radio broadcasting service concessions operated by Uniprex, S.A. (Sole-Shareholder Company), to date, applications have been submitted to the competent authorities, in accordance with the legislation in force, for the renewal of concessions about to expire and for authorisation of a change of operator in other concessions. In certain cases the renewal of the concession was granted expressly, whereas in others it was obtained by the administrative silence route after the pertinent appeals were filed with a higher administrative body, in accordance with Article 43 of the Public Authorities and Common Administrative Procedure Law.

The other Group companies engage mainly in activities relating to the production, reproduction and broadcasting of sounds and images (see Note 2-b).

The Parent's Annual General Meeting and its Board of Directors Meeting, on 28 April 2003 and 29 July 2003, respectively, resolved to request the admission to trading of all the shares of Antena 3 de Televisión, S.A. on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and their inclusion in the Spanish Stock Market Interconnection System. On 29 October 2003, the Parent's shares commenced trading on these stock exchanges.

The Parent is obliged to prepare, in addition to its own separate financial statements, the Group's consolidated financial statements, which also include its interests in joint ventures and investments in associates.

In view of the business activities carried on by the Group companies, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to the equity, financial position and results of operations of the corporate Group. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

On 14 December 2011, following a resolution by its Board of Directors, Antena 3 de Televisión, S.A. entered into an agreement with the shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. to merge the two companies, through the merger by absorption of La Sexta into Antena 3, subject to the obtainment of the relevant authorisations from the regulatory and competition authorities.

On 25 January 2012, the Board of Directors of Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. approved the draft terms of merger of the two companies.

The Parent's shareholders at the Annual General Meeting held on 25 April 2012 approved the merger involving the absorption by Antena 3 de Televisión, S.A. (absorbing company) of Gestora de Inversiones Audiovisuales La Sexta, S.A. under the draft terms of merger filed with the Madrid Mercantile Registry on 7 February 2012.

The merger was authorised by the Spanish anti-trust authorities on 24 August 2012, by virtue of a resolution adopted by the Spanish Cabinet on the same date.

On 5 October 2012, the Spanish Cabinet also resolved to authorise the transfer of the audiovisual communication licence held by La Sexta and the assignment for private use of the associated public radioelectric domain. From that date onwards, the operations of La Sexta are deemed to be performed for accounting purposes by Antena 3.

The public deed of merger of Antena 3 de Televisión, S.A. with Gestora de Inversiones Audiovisuales La Sexta, S.A. was filed with the Madrid Mercantile Registry on 31 October 2012, and as a result the latter was dissolved and all its assets and liabilities were transferred en bloc to the former (see Note 4).

2. Basis of presentation of the consolidated financial statements and basis of consolidation

a) Basis of presentation

These consolidated financial statements were prepared, on the basis of the accounting records kept by the Parent and by the other Group companies, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

The Group's consolidated financial statements were prepared taking into account all the mandatory accounting policies and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternative treatments permitted by the relevant standards in this connection, and, accordingly, they present fairly the Group's consolidated equity and financial position at 31 December 2012 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2012 (EU-IFRSs) differ from those used by the Group companies (Spanish National Chart of Accounts), the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with EU-IFRSs.

In addition to the International Financial Reporting Standards adopted by the EU (EU-IFRSs), all the requirements included in the Spanish Commercial Code and the Spanish Limited Liability Companies Law were applied in these consolidated financial statements, as well as such other aspects of Spanish accounting regulations in force as might be applicable.

The 2012 consolidated financial statements of the Group and the 2012 separate financial statements of the Group companies, which were prepared by the companies' respective directors, will be submitted for approval by the related shareholders at the respective Annual General Meetings, and it is considered that they will be approved without any changes.

The 2011 consolidated financial statements, which were approved by the shareholders at the Annual General Meeting on 25 April 2012 and are included for comparison purposes, were also prepared in accordance with EU-IFRSs applied on a basis consistent with that of 2012.

Standards and interpretations effective in 2012:

The standards and interpretations that came into force in 2012 and that were taken into account in preparing the accompanying consolidated financial statements are described below:

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Approved for use by the European Union		
Amendment of IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets (published in October 2010)	Extends and reinforces the disclosures on transfers of financial assets.	Annual reporting periods beginning on or after 1 July 2011

Standards adopted in the period that did not have any effect on the consolidated financial statements

The following standard was applied in these consolidated financial statements but did not have any material impacts on the amounts reported or the presentation and disclosure of the consolidated financial statements:

Amendments to IFRS 7, Financial Instruments: Disclosures - Transfers of Financial Assets.

These amendments have significantly increased the disclosure requirements relating to transfers of financial assets where the transferor retains some form of continuing involvement in the transferred asset. The entry into force of this standard did not have any impact on these consolidated financial statements.

Standards and interpretations issued but not yet in force:

At the date of preparation of these consolidated financial statements, the most significant standards and interpretations that had been published by the IASB but which had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union, were as follows:

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
IFRS 10, Consolidated Financial Statements (issued in May 2011)	Supersedes the requirements relating to consolidated financial statements in IAS 27	Annual reporting periods beginning on or after 1 January 2014
IFRS 11, Joint Arrangements (issued in May 2011)	Supersedes IAS 31 on joint ventures.	Annual reporting periods beginning on or after 1 January 2014
IFRS 12, Disclosure of Interests in Other Entities (issued in May 2011)	Single IFRS presenting the disclosure requirements for interests in subsidiaries, associates, joint arrangements and unconsolidated entities	Annual reporting periods beginning on or after 1 January 2014
IFRS13, Fair Value Measurement (issued in May 2011)	Sets out a framework for measuring fair value	Annual reporting periods beginning on or after 1 January 2013
IAS 27 (Revised), Separate Financial Statements (issued in May 2011)	The IAS is revised, since as a result of the issue of IFRS 10 it applies only to the separate financial statements of an entity	Annual reporting periods beginning on or after 1 January 2014
IAS 28 (Revised), Investments in Associates and Joint Ventures (issued in May 2011)	Revision in conjunction with the issue of IFRS 11, Joint Arrangements	Annual reporting periods beginning on or after 1 January 2014
Amendment to IAS 32, Offsetting Financial Assets and Financial Liabilities (issued in December 2011)	Additional clarifications to the rules for offsetting financial assets and financial liabilities under IAS 32 and introduction of new disclosures associated with IFRS 7.	Annual reporting periods beginning on or after 1 January 2014
Amendment to IFRS 7, Offsetting Financial Assets and Financial Liabilities (issued in December 2011)		Annual reporting periods beginning on or after 1 January 2013
IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (issued in October 2011)	This IFRS interpretations committee addresses the accounting treatment of the waste removal costs incurred in surface mining.	Annual reporting periods beginning on or after 1 January 2013
Amendments to IAS 1, Presentation of Items of Other Comprehensive Income (issued in June 2011)	Minor amendments relating to the presentation of items of other comprehensive income	Annual reporting periods beginning on or after 1 July 2012

Amendments to IAS 19, Employee Benefits (issued in June 2011)	The amendments affect mainly defined benefit plans since one of the major changes is the elimination of the "corridor"	Annual reporting periods beginning on or after 1 January 2013
Amendments to IAS 12, Income Taxes - Deferred Taxes Arising From Investment Property (issued in December 2010)	On the calculation of deferred taxes arising from investment property measured using the fair value model in IAS 40	Annual reporting periods beginning on or after 1 January 2012
Amendments to IFRS 1 - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	Severe Hyperinflation and Removal of Fixed Dates	Annual reporting periods beginning on or after 1 January 2013
Not yet approved for use in the European Union (1)		
IFRS 9, Financial Instruments: Classification and Measurement (issued in November 2009 and in October 2010) and subsequent amendments to IFRS 9 and IFRS 7 on effective date and transition disclosures (issued in December 2011)	Replaces the IAS 39 classification, measurement and derecognition requirements for financial assets and liabilities	Annual reporting periods beginning on or after 1 January 2015
Improvements to IFRSs, 2009-2011 cycle (issued in May 2012)	Minor amendments to a series of standards.	Annual reporting periods beginning on or after 1 January 2013
Transition rules: Amendments to IFRS 10, 11 and 12 (issued in June 2012)	Clarification of the rules for transition to these standards	Annual reporting periods beginning on or after 1 January 2013
Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27 (issued in October 2012)	Exception from consolidation for parent companies that meet the definition of investment entities	Annual reporting periods beginning on or after 1 January 2014

(1) Standards and interpretations not yet adopted by the European Union at the date of formal preparation of these consolidated financial statements.

IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities, IAS 27 (Revised), Separate Financial Statements and IAS 28 (Revised), Investments in Associates and Joint Ventures

IFRS 10 modifies the current definition of control. The new definition of control sets out the following three elements of control: power over the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability to use this power over the investee to affect the amount of the investor's returns.

The Group is analysing how this new definition of control will affect the group of consolidated companies and it will not foreseeably have a significant impact on the composition of the Group.

IFRS 11, Joint Arrangements supersedes IAS 31. The fundamental change introduced by IFRS 11 with respect to the current standard is the elimination of the option of proportionate consolidation for jointly controlled entities, which will begin to be accounted for using the equity method.

This amendment will not have a significant impact on the Group's consolidated financial statements.

IAS 27 and IAS 28 are revised in conjunction with the issue of the new IFRSs.

In the case of the Group, they will not have any impacts other than those discussed above.

Lastly, IFRS 12 represents a single standard presenting the disclosure requirements for interests in other entities (whether these be subsidiaries, associates, joint arrangements or other interests) and includes new disclosure requirements.

Accordingly, its entry into force will foreseeably give rise to an increase in the disclosures that the Group has been making, i.e., those currently required for interests in other entities and investment vehicles.

IFRS 13, Fair Value Measurement

The purpose of this IFRS is to set out in a single standard a framework for measuring the fair value of assets or liabilities when other standards require that the fair value measurement model be used. IFRS 13 changes the current definition of fair value and introduces new factors to be taken into account; it also extends the disclosure requirements in this area.

The Group has analysed the potential impacts that would result from the new definition of fair value and it will foreseeably not give rise to any significant changes in the assumptions, methods and calculations currently used.

Amendments to IAS 32, Financial Instruments: Presentation, and to IFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities.

The amendments to IAS 32 introduce certain additional clarifications to the application guidance on the requirements of the standard for being able to offset a financial asset and a financial liability in the balance sheet. IAS 32 already indicates that a financial asset and a financial liability may only be offset when an entity currently has a legally enforceable right to set off the recognised amounts.

The amended application guidance states, inter alia, that in order to meet this criterion, the right of set-off must not be contingent on a future event, and must be legally enforceable in the normal course of business, in the event of default and in the event of insolvency or bankruptcy of the entity and all of the counterparties.

The parallel amendments to IFRS 7 introduce a specific section of new disclosures required for all recognised financial assets and financial liabilities that are set off; these disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

The directors have assessed the potential impact of applying these standards in the future and estimate that their entry into force will not have a material impact on the consolidated financial statements.

Amendments to IAS 19, Employee Benefits

The main changes introduced by these amendments to IAS 19 will affect the accounting treatment of defined benefit plans since the “corridor” is eliminated under which companies are currently permitted to opt for deferred recognition of a given portion of actuarial gains and losses. When the amendments come into effect, all actuarial gains and losses must be recognised immediately in other comprehensive income. The amendments also include significant changes in the presentation of cost components in the income statement, which will be aggregated and presented in a different way.

The entry into force of this amendment will not have a significant impact for the Group.

Amendment of IAS 12, Income Taxes – Deferred Taxes Arising From Investment Property

The main change introduced by these amendments is an exception to the general principles of IAS 12 which affects deferred taxes arising from investment property that is measured using the fair value model in IAS 40, Investment Property; there is now a rebuttable presumption in relation to the measurement of the deferred taxes that the carrying amount of the investment property will be recovered entirely through sale.

The entry into force of this interpretation did not have any impact on the consolidated financial statements.

IFRS 9, Financial Instruments: Classification and Measurement

IFRS 9 will in the future replace the current part of IAS 39 relating to classification and measurement. There are very significant differences with respect to the current standard, in relation to financial assets, including the approval of a new classification model based on only two categories, namely instruments measured at amortised cost and those measured at fair value, the disappearance of the current “held-to-maturity investments” and “available-for-sale financial assets” categories, impairment analyses only for assets measured at amortised cost and the non-separation of embedded derivatives in financial asset contracts.

In relation to financial liabilities, the classification categories proposed by IFRS 9 are similar to those currently contained in IAS 39 and, accordingly, there should be no significant differences except for the requirement to recognise fair value changes due to own credit risk in equity, in the case of the fair value option for financial liabilities.

The Group is currently analysing the future impact of the adoption of this standard and foreseeably it will not have a material impact on the consolidated financial statements.

Responsibility for the information and use of estimates

The information contained in these consolidated financial statements is the responsibility of the Parent's directors.

In the Group's consolidated financial statements for 2012 estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein.

These estimates relate basically to the following:

- The impairment losses on certain assets (see Notes 6, 7, 10 and 11),
- The useful life of the property, plant and equipment and intangible assets (see Notes 3-b and 3-c),
- The measurement of goodwill arising on consolidation (see Note 5),
- Programme amortisation (see Note 3-f),
- The fair value of certain unquoted assets (see Notes 9 and 15), and
- Provisions (see Note 13)

Although these estimates were made on the basis of the best information available at 31 December 2012 on the events analysed, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related consolidated income statements.

At 31 December 2012, the Group had a working capital deficiency due mainly to the effect of the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A., although it is considered that this effect may be absorbed in the ordinary course of business. The Parent's directors consider that the cash flows arising from the business and the roll-over of the financing facilities as in previous years, together with a lengthening of the terms thereof, currently at an advanced stage of negotiation, will make it possible to settle the liabilities in the short term.

b) Basis of consolidation

Subsidiaries

Following are the subsidiaries included in the scope of consolidation:

Company name	Registered office	Year of incorporation	Line of business	Owner	2012 %
Antena 3 Eventos, S.L.U.	Madrid	2008	Organisation of events	Antena 3 de Televisión, S.A.	100
Antena 3 Films, S.L.U. (*)	Madrid	2000	Audiovisual productions	Antena 3 de Televisión, S.A.	100
Antena 3 Juegos, S.A.U.	Madrid	2011	Organisation, marketing and operation of gaming activities.	Antena 3 de Televisión, S.A.	100
Antena 3 Multimedia, S.L.U.	Madrid	2004	Commercial management by television	Antena 3 de Televisión, S.A.	100
Antena 3 Noticias, S.L.U. (*)	Madrid	2012	Audiovisual productions	Antena 3 de Televisión, S.A.	100
Atres Advertising, S.L.U. (*)	Madrid	2004	Advertising management	Antena 3 de Televisión, S.A.	100
Guadiana Producciones, S.A.U.	Madrid	1994	Audiovisual productions	Antena 3 de Televisión, S.A.	100
La Sexta Editorial Musical, S.L.U.	Madrid	2008	Management of copyrights	Antena 3 de Televisión, S.A.	100
Música Aparte, S.A.U. (*)	Madrid	1990	Management of copyrights	Antena 3 de Televisión, S.A.	100
Publiseis Iniciativas Publicitarias, S.A.U. (*)	Madrid	2006	Advertising management	Antena 3 de Televisión, S.A.	100
Uniprex, S.A.U. (*) (1)	Madrid	1982	Radio broadcasting services	Antena 3 de Televisión, S.A.	100
Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	Las Palmas	2006	Local digital terrestrial television	Uniprex, S.A.U.	100
Canal Media Radio Galicia, S.L.U.	A Coruña	1997	Radio broadcasting services	Uniprex, S.A.U.	100
Canal Media Radio, S.A.U.	Madrid	1997	Radio broadcasting services	Uniprex, S.A.U.	100
Estaciones Radiofónicas de Aragón, S.A.U.	Zaragoza	1972	Radio broadcasting services	Uniprex, S.A.U.	100
Ipar Onda, S.A.U.	San Sebastián	1988	Radio broadcasting services	Uniprex, S.A.U.	100
Onda Cero, S.A.U.	Coslada	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Uniprex Televisión Digital Terrestre de Andalucía, S.L.	Seville	2006	Local digital terrestrial television	Uniprex, S.A.U.	74.2
Uniprex Televisión, S.L.U.	Madrid	2004	Indirect management of TV service	Uniprex, S.A.U.	100
Uniprex Valencia TV, S.L.U.	Valencia	2005	Local digital terrestrial television	Uniprex, S.A.U.	100

(*) Audited companies.

(1) Formerly Publicidad 3, S.A. (Sole-Shareholder Company).

The subsidiaries over which the Group exercises control are fully consolidated and all their assets, liabilities, income, expenses and cash flows are included in the consolidated financial statements after making adjustments to adapt the accounting policies used to those applied by the Group and adjustments and eliminations relating to intra-Group transactions.

The Group considers that it exercises control over a company when it has sufficient power to govern its financial and operating policies so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end.

Associates

The associates over which Antena 3 de Televisión, S.A. does not exercise control but over which it has the capacity to exercise significant influence in their management, normally through agreements with other shareholders, were accounted for in the consolidated financial statements using the equity method. Using this consolidation method, the investment is recognised at cost, including any goodwill arising on the acquisition, and is subsequently adjusted on the basis of the changes in its equity, in proportion to the percentage of ownership that corresponds to the Group. The Group's share of the results of these companies is recognised, net of the related tax effect, under "Share of Results of Associates" in the consolidated income statement, and any dividends received from these companies are deducted from the value of the investment.

These associates are as follows:

Company name	Registered office	Year of incorporation	Line of business	Owner	2012 %
I3 Televisión, S.L.	Madrid	2005	IT services	Antena 3 de Televisión, S.A.	50
Cordina Planet, S.L.	Barcelona	2010	Management of intellectual works	Antena 3 de Televisión, S.A.	50
Hola TV América, S.L.	Madrid	2011	Audiovisual communication services	Antena 3 de Televisión, S.A.	50
Antena 3 de Televisión Colombia, S.A.	Bogotá (Colombia)	2008	Television	Antena 3 de Televisión, S.A.	55
Canal 3 Televisión de Colombia, S.A.	Bogotá (Colombia)	2008	Television	Antena 3 de Televisión, S.A.	24

The Group does not exercise control over associates that are 50% or more owned, because under the shareholders agreements it has no powers to govern their financial and operating policies so as to obtain benefits from their activities.

Changes in the scope of consolidation and main transactions in 2012:

- Antena 3 Directo, S.A. (Sole-Shareholder Company), a subsidiary of Antena 3 de Televisión, S.A., was dissolved under a deed of liquidation of 16 December 2011, which was registered at the Mercantile Registry on 20 January 2012. This transaction had an adverse effect of EUR 20 thousand on the consolidated financial statements.
- On 5 March 2012, VNews Agencia de Noticias, S.L. (Sole-Shareholder Company) sold a 12% ownership interest in Videoreport Canarias, S.A. This transaction gave rise to a gain of EUR 540 thousand in the consolidated financial statements. On the same date, VNews Agencia de Noticias, S.L. (Sole-Shareholder Company) sold a 5% ownership interest in its subsidiary Gestión Audiovisual Canarias, S.L. This transaction did not have a significant effect on the Group's consolidated financial statements.
- On 14 March 2012, the Parent incorporated Antena 3 Noticias, S.L. (Sole-Shareholder Company), whose company object is to create audiovisual productions for their broadcast in any media.
- On 20 July 2012, Antena 3 de Televisión, S.A. sold its full ownership interest in Movierecord Cine, S.A. (Sole-Shareholder Company), on which it recognised a loss of EUR 418 thousand in the Group's consolidated financial statements.
- The full ownership interest held in VNews Agencia de Noticias, S.L. (Sole-Shareholder Company) was sold on 30 July 2012. The sale led to the exclusion of the equity-accounted companies Videoreport Canarias S.A. and Gestión Audiovisual Canarias, S.L. from the Group's scope of consolidation. These companies were 18% and 15% owned, respectively, by VNews Agencia de Noticias, S.L. The sale had an adverse effect of EUR 469 thousand on the consolidated financial statements.
- In October 2012 Antena 3 Canarias, S.L. was liquidated by the Parent. This transaction did not have any effect on these consolidated financial statements.

- As a result of the merger described in Note 4 to these consolidated financial statements, PubliSeis Iniciativas Publicitarias, S.A. (Sole-Shareholder Company) and La Sexta Editorial Musical, S.L. (Sole-Shareholder Company), both subsidiaries of Gestora de Inversiones Audiovisuales La Sexta, S.A., which had merged with Antena 3 de Televisión, S.A., joined the Group on 5 October 2012.

- At 31 December 2012, Unipublic, S.A. and its subsidiary Organizaciones Deportivas y Culturales Unipublic, S.A. (Sole-Shareholder Company) were classified as held for sale (Note 8).

Other changes not affecting the scope of consolidation in 2012:

- In January 2012 Cordina Planet, S.L. increased its capital by EUR 500 thousand. However, this did not result in an increase in the percentage of ownership held in this company.

- In February 2012 the investments in Antena 3 de Televisión Colombia, S.A. and Canal 3 Televisión de Colombia were increased, with a cost of EUR 51 thousand and EUR 4 thousand, respectively, although there was no increase in the percentage of ownership interest in these companies. These investments were acquired for the purpose of participating in the invitation to tender for a television channel in Colombia.

Changes in the scope of consolidation and main transactions in 2011:

- Corporación Radiofónica Castilla-León, S.L., a subsidiary of Uniprex, S.A. (Sole-Shareholder Company), was dissolved under a deed of liquidation of 20 December 2010, which was registered at the Mercantile Registry on 14 January 2011. The result of this transaction did not have any impact for the Parent, giving rise to a gain of EUR 8 thousand in the consolidated financial statements.

- The subsidiary Canal Media Radio, S. A. (Sole-Shareholder Company), owner of the entire share capital of Radio Media Aragón, S.L. (Sole-Shareholder Company), Canal Radio Baleares, S.L. (Sole-Shareholder Company), Canal Radio Madrid, S.L. (Sole-Shareholder Company) and Canal Radio Valencia, S.L. (Sole-Shareholder Company) sold all of its ownership interests to the Group company Uniprex, S.A. (Sole-Shareholder Company), formerly Publicidad 3, S.A. (Sole-Shareholder Company) on 26 September 2011. This transaction gave rise to a loss in the separate financial statements of EUR 37 thousand and had no effect on the consolidated financial statements.

- On 21 October 2011, the Parent incorporated Antena 3 Juegos, S.A. (Sole-Shareholder Company), the company object of which was the organisation, marketing and operation of gaming activities.

- On 14 November 2011, the Parent acquired an ownership interest in Cordina Planet, S.L. equal to 50% of its share capital. This company was accounted for using the equity method since the Group did not exercise control over it.

- On 16 November 2011, Hola Televisión América, S.L. was incorporated to which the Parent contributed 50% of its share capital. The company's object was the management and operation of all manner of audiovisual communication services. On 21 November 2011, the Parent subscribed the capital increase at the aforementioned company at a cost of EUR 57 thousand, without increasing its ownership interest in the subsidiary. This company was accounted for using the equity method.

- On 16 December 2011, the collective draft terms of merger of various Group companies wholly owned by Publicidad 3, S.A. (Sole-Shareholder Company) were executed in a public deed. The draft terms of merger involved two merger transactions carried out simultaneously in a single act.

In the first phase, Uniprex, S.A. (Sole-Shareholder Company), direct holder of all the shares and equity interests composing the share capital of Radio Noticias Noventa, S.A. (Sole-Shareholder Company), RKOR Radio, S.L. (Sole-Shareholder Company) and Radio Sistemas Radiofónicos Cinco, S.L. (Sole-Shareholder Company) merged the aforementioned companies by absorption. Following this merger and during the second phase, Publicidad 3, S.A. (Sole-Shareholder Company), direct holder of all the shares and equity interests composing the share capital of Uniprex, S.A. (Sole-Shareholder Company), Antena de Radiodifusión, S.A. (Sole-Shareholder Company), Medipress Valencia, S.A. (Sole-Shareholder Company), Canal Radio Baleares, S.L. (Sole-Shareholder Company), Radio Media Aragón, S.L. (Sole-Shareholder Company), Canal Radio Madrid, S.L. (Sole-Shareholder Company) and Canal Radio Valencia, S.L. (Sole-Shareholder Company) merged the aforementioned companies by absorption.

As a result of this merger, the absorbing company recognised the assets and liabilities of the absorbed companies in its accounts following criteria based on current consolidation rules and the goodwill arising from the consolidation of these companies.

In the same act, Publicidad 3, S.A. (Sole-Shareholder Company) resolved to adopt the name of the company resulting from the merger, namely Uniprex, S.A. (Sole-Shareholder Company).

Other changes not affecting the scope of consolidation in 2011:

- In June 2011 the investments in Antena 3 Colombia, S.A. and Canal 3 Televisión de Colombia were increased with a cost of EUR 46 thousand and EUR 4 thousand, respectively. However, the percentage of ownership interest in these companies was not increased. These investments were acquired for the purpose of participating in the invitation to tender for a television channel in Colombia.

3. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with EU-IFRSs, were as follows:

a) Goodwill on consolidation

Goodwill arising on consolidation represents the excess of the cost of acquisition, plus the non-controlling interests and fair value of any previous investment in the acquiree, over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

The assets and liabilities acquired are measured provisionally at the date on which control of the company is obtained, and the resulting value is reviewed within a maximum of one year from the acquisition date until the fair value of the assets and liabilities has been calculated definitively. Any difference between the acquisition cost and the fair value of the assets acquired will be temporarily recognised as goodwill.

Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003. In both cases, at the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and, if there is any impairment, the goodwill is written down with a charge to "Impairment and Losses on Disposals of Non-Current Assets" in the accompanying consolidated income statement.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

b) Business combinations

Business combinations must be accounted for using the acquisition method.

The application of the acquisition method requires, as indicated in IFRS 3, Business Combinations, at the acquisition date, the recognition and fair value measurement of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, and the recognition and measurement of a gain from a bargain purchase made on very favourable terms.

The acquirer shall identify the acquisition date, which is the date on which it obtains control of the acquiree.

The cost of a business combination is the sum of the acquisition-date fair values of the consideration transferred, and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets

The costs incurred to issue equity or debt securities given up in exchange for the items acquired are not included in the cost of a business combination.

Also, the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination, or any costs incurred internally in this connection. Such amounts are charged directly to the Group's consolidated profit or loss.

Any contingent consideration the Group transfers in exchange for the acquiree shall be recognised at the acquisition-date fair value.

At the acquisition date, the acquirer shall recognise a gain or goodwill, measured as the excess of the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree over the net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed. If consideration is lower, the resulting gain shall be recognised in profit or loss.

The consideration the acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The acquirer shall recognise the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete, and the provisional amounts may be adjusted in the period required to obtain the necessary information. However, in no case shall the measurement period exceed one year from the acquisition date. The effects of measurement period adjustments are recognised retrospectively against goodwill, and comparative information for prior periods must be revised as needed.

Subsequent changes that are not measurement period adjustments to the fair value of the contingent consideration classified as an asset or a liability shall be recognised in accordance with IAS 39, with any resulting gain or loss recognised either in profit or loss or in other comprehensive income, unless the contingent consideration has been classified as equity, in which case it shall not be remeasured and its subsequent settlement shall be accounted for within equity.

After initial recognition at cost, goodwill acquired in a business combination is measured at cost less accumulated impairment losses. The impairment tests are performed annually, or more frequently if events or changes in circumstances indicate that the asset may have become impaired.

In accordance with IAS 36, goodwill acquired in a business combination is allocated from the acquisition date to cash-generating units of the Group which are expected to benefit from the synergies of the business combination, irrespective of whether other assets and liabilities of the acquiree are allocated to the cash-generating units.

The impairment of goodwill is measured as the excess of its carrying amount over the recoverable amount of the cash-generating unit or units with which the aforementioned gain is associated.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

c) Other intangible assets

Administrative concessions

"Administrative Concessions" includes mainly the cost assigned to administrative concessions for radio broadcasting acquired by Uniprex, S.A. (Sole-Shareholder Company). The amount recognised in the accompanying consolidated balance sheet relates to the expenses incurred to directly obtain the concession from the State or from the related public body. This amount is amortised on a straight-line basis over the initial term of the radio licence.

Licences and trademarks

These accounts include the amounts relating to the licence and the trademark identified in the purchase price allocation process arising from the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A. (see Note 4).

The trademark is amortised on a straight-line basis over its useful life, which is estimated to be 20 years.

With regard to the licence, based on an analysis of all the relevant factors, the Group considers that there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group. As a result, the licence was classified as an intangible asset with an indefinite useful life and, therefore, it is not amortised. This indefinite useful life assessment is reviewed at each reporting date and is consistent with the business plans.

Computer software

The acquisition and development costs incurred by third parties in relation to the basic computer systems used in the Group's management are recognised with a charge to "Other Intangible Assets" in the consolidated balance sheet.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

Computer software is amortised on a straight-line basis over a period of between three and five years from the entry into service of each application, on the basis of its estimated useful life.

Audiovisual productions

"Audiovisual Productions" relates to the costs incurred by the Group in relation to film productions. The carrying amount includes the production costs incurred in relation to the remuneration paid to co-producers and the launch and initial marketing costs. The Group begins to amortise the films from the date of commercial release or from the date on which the rating certificate is obtained. Each film production is amortised on an annual basis over the first commercial cycle of the film, which the Group considers to be four years. Accordingly, at each year-end the amortised percentage until that date is approximately the same as the percentage of the income generated until then with respect to the present value of the estimated total income for that period. The Group recognises the appropriate impairment losses to write down the carrying amounts of these film productions when it is considered necessary based on future marketing expectations.

Since the activities relating to the acquisition, production and marketing of audiovisual productions are part of the Group's normal operations, the amortisation charges to consolidated profit or loss are included under "Programme Amortisation and Other Procurements". Acquisitions of productions are classified as investment activities in the statement of cash flows since the related amounts are recovered over various years.

d) Property, plant and equipment

Land and buildings acquired for the performance of the Group's business activity or for administrative purposes are stated in the consolidated balance sheet at acquisition or production cost, less any accumulated depreciation and any recognised impairment losses.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The period property, plant and equipment depreciation charge is recognised in the consolidated income statement using the straight-line method at rates based on the following average years of estimated useful life of the various assets:

	Years of useful life
Buildings	33
Plant	5 to 8
Machinery and tools	6 to 10
Furniture	10
Computer hardware	3 to 7
Transport equipment and other items of property, plant and equipment	5 to 10

Assets held under finance leases are recognised in the corresponding asset category and are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The Group is assessing whether it should avail itself of the asset revaluation law approved in the 2013 General State Budget Law. However, no decision has been taken to date in this connection.

Impairment of intangible assets and property, plant and equipment

At each balance sheet date, or whenever there is any indication of impairment of intangible assets and property, plant and equipment, the Group performs an impairment test to estimate the possible loss of value that reduces the recoverable amount of the assets to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

In the case of property, plant and equipment and audiovisual productions, impairment is calculated item by item, on an individual basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Such reversal of an impairment loss is recognised as income.

e) Financial assets

The financial assets held by the Group are classified in the following categories:

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
- b) Held-for-trading financial assets: assets acquired with the intention of selling them in the near term and assets that form part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. This category also includes financial derivatives that are not financial guarantees (e.g. suretyships) and that have not been designated as hedging instruments.
- c) Available-for-sale financial assets: these include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial recognition

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Held-for-trading financial assets are measured at fair value, based on the expected results, the estimated dividend payable, the price per share and the volatility thereof, and the risk-free rate at year-end. The result of these fair value changes is recognised in profit or loss.

Lastly, available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become (permanently) impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the net profit or loss for the year. In this regard, (permanent) impairment is presumed to exist if the market value of the asset has fallen by more than 40% or if there has been a prolonged fall in market value over a period of 18 months without the value having recovered.

At least at each reporting date the Group tests financial assets not measured at fair value (accounts receivable) through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the consolidated income statement. In calculating such valuation adjustments as might be required for trade and other receivables, the Group takes into account the date on which the receivables are due to be settled and the equity position of related debtors.

f) Programme rights

Programme rights are measured, based on their nature, as follows:

1. Inventoriable in-house productions (programmes produced to be re-run, such as series) are measured at acquisition and/or production cost, which includes both external costs billed by third parties for programme production and for the acquisition of resources, and internal production costs, which are calculated by applying pre-established internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programmes are recognised, based on their nature, under the appropriate headings in the consolidated income statement and are included under "Programme Rights" in the consolidated balance sheet with a credit to "Additions to Programme Rights" under "Programme Amortisation and Other Procurements" in the accompanying consolidated income statement.

Amortisation of these programmes is recognised under "Programme Amortisation and Other Procurements" in the consolidated income statement, on the basis of the number of showings, at the rates shown below:

	Amortisation rate
1st showing	90%
2nd showing	10%

The maximum period for the amortisation of series is three years, after which the unamortised amount is written off.

Given their special nature, the series which are broadcast daily are amortised in full when the first showing of each episode is broadcast.

2. Non-inventoriable in-house productions (programmes produced to be shown only once) are measured using the same methods and procedures as those used to measure inventoriable in-house productions. Programmes produced and not shown are recognised at year-end under "Programme Rights - In-House Productions and Productions in Process" in the consolidated balance sheet. The cost of these programmes is recognised as an expense under "Programme Amortisation and Other Procurements" in the consolidated income statement at the time of the first showing.
3. Rights on outside productions (films, series and other similar productions) are measured at acquisition cost. These rights are deemed to have been acquired when the term of the right commences for the Group.

When payments to outside production distributors are made in foreign currency, these rights are recognised in the consolidated balance sheet by applying to the foreign currency amount the spot exchange rate prevailing when the term of the right commences.

Also, the initial value of all the outside productions acquired by the Group for which derivative instruments designated as cash flow hedges pursuant to IAS 39 were arranged in order to hedge foreign currency risk includes:

- the portion of the accumulated loss or gain recognised in equity (effective hedge) on the hedging instrument at the beginning of the hedge.
- for payments made prior to the commencement of the hedges, the accumulated exchange gains or losses on that date.

The amortisation of the rights is recognised under "Programme Amortisation and Other Procurements" in the consolidated income statement, on the basis of the number of showings, at the rates shown below, which are established on the basis of the number of showings contracted:

FILMS	Number of showings contracted		
	1	2	3 or more
1st showing	100%	50%	50%
2nd showing	-	50%	30%
3rd showing	-	-	20%

SERIES	Number of showings contracted	
	1	2 or more
1st showing	100%	50%
2nd showing	-	50%

4. Live broadcasting rights are measured at cost. The cost of these rights is recognised as an expense under "Programme Amortisation and Other Procurements" in the consolidated income statement at the time of broadcast of the event on which the rights were acquired.

Advances on purchases of rights

Payments made to acquire outside productions are recognised under "Programme Rights - Advances on Purchases of Rights" in the consolidated balance sheet and if such payments are in foreign currency they are translated to euros at the year-end exchange rate.

Write-downs

The Group recognises write-downs to reduce the unamortised value of in-house productions and of the rights on outside productions which it considers will not be shown. When these rights expire, the valuation adjustments are recognised in profit or loss when the cost of the rights is derecognised.

Classification of programme rights

In accordance with standard practice in the industry in which the corporate Group operates, programme rights are classified as current assets and the portion that is amortised over more than one year is detailed in Note 10.

g) Non-current assets and liabilities classified as held for sale and discontinued operations

The Group classifies under this heading in the consolidated balance sheet the non-current assets and disposal groups whose carrying amount is expected to be recovered through a sale transaction or liquidation rather than through continued use.

The non-current assets of discontinued operations are recognised at the lower of carrying amount and market value.

The non-current liabilities of discontinued operations include the fair value of the liabilities associated with the aforementioned assets which are expected to be settled at short term.

At 2012 year-end, Unipublic, S.A. and its subsidiary Organizaciones Deportivas y Culturales Unipublic, S.A.U. were classified as held for sale, since there is a firm intention and an opportunity to sell these investments in the short term. The difference between the carrying amount and the market value of these assets was recognised under "Gains (Losses) on Disposals of Financial Assets" in the consolidated income statement.

h) Classification of financial assets and liabilities as current or non-current

In the accompanying consolidated balance sheet, financial assets and liabilities are classified on the basis of the time in which it is estimated that they will be realised or settled, i.e. financial assets and liabilities that are expected to be realised or settled over the course of the company's normal business cycle or within no more than 12 months are classified as current items, and those which do not meet these requirements are classified as non-current items.

Deferred tax assets and liabilities are classified as non-current regardless of when they are expected to be realised or settled.

i) Hedging derivatives

All the derivatives held by the Group at 31 December 2012 were OTC derivatives, whose prices are not quoted on organised futures and options markets and, therefore, it is necessary to apply generally accepted valuation techniques, based on objective market data, used in the measurement of financial instruments of this nature.

Foreign currency hedging contracts are valued using the spot exchange rate and the forward interest rate curves of the related currencies. The “market” foreign currency hedge is calculated at year-end and is compared with the price of the foreign currency hedge arranged.

Foreign exchange hedges

The derivative financial instruments held by the Group companies are basically cash flow hedges arranged to mitigate the exposure of the cash flows associated with outside production rights to fluctuations in the US dollar/euro exchange rate.

Hedging instruments are recognised in the consolidated balance sheet at fair value and the changes therein are recognised directly in equity, for the effective portion, as provided for in IAS 39. When the term of the broadcasting rights designated as a hedged item commences, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset and from then on any change in the fair value of the hedging instrument is recognised directly in profit or loss for the year.

The Group companies periodically test the effectiveness of the outstanding hedges and the ineffective portion is recognised immediately in the consolidated income statement, under financial profit or loss.

If a hedged transaction is no longer expected to occur, or no longer qualifies for hedge accounting, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

j) Treasury shares

All the treasury shares of the Parent at 31 December 2012 represented 7.01% of the issued share capital at that date (the treasury share transactions performed in 2012 and 2011 are summarised in Note 12-e). The amount relating to these treasury shares is recognised as a reduction of equity.

Acquisitions or sales of treasury shares (see Note 12-e) are charged or credited to equity at the amount paid or received, respectively, and, therefore, the gains or losses arising from these transactions are not reflected in the income statement but are recognised as an addition to or a reduction of equity, respectively.

k) Bank borrowings

Interest-bearing bank loans, credit facilities and overdrafts are recorded at the amount received. Borrowing costs are recognised in the consolidated income statement on an accrual basis using the effective interest method and are added to the carrying amount of the liability to the extent that they are not settled in the period in which they arise.

l) Termination benefits

Under current employment legislation, the Group companies are required to pay termination benefits to employees terminated under certain conditions. The Parent's directors do not expect any liabilities to arise other than those already recognised in this connection.

m) Provisions

The present obligations arising from past events which could give rise to a loss for the Group which is uncertain as to its amount and timing are recognised as provisions in the consolidated balance sheet at the present value of the most probable amount that it is considered the Group will have to disburse to settle the obligation.

Provisions are quantified taking into consideration the best information available at the date of preparation of the consolidated financial statements on the consequences of the event giving rise to them and are reestimated at the end of each year.

n) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis.

Revenue is measured at the fair value of the consideration received or receivable and represents the value of the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The Group companies basically obtain revenue from the sale of advertising space; this revenue is recognised in the consolidated income statement when the related advertising spot is broadcast.

o) Income taxes; deferred taxes

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit (tax loss) for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

In general, deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets (including those relating to temporary differences and tax loss and tax credit carryforwards) are only recognised to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities are calculated by applying the tax rates that are expected to apply in the period when the asset is realised or the liability is settled. The current rate is 30% for 2012 and subsequent years.

In 2001 the Group began to file consolidated tax returns. Antena 3 de Televisión, S.A. is the Parent of this consolidated tax group (see Note 22).

p) Foreign currency transactions

The Group's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

q) Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows with the meanings specified:

Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

Operating activities: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.

Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: activities that result in changes in the size and composition of equity and borrowings that are not operating activities.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the number of shares of the Parent held by the Group.

The Group has not carried out transactions of any kind that have led to diluted earnings per share differing from basic earnings per share (see Note 24).

s) Dividends

At the Annual General Meeting held on 25 April 2012, the shareholders of the Parent approved the proposed distribution of profit for 2011, whereby EUR 88,526 thousand were to be paid out as dividends, EUR 43,734 thousand of which related to the interim dividend paid on 14 December 2011. The remaining EUR 44,792 thousand related to the payment of a final dividend in the aforementioned year, which was paid to the shareholders on 4 May 2012.

On 11 December 2012, the Board of Directors of the Parent approved the distribution out of the Parent's profit for 2012 of a gross dividend per share of EUR 0.11, implying a total dividend of EUR 21,352 thousand, which was paid to the shareholders on 20 December 2012 (see Note 25).

However, the final dividend, if any, proposed by the Board of Directors of Antena 3 de Televisión, S.A. to the shareholders at the Annual General Meeting is not deducted from equity until it has been finally approved by the latter.

4. Business combinations

Description of the merger transaction in 2012

On 14 December 2011, following a resolution by its Board of Directors, Antena 3 de Televisión, S.A. (Antena 3), entered into an agreement with Gestora de Inversiones Audiovisuales La Sexta, S.A. (La Sexta) and its shareholders (GAMP Audiovisual, S.A., Grupo Televisa, S.A.B. and Gala Desarrollos Comerciales, S.L., as well as Imagina Media Audiovisual, S.L.), to merge the two television companies through a merger by absorption of La Sexta into Antena 3.

La Sexta engages mainly in the management of a licence to provide audiovisual communication services, for a period of fifteen years, pursuant to a resolution adopted by the Spanish Cabinet on 11 June 2010.

On 25 January 2012, the members of the Boards of Directors of Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. signed the draft terms of merger in accordance with Articles 30, 31 and related provisions of Law 3/2009, of 3 April, on structural changes to companies, in order to merge their respective businesses through a merger transaction.

The draft terms of merger were filed at the Madrid Mercantile Registry on 7 February 2012 and published in the Official Gazette of the Mercantile Registry (BORME) on 17 February 2012.

The draft terms of merger consisting of the absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A. into Antena 3 de Televisión, S.A. were approved by the shareholders at the Annual General Meeting of the absorbing company and the shareholders at the Universal Extraordinary General Meeting of the absorbed company on 25 April 2012.

On 24 August 2012, the Spanish Cabinet approved the business combination on the grounds of general interest, but making the approval conditional upon the fulfilment of certain conditions which modify some of those included in the resolution of the Spanish Anti-Trust Commission, of 13 July 2012.

On 5 October 2012, the Spanish Cabinet also authorised the transfer of La Sexta's audiovisual communication licence and the assignment for private use of the associated radioelectric public domain. The last administrative authorisation established in the draft terms of merger as a condition precedent for the completion of the transaction was obtained at the acquisition date, from which time onwards La Sexta's transactions are considered to be performed for accounting purposes by Antena 3.

On 29 October 2012, the merger resolutions adopted by the shareholders of Antena 3 de Televisión, S.A., as the absorbing company, and Gestora de Inversiones Audiovisuales La Sexta, S.A., as the absorbed company, at their respective Annual General Meetings on 25 April 2012, were executed in public deeds, as a result of which the draft terms of merger were fully approved. As a result, Antena 3 de Televisión, S.A. acquired by universal succession all the assets and liabilities of Gestora de Inversiones Audiovisuales La Sexta, S.A. with the concomitant dissolution of the latter.

Following the merger resolution approved by the shareholders at the Annual General Meetings of the two companies and the filing of the merger deed at the Madrid Mercantile Registry on 31 October 2012, the shareholders of La Sexta received, as consideration for the assets and liabilities of this company, 15,801,296 shares of Antena 3 de Televisión, S.A., which represent 7% of its share capital. For the purposes of the share exchange, Antena 3 de Televisión, S.A. increased its share capital through the issue of 14,620,000 new shares (of which 13,438,704 were ordinary shares and a further 1,181,296 were shares with no dividend rights for a period of two years from the date on which the merger became effective), while the remaining shares corresponding to the shareholders of La Sexta were delivered with a charge to the treasury shares of Antena 3 de Televisión, S.A. (see Note 12).

Also, within the framework of the merger resolution, the parties resolved to grant the shareholders of La Sexta an additional ownership interest of 15,818,704 shares of Antena 3 de Televisión, S.A., representing 7% of its share capital, the delivery of which is conditional upon the fulfilment in 2012, 2013, 2014, 2015 and 2016 of certain objectives relating to the earnings of the Antena 3 Group. The delivery of these additional shares will be carried out in full by way of treasury shares of Antena 3 provided that the related objectives are met.

The main advantage and economic benefit of this transaction is the synergy achieved, with an extended range of contents, greater efficiency in the use of Group resources and increased advertising efficiency.

Consideration transferred

The business combination consideration was estimated at the fair value (market price on 5 October 2012) of the shares delivered to the shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. (a total of 15,801,296 shares representing 7.00% of the Parent's share capital and delivered as a result of the capital increase described in Note 2-a) and at the fair value of the shares subject to deferred delivery, calculated on the basis of the forward price of Antena 3 shares, taking into account a 0.90% IRS rate and in accordance with management's estimate of the profit before tax for 2012 to 2016.

The fair value of the consideration transferred in the business combination amounted to EUR 95,893 thousand. The breakdown of this amount is as follows:

	Thousands of euros
7% ownership interest in the share capital	53,250
Deferred delivery of shares (additional 7%)	42,643
Total consideration transferred	95,893

In order to enable the shareholders of La Sexta to receive a number of Antena 3 shares that is proportional to their respective ownership interests in La Sexta, the Parent increased its share capital through the creation of newly issued shares and the delivery of treasury shares.

Additionally, Antena 3 agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 Antena 3 shares representing 7% of its share capital, although the delivery thereof is conditional upon the earnings of the Antena 3 Group from 2012 to 2016. The delivery of these additional shares will be carried out in full through treasury shares of the Parent and, therefore, does not constitute an additional issue.

Assets acquired and liabilities assumed at the acquisition date

The assets and liabilities of Gestora de Inversiones Audiovisuales La Sexta, S.A., recognised at fair value at the acquisition date were as follows:

	Thousands of euros
Current assets:	62,718
Inventories	21,790
Trade receivables	24,787
Investments in Group companies	13,331
Current financial assets	696
Current prepayments and accrued income	184
Cash and cash equivalents	1,930
Non-current assets:	365,847
Intangible assets	105,111
Property, plant and equipment	615
Investments in Group companies and associates	9,445
Non-current financial assets	8,926
Deferred tax assets (*)	241,596
Non-current trade receivables	154
Current liabilities:	(213,282)
Short-term provisions	(14,079)
Current payables	(6)
Current payables to Group companies and associates	(22,879)
Trade payables	(176,318)
Non-current liabilities:	(99,854)
Deferred tax liabilities	(31,319)
Non-current payables to Group companies and associates	(68,535)
Total fair value of net identifiable assets and liabilities acquired	115,429

(*) Under current accounting legislation, deferred tax assets recognised in a business combination are not measured at fair value, but rather at their nominal amount.

The gross contractual amount receivable in relation to the accounts receivable acquired, which relate in full to trade receivables and are recognised at their fair value of EUR 24,787 thousand, is EUR 24,795 thousand. The best estimate at the acquisition date of the contractual cash flows not expected to be collected amounts to EUR 8 thousand.

The detail of the property, plant and equipment and intangible assets included as a result of the merger, by year of acquisition, is as follows (in thousands of euros):

	2006	2007	2008	2009	2010	2011	2012	Total
Intangible assets								
Computer software	-	-	-	1	54	460	201	716
								716
Property, plant and equipment								
Plant	4	-	20	29	-	-	-	53
Furniture	293	15	6	2	20	21	-	358
Computer hardware	-	-	0	28	76	89	11	204
								615

Gain from a bargain purchase arising from the business combination

The following gain from a bargain purchase arose from this business combination:

	Thousands of euros
Consideration transferred	95,893
Less- fair value of the net assets acquired	(115,429)
Gain from a bargain purchase arising from the business combination	(19,536)

In the aforementioned business combination, the cost of the business combination was EUR 19,536 thousand lower than the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Therefore, as provided for in the recognition and measurement bases, this amount was recognised as income under "Gains from Bargain Purchases Arising on Business Combinations" in the consolidated income statement.

Assets not reflected in the accounting records of Gestora de Inversiones Audiovisuales La Sexta, S.A. were included (the "La Sexta" trademark and the audiovisual communication licence granted). The fair value of the licence was calculated on the basis of its capacity to generate income with an indefinite useful life using the discounted cash flow method. The royalty relief method was used to calculate the fair value of the trademark, considering a useful life of 20 years.

The allocation of the fair values of the assets acquired and liabilities assumed at 2012 year-end is provisional since the Group is in the process of definitively assigning the fair values, which will be completed within one year from the acquisition date, as required by accounting legislation.

Had the business combination been performed at the beginning of 2012, revenue would have amounted to EUR 828,475 thousand and a loss of EUR 21,441 thousand would have been incurred in the year.

Once the business combination had been included at the acquisition date, since it was not possible to extract separate information on the revenue and on the net gain arising from the business combination, this information was not included.

The directors consider that these pro forma figures represent a reasonable approximation of the annual performance of the new combined entity and an initial point of reference for comparison in future years. In order to determine these pro forma revenue and profit or loss figures, management of the Parent took into account non-current asset depreciation and amortisation calculated on the basis of the acquisition-date fair values and borrowing costs calculated on the basis of the situation of the debt existing after the date of the business combination.

Lastly, it should be noted that fees paid to legal advisers and other professionals involved in the transaction amounted to EUR 1,440 thousand, recognised under "Other Operating Expenses" in the consolidated income statement.

5. Goodwill

The changes in "Goodwill" in the consolidated balance sheets in 2012 and 2011 were as follows:

Thousands of euros	Balance at 31/12/10	Transfers	Balance at 31/12/11	Additions/Disposals	Impairment	Balance at 31/12/12
TELEVISION BUSINESS:						
VNews Agencia de Noticias, S.L.U.	475	-	475	(475)	-	-
RADIO BUSINESS:						
Antena de Radiodifusión, S.A.U.	8,591	(8,591)	-	-	-	-
Canal Media Radio, S.L.U.	1,899	-	1,899	-	-	1,899
Canal Media Radio Galicia, S.A.U.	295	-	295	-	-	295
Ipar Onda, S.A.U.	260	-	260	-	-	260
Medipress Valencia, S.A.U.	1,360	(1,360)	-	-	-	-
Rkor Radio, S.L.U.	9,100	(9,100)	-	-	-	-
Uniprex, S.A.U.	153,899	19,051	172,950	-	(25,392)	147,558
TOTAL	175,879	-	175,879	(475)	(25,392)	150,012

The Group periodically assesses the recoverability of the goodwill described in the foregoing table on the basis of the cash-generating units based on the businesses of its subsidiaries, which at year-end only consist of radio.

The Group uses the strategic plans of the various businesses to calculate any possible impairment losses and discounts expected future cash flows. The Group prepares the various projections individually, taking into account the expected future cash flows of each cash-generating unit.

For the radio cash-generating unit (which coincides with the radio segment), the key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience, advertising efficiency ratios and cost forecasts. Except for advertising, which is measured on the basis of external sources of information, the data assumptions are based on past experience and reasonable projections approved by management of the Parent and updated in accordance with the performance of the advertising markets.

These future projections cover the next five years. The cash flows for the years not considered in the projections are estimated to be perpetual, with growth of 0%.

In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In order to calculate the rate, the current time value of money and the risk premiums generally used by analysts for the business and geographical area (Spain) are taken into account, giving rise to future discount rates of 9%-10% in 2011 and 2012.

Based on the methods used and the available estimates, projections and valuations of value in use, the Parent's directors calculated an impairment loss of EUR 25,392 thousand on the goodwill relating to the radio cash-generating unit, the impact of which was recognised under "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the consolidated income statement. This impairment loss arose as a result of the accelerated decline of the advertising market in 2012, placing it, in nominal terms, at the levels of 1998/1999.

The Group also performs sensitivity analyses when there are reasonably possible changes in the key assumptions used to calculate the recoverable amount of the radio cash-generating unit. In this respect, the sensitivity analyses are prepared under various scenarios on the basis of the variables deemed most significant, i.e. advertising revenue which depends mainly on the performance of the advertising market, the investment share and the discount rate.

The most sensitive variable is the growth of the radio advertising market, for which cumulative annual growth of 1.1% was used for the projection period, which is in line with the aforementioned accelerated decline of this market. A change of 0.5% in this rate would have a potential impact of EUR 9.5 million on the valuation. A change of 0.5% in the discount rate would have a potential impact of EUR 7.5 million. Zero perpetual growth was used, although an increase of 0.5% would decrease the impairment loss by EUR 5.5 million.

The changes in goodwill in 2011 arose mainly as a result of the merger between Uniprex, S.A. (Sole-Shareholder Company), formerly Publicidad 3, S.A. (Sole-Shareholder Company) (absorbing company) and Uniprex, S.A. (Sole-Shareholder Company), Antena de Radiodifusión, S.A. (Sole-Shareholder Company), Medipress Valencia, S.A. (Sole-Shareholder Company), Canal Radio Baleares, S.L. (Sole-Shareholder Company), Radio Media Aragón, S.L. (Sole-Shareholder Company), Canal Radio Madrid, S.L. (Sole-Shareholder Company) and Canal Radio Valencia, S.L. (Sole-Shareholder Company), a transaction performed simultaneously with the direct merger between Uniprex, S.A. (Sole-Shareholder Company) (absorbing company) and Radio Noticias Noventa, S.A. (Sole-Shareholder Company), RKOR Radio, S.L. (Sole-Shareholder Company) and Radio Sistemas Radiofónicos Cinco, S.L. (Sole-Shareholder Company) (absorbed companies). The absorbing company recognised the assets and liabilities of the absorbed companies in its accounts following criteria based on current consolidation rules, recognising the goodwill that arose from the consolidation of these companies (see Note 2-b).

6. Other intangible assets

The breakdown of the balances and transactions recognised under "Other Intangible Assets" in the consolidated balance sheets in 2012 and 2011 is as follows:

Thousands of euros	Balance at 01/01/12	Inclusions due to merger (Note 4)	Additions or charge for the year	Disposals or reductions	Transfers	Additions/disposals due to changes in the scope of consolidation	Balance at 31/12/12
<u>Cost:</u>							
Administrative concessions	40,802	-	-	-			40,802
Licences	-	82,804	-	-			82,804
Trademarks	-	21,591	-	-			21,591
Intellectual property	1,106	-	-	-		(10)	1,096
Computer software	39,223	716	2,555			(188)	42,306
Audiovisual productions	182,026	-	857	(138)	7,797		190,542
Other intangible assets	647	-	-				647
Intangible assets in progress	8,474	-	13,606		(7,797)		14,283
	272,278	105,111	17,018	(138)	-	(198)	394,071
<u>Accumulated amortisation:</u>							
Administrative concessions	(38,276)	-	(1,014)	-	-	-	(39,290)
Trademarks	-		(270)	-	-	-	(270)
Intellectual property	(672)	-	(139)	-	-	4	(807)
Computer software	(33,224)	-	(2,518)	-	-	180	(35,562)
Audiovisual productions	(138,049)	-	(14,948)	-	(9,123)	-	(162,120)
Other intangible assets	(647)	-	-	-	-	-	(647)
	(210,868)	-	(18,889)	-	(9,123)	184	(238,696)
Net impairment losses:	(23,257)	-	(421)	-	9,123	-	(14,555)
Total	38,153	105,111	(2,292)	(138)	-	(14)	140,820

Thousands of euros	Balance at 01/01/11	Additions or charge for the year	Disposals or reductions	Transfers	Balance at 31/12/11
<u>Cost:</u>					
Concessions, patents and trademarks	40,802	-	-	-	40,802
Intellectual property	850	123	-	133	1,106
Computer software	36,362	-	(6)	2,867	39,223
Audiovisual productions	136,045	9,763	(518)	36,736	182,026
Other intangible assets	647	-	-	-	647
Intangible assets in progress	22,568	25,642	-	(39,736)	8,474
	237,274	35,528	(524)	-	272,278
<u>Accumulated amortisation:</u>					
Concessions, patents and trademarks	(37,245)	(1,031)	-	-	(38,276)
Intellectual property	(554)	(118)	-	-	(672)
Computer software	(30,665)	(2,565)	6	-	(33,224)
Audiovisual productions	(98,289)	(39,760)	-	-	(138,049)
Other intangible assets	(647)	-	-	-	(647)
	(167,400)	(43,474)	6	-	(210,868)
Net impairment losses:	(13,261)	(10,514)	518	-	(23,257)
Total	56,613	(18,460)	-	-	38,153

Fully amortised intangible assets in use and in progress at 31 December 2012 amounted to EUR 151,715 thousand (31 December 2011: EUR 111,731 thousand).

The impairment of intangible assets amounting to EUR 421 thousand in 2012 (2011: EUR 10,514 thousand) relates to the impairment of audiovisual cinema productions detected as a result of analysing the recoverability of the related investment through a case-by-case analysis of the value in use of each film, taking into account estimates made regarding the income produced by each commercial opportunity under operation and recognising, if necessary, an impairment loss under "Programme Amortisation and Other Procurements" since the impairment relates to cinema productions shown on television channels.

7. Property, plant and equipment

The breakdown of the balances and transactions recognised under “Property, Plant and Equipment” in the consolidated balance sheets in 2012 and 2011 is as follows:

Thousands of euros	Balance at 01/01/12	Inclusions due to merger (Note 4)	Additions or charge for the year	Disposals or reductions	Transfers	Additions/ disposals due to changes in the scope of consolidation	Balance at 31/12/12
<u>Cost:</u>							
Land and buildings	65,749	-	-	(49)	165	-	66,138
Plant and machinery	89,420	53	-	(2,400)	3,021	(531)	89,563
Other fixtures and tools	51,753	-	-	(60)	1,115	(181)	52,627
Furniture	12,876	358	-	(184)	103	(29)	13,124
Computer hardware	36,014	204	-	(1,575)	1,473	(219)	35,897
Transport equipment and other items of property, plant and equipment	2,362	-	-	-	-	(4)	2,358
Construction in progress	178	-	6,660	-	(5,877)	29	990
	258,352	615	6,660	(4,268)	-	(935)	260,424
<u>Accumulated depreciation:</u>							
Land and buildings	(29,860)	-	(2,066)	40	-	-	(31,886)
Plant and machinery	(73,665)	-	(5,503)	2,418	-	479	(76,271)
Other fixtures and tools	(45,501)	-	(2,047)	52	-	182	(47,314)
Furniture	(11,546)	-	(539)	182	-	26	(11,877)
Computer hardware	(30,104)	-	(2,436)	1,572	-	196	(30,772)
Transport equipment and other items of property, plant and equipment	(2,094)	-	(113)	-	-	4	(2,203)
	(192,770)	-	(12,704)	4,264	-	887	(200,323)
Net impairment losses:	(2,687)	-	-	-	-	-	(2,687)
Total	62,895	615	(6,044)	(4)	-	(48)	57,414

Thousands of euros	Balance at 01/01/11	Additions or charge for the year	Disposals or reductions	Transfers	Balance at 31/12/11
<u>Cost:</u>					
Land and buildings	65,313	-	-	436	65,749
Plant and machinery	85,360	-	(3,358)	7,417	89,419
Other fixtures and tools	51,004	-	(249)	998	51,753
Furniture	12,798	-	(198)	277	12,877
Computer hardware	33,696	-	(1,446)	3,764	36,014
Transport equipment and other items of property, plant and equipment	4,250	-	(1,972)	84	2,362
Construction in progress	244	12,910	-	(12,976)	178
	252,665	12,910	(7,223)	-	258,352
<u>Accumulated depreciation:</u>					
Land and buildings	(27,786)	(2,074)	-	-	(29,860)
Plant and machinery	(72,113)	(4,877)	3,325	-	(73,665)
Other fixtures and tools	(43,468)	(2,259)	226	-	(45,501)
Furniture	(11,241)	(503)	198	-	(11,546)
Computer hardware	(29,218)	(2,264)	1,378	-	(30,104)
Transport equipment and other items of property, plant and equipment	(3,746)	(145)	1,797	-	(2,094)
	(187,572)	(12,122)	6,924	-	(192,770)
Net impairment losses:	(3,961)	(23)	1,297	-	(2,687)
Total	61,132	765	998	-	62,895

At 31 December 2012, fully depreciated property, plant and equipment amounted to EUR 143,939 thousand (2011: EUR 138,679 thousand). The Group does not have any temporarily idle items.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

8. Investments accounted for using the equity method

The changes in the investments accounted for using the equity method in 2012 and 2011 were as follows:

Thousands of euros	Balance at 01/01/12	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Impairment	Transfers	Balance at 31/12/12
Investments accounted for using the equity method							
Unipublic, S.A. (*)	3,359	-	126	-	(1,485)	(2,000)	-
Organizaciones Deportivas y Culturales de Unipublic, S.A.	437	-	-	-	(437)	-	-
I3 Televisión, S.L.U.	90	-	-	(4)	-	-	86
Videoreport Canarias, S.A. (*)	1,509	(1,509)	-	-	-	-	-
Gestión Audiovisual de Canarias, S.L.	35	(35)	-	-	-	-	-
Antena 3 de Televisión Colombia, S.A.	287	-	85	-	(372)	-	-
Canal 3 Televisión de Colombia, S.A.	297	-	54	-	(351)	-	-
Cordina Planet, S.L.	3	-	500	(503)	-	-	-
Hola TV América, S.L.	16	-	-	(16)	-	-	-
Investments accounted for using the equity method	6,033	(1,544)	765	(523)	(2,645)	(2,000)	86

(*) Audited companies

Thousands of euros	Balance at 01/01/11	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Impairment	Balance at 31/12/11
Investments accounted for using the equity method-						
Unipublic, S.A. (*)	7,428	-	151	(255)	(3,965)	3,359
Organizaciones Deportivas y Culturales de Unipublic, S.A.	437	-	-	-	-	437
I3 Televisión, S.L.U.	110	-	-	(20)	-	90
Videoreport Canarias, S.A. (*)	938	-	571	-	-	1,509
Gestión Audiovisual de Canarias, S.L.	75	-	-	(40)	-	35
Antena 3 de Televisión Colombia, S.A.	310	-	-	(23)	-	287
Canal 3 Televisión de Colombia, S.A.	243	-	54	-	-	297
Cordina Planet, S.L.	-	3	-	-	-	3
Hola TV América, S.L.	-	16	-	-	-	16
Investments accounted for using the equity method	9,541	19	776	(338)	(3,965)	6,033

(*) Audited companies

At 31 December 2012, Unipublic, S.A. and its subsidiary Organizaciones Deportivas y Culturales de Unipublic, S.A. were transferred to "Non-Current Assets Held for Sale". The decrease in value of the investments of both companies is a result of their remeasurement at fair value at year-end, the impact of which on the consolidated income statement was recognised under "Gains (Losses) on Disposals of Financial Assets". In 2011 in accordance with the valuation methods described in the 2011 consolidated financial statements (see Note 5), the Parent's directors recognised an impairment loss on the goodwill of the aforementioned company amounting to EUR 3,965 thousand.

In turn, Antena 3 de Televisión Colombia, S.A. and Canal 3 Televisión de Colombia, S.A. are in the process of being liquidated, giving rise to the consequent decrease in fair value of these investments at 2012 year-end.

As detailed in Note 2-b on changes in the scope of consolidation, as a result of the sale of the subsidiary VNews Agencia de Noticias, S.L. (Sole-Shareholder Company) in 2012, Videoreport Canarias, S.A. and Gestión Audiovisual Canarias, S.L. (investees of the former) ceased to form part of the Group.

The changes in the scope of consolidation in 2011 arose from the inclusion of Cordina Planet, S.L. and Hola Televisión América, S.L. in the Group in 2011.

None of the Group's investees are listed on Spanish or foreign stock exchanges.

The detail of the main financial aggregates of the companies accounted for using the equity method for 2012 and 2011 is as follows:

Thousands of euros	2012				
	Assets	Equity	Liabilities	Income	Loss
I3 Televisión, S.L.	2,399	171	2,228	6,812	(9)
Cordina Planet, S.L.	1,533	(857)	2,390	120	(1,859)
Hola TV América, S.L.	150	(472)	621	-	(489)
Antena 3 de Televisión Colombia, S.A.	39	39	-	-	(10)
Canal 3 Televisión de Colombia, S.A.	64	61	3	-	(95)

Thousands of euros	2011				
	Assets	Equity	Liabilities	Income	Profit (Loss)
Unipublic, S.A.	10,596	3,566	7,030	13,462	297
Organizaciones Deportivas y Culturales de Unipublic, S.A.	568	568	-	-	(2)
I3 Televisión, S.L.	2,187	180	2,007	6,555	(35)
Cordina Planet, S.L.	3	3	-	-	-
Hola TV América, S.L.	487	31	455	-	(85)
Antena 3 de Televisión Colombia, S.A.	523	523	-	-	(12)
Canal 3 Televisión de Colombia, S.A.	1,284	1,236	48	-	(12)
Videoreport Canarias, S.A.	19,931	5,029	14,902	21,328	1,903
Gestión Audiovisual de Canarias, S.L.	306	177	129	442	(43)

9. Financial assets and other non-current assets

The detail of "Financial Assets" and "Other Non-Current Assets" in the consolidated balance sheets at 31 December 2012 and 2011 is as follows:

Thousands of euros	Non-current financial instruments					
	Equity instruments		Loans, derivatives and other		Total	
	2012	2011	2012	2011	2012	2011
Loans and receivables	-	-	9,694	1,270	9,694	1,270
Available-for-sale financial assets	3,358	-	-	-	3,358	-
Other non-current assets	3,358	-	9,694	1,270	13,052	1,270
Held-for-trading financial assets	-	-	7,402	-	7,402	-
Derivatives (Note 15)	-	-	-	655	-	655
Financial instruments	-	-	7,402	655	7,402	655
Total	3,358	-	17,096	1,925	20,454	1,925

At 2012 year-end "Loans and Receivables" included EUR 8,840 thousand relating to the amount deposited in connection with the appeal filed by La Sexta against assessments issued by the tax authorities relating to the levy on games(see Note 13).

At 2012 year-end, "Other Non-Current Assets - Available-For-Sale Financial Assets" includes non-current financial investments in the equity instruments of companies over which the Group does not exercise significant influence and relates to the 15% ownership interest in Audiovisual Española 2000, S.A.

In relation to held-for-trading financial assets, in December 2012 the Parent entered into various agreements with the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A., including one whereby in exchange for a fixed market consideration, determined at the date of the agreement, the aforementioned shareholders undertook to pay the Parent a variable cash amount determined on the basis of the economic results of the Antena 3 Group from 2012 to 2016, inclusive, and payable in 2017. The fixed consideration received by the former shareholders of La Sexta was recognised as a finance cost in the consolidated income statement for the year.

At 2012 year-end the balance of "Held-For-Trading Financial Assets" represented the fair value of the financial instrument at that date. The positive impact thereof was included under "Net Gain on Changes in the Value of Financial Instruments at Fair Value" in the consolidated income statement. The market variables that influence the value of this asset are the market price of the Parent's share, its volatility and its dividend yield. The Group's estimated results also have an influence. The market price and historical volatility at 31 December 2013 was used to measure the amount at that date and internal projections and the market consensus were used to estimate results and the dividend yield.

10. Programme rights

The detail of "Programme Rights" is as follows:

Thousands of euros	2012	2011
Programme rights, net		
Rights on outside productions	178,050	148,071
In-house productions and programmes in process	43,876	34,741
Sports broadcasting rights	3,214	3,214
Impairment losses	(19,516)	(17,801)
	205,624	168,225
Advances to suppliers	33,353	35,470
Total	238,977	203,695

At 31 December 2012, the Parent had commitments, mainly for the purchase of audiovisual property rights, amounting to EUR 149,617 thousand (2011: EUR 82,970 thousand). In addition, the Parent has purchase commitments to distributors, the definitive amount and price of which will be determined once the programmes are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. The best estimate of these commitments amounted to EUR 12,826 thousand in 2012 (2011: EUR 38,312 thousand).

Most of the programme rights on inventorable in-house and outside productions at the end of 2012 are estimated to be amortised in 2013.

As described in Note 3-f, the Group recognises write-downs to reduce the unamortised value of programme rights. In 2012 write-downs amounting to EUR 1,956 thousand were recognised and EUR 241 thousand were charged to profit or loss, the effects of which are recognised under "Programme Amortisation and Other Procurements" in the consolidated income statement. In 2011 the amounts recognised and charged to profit or loss in this connection amounted to EUR 1,951 thousand and EUR 5,388 thousand, respectively.

11. Trade and other receivables

The detail of "Trade and Other Receivables" in the consolidated balance sheets at 31 December 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Trade receivables	169,909	210,513
Receivable from associates and related companies	46,554	1,130
Other accounts receivable	5,422	4,064
Total	221,885	215,707

The estimated amounts are recognised in the consolidated balance sheet, net of allowances for estimated bad and doubtful debts, on the basis of prior years' experience and of the Group's assessment of the current economic climate.

At 31 December 2012, the allowance for doubtful debts amounted to EUR 30,632 thousand (2011: EUR 29,415 thousand). The provision recognised in 2012 amounted to EUR 5,429 thousand (2011: EUR 7,950 thousand), of which EUR 5,626 thousand were used in the year (2011: EUR 6,182 thousand).

As provided for in the measurement bases disclosed in Note 3 to these consolidated financial statements, impairment losses are recognised or reversed as a result of valuation adjustments of trade and other receivables based on their due dates and the equity position of the debtors. The related write downs and amounts charged to profit or loss are recognised under "Other Operating Expenses" in the consolidated income statement.

12. Equity

a) **Share capital**

On 29 October 2012, the Parent Antena 3 de Televisión, S.A. increased share capital by a nominal amount of EUR 10,965 thousand through the issue of (i) 13,438,704 shares of EUR 0.75 par value each, of the same class and series as the shares outstanding prior to the increase and without dividend rights with a charge to the profit generated before the date on which the merger was filed at the Mercantile Registry, irrespective of the payment date, and (ii) 1,181,296 shares of EUR 0.75 par value each, of a different class and carrying the same restriction on dividend rights as the aforementioned shares, applicable for 24 months following the date on which the merger was filed at the Mercantile Registry.

The aforementioned capital increase, the sole purpose of which was to cater for part of the share exchange, was approved by the shareholders at the Parent's Annual General Meeting held on 25 April 2012 in accordance with the conditions of the draft terms of merger and was conditional upon the obtainment of the related administrative authorisations.

The new shares were issued at EUR 3.37 each, equal to the quoted market price of Antena 3's shares on 5 October 2012, the date on which the capital increase resolution became effective. The difference between the issue price and the par value (i.e. EUR 2.62 per share) was treated as a share premium. The total capital increase amounted to EUR 49,269 thousand. The capital increase, including both the par value and the share premium thereof, was fully paid as a result of the transfer en bloc of the assets and liabilities of the acquired company at the date on which the merger deed was filed at the Madrid Mercantile Registry (i.e. 31 October 2012).

In accordance with Article 304.2 of the Spanish Limited Liability Companies Law, approved by Legislative Royal Decree 1/2010, of 2 July, shareholder pre-emption rights were disapplied on the occasion of the increase.

At 31 December 2012, the share capital of the Parent amounted to EUR 169,300 thousand and was represented by 225,732,800 fully subscribed and paid shares of EUR 0.75 par value each, with the same rights except for the restriction on dividend rights mentioned in Notes 12-a and 12-e.

At 31 December 2011, there were 211,112,800 shares of the same par value.

At the end of 2012 the Parent's shareholder structure was as follows:

% of ownership	2012
Grupo Planeta-de Agostini, S.L.	41.70
Ufa Film und Fernseh, GMBH	19.17
Treasury shares	7.01
Gamp Audiovisual, S.A.*	3.64%
Imagina Media Audiovisual, S.L.	2.85%
Other shareholders	25.63
Total	100.00

* Gamp Audiovisual, S.A. is an Imagina Group company, which is controlled, within the meaning of Article 4 of the Spanish Securities Market Law, by the Imagina Group through MEDIAPRODUCCIÓN, S.L.

The Parent's shares are listed on the Spanish stock market interconnection system and all carry the same voting and dividend rights, except for the 1,181,296 shares mentioned above, which will be admitted to trading 24 months following the date on which the merger was filed at the Mercantile Registry in accordance with the draft terms of merger.

There are agreements among the main shareholders that guarantee the Parent's shareholder stability, the grant of mutual rights of acquisition on their shares, the undertaking not to take control of the Parent or to permit a third party to do so, and also include Group management agreements, as described in the consolidated directors' report.

For management purposes, the Group treats the equity attributable to the Parent as capital. The only external requirements to which this capital for management purposes is subject are those contained in current Spanish corporate law, and there are no other legal restrictions thereon.

The Group determines the financial resources required with the two-fold objective of ensuring the Group companies' capacity to continue operating and maximising profitability by optimising Group debt and equity. The Group's financial structure taken as a whole consists of the equity attributable to the Parent's shareholders (comprising share capital, share premium, retained earnings and other items), bank borrowings and cash and cash equivalents. The Group reviews this structure regularly and, taking into account the costs and risks associated with each type of funding (debt or equity), takes the appropriate decisions to achieve the aforementioned objectives.

b) Share premium

As indicated in Note 12-a above, the difference between the issue price and the par value of the new shares (i.e. EUR 2.62 per share) is treated as a share premium amounting to EUR 38,304 thousand, which was fully paid as a result of the transfer en bloc of the assets and liabilities of the acquired company (see Note 12-a).

c) Restricted reserves

Legal reserve

Under the Spanish Limited Liability Companies Law, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 2011 year-end the balance of this reserve had reached the legally required minimum. As a result of the capital increase detailed above, at 2012 year-end this reserve had not reached the legally required minimum.

Reserve for retired capital

As a result of the capital reduction made in 2006, a reserve was constituted for EUR 8,333 thousand, an amount equal to the par value of the retired shares, which may only be used if the same requirements as those for the reduction of share capital are met, pursuant to Article 335-c of the Spanish Limited Liability Companies Law.

Other restricted reserves

Restricted reserves include an amount of EUR 281 thousand which is considered to be a restricted reserve since it corresponds to the "Reserve for the Adjustment of Share Capital to Euros".

Other restricted reserves

"Equity - Retained Earnings" in the consolidated balance sheet includes a restricted reserve arising from the subsidiary Uniprex, S.A. (Sole-Shareholder Company). This is a reserve for goodwill amounting to EUR 11,701 thousand, recognised by appropriating thereto from profit for the year an amount equal to 5% of the goodwill on the asset side of the subsidiary's balance sheet until the full amount of the reserve is reached, as required by Spanish corporate legislation.

d) Contributions to consolidated profit by company

The detail of the contributions to the consolidated profit for the year of the fully consolidated companies and the companies accounted for using the equity method at 31 December 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Antena 3 Televisión subgroup	47,950	92,321
Uniprex subgroup	(12,855)	1,713
Other	(3,186)	(602)
TOTAL	31,909	93,432

The aim of the method used to determine the contribution to consolidated profit is to maintain the required transactions between Group companies so that they can carry on their business activities under normal market conditions.

e) Treasury shares

The changes in "Treasury Shares" in 2012 and 2011 were as follows:

Number of shares	2012	2011
At beginning of year	12,630,728	10,555,640
Purchases	4,369,272	2,075,088
Delivery of shares	(1,181,296)	-
At end of year	15,818,704	12,630,728

At 31 December 2012, the shares of the Parent held by it represent 7.01% of the Parent's share capital and total 15,818,704 shares, with a value of EUR 99,453 thousand and an average acquisition price of EUR 6.29 per share.

The delivery of shares in 2012 was part of the merger transaction detailed above in these consolidated financial statements. Specifically 1,181,296 of the Parent's treasury shares representing 0.523% of voting rights were delivered to the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. to cater for the share exchange in accordance with the draft terms of merger (see Note 4).

The difference between the fair value of the treasury shares delivered as consideration at the effective merger date and the acquisition price thereof gave rise to a loss recognised in the Parent's equity.

The shareholders at the Annual General Meeting held on 24 March 2010 approved a resolution authorising the Parent to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time. This limit was established at 10% of registered share capital by Law 3/2009, of 3 April, on structural changes to companies.

f) Dividends

At the Annual General Meeting held on 25 April 2012, the shareholders of the Parent approved the proposed distribution of profit for 2011, whereby EUR 88,526 thousand were allocated to the payment of dividends, of which EUR 43,734 thousand related to the interim dividend paid out of 2011 profit on 14 December 2011. The remaining EUR 44,792 thousand related to the payment of a final dividend in the aforementioned year, which was paid on 4 May 2012.

On 11 December 2012, the Board of Directors of the Parent approved the distribution out of the Parent's profit for 2012 of a gross dividend per share of EUR 0.11, giving rise to a total dividend of EUR 21,352 thousand, which was paid to the shareholders on 20 December 2012.

g) Non-controlling interests

"Non-Controlling Interests" relates to the non-controlling interests of Uniprex Televisión Digital Terrestre de Andalucía, S.L., which at 31 December 2012 held 25.8% of the shares of this company, the amount of which is not significant.

h) Other equity instruments

As indicated in Note 4, pursuant to the agreement to merge the two companies, the Parent (Antena 3 de Televisión, S.A.) and Gestora de Inversiones Audiovisuales La Sexta, S.A. agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 Antena 3 de Televisión, S.A. shares representing 7% of its share capital, although the delivery thereof is conditional upon the earnings of the Antena 3 Group from 2012 to 2016. The delivery of these additional shares will be carried out in full by way of treasury shares of the Parent and, therefore, does not constitute an additional issue.

"Other Equity Instruments" includes the measurement of the aforementioned consideration at the fair value of the shares whose delivery was deferred, calculated as indicated in Note 4.

13. Provisions and other liabilities

The changes in the short- and long-term provisions in 2012 and 2011 were as follows:

Thousands of euros	Balance at 31/12/11	Inclusions due to merger (Note 4)	Provisions	Amounts used and payments	Excessive provisions	Changes in the scope of consolidation	Balance at 31/12/12
Operating provisions	40,262	-	35,676	(33,776)	(6,447)	-	35,715
Provisions for litigation	31,258	-	3,447	(9,512)	(344)	(40)	24,809
Other provisions	2,081	14,079	3,664	(1,302)	(206)	352	18,668
Total provisions	73,601	14,079	42,787	(44,590)	(6,997)	312	79,192

Thousands of euros	Balance at 31/12/10	Transfers	Provisions	Amounts used and payments	Balance at 31/12/11
Operating provisions	40,562	-	38,159	(38,459)	40,262
Provisions for litigation	29,520	-	10,462	(8,724)	31,258
Other provisions	23,331	(27)	1,713	(22,936)	2,081
Total provisions	93,413	(27)	50,334	(70,119)	73,601

Short- and long-term provisions in the consolidated balance sheet include, inter alia, operating provisions relating basically to volume rebates paid yearly which accrue over the course of the year, the recognition, use and excessive amounts of which are recognised under "Revenue" in the consolidated income statement.

"Provisions for litigation" relates mainly to the best estimate in this connection. The payment schedule related to litigation is based on court judgments and is therefore difficult to estimate. "Other Provisions" relates mainly to estimated future payments. The recognition, use and excessive amounts of both these types of provisions are recognised under "Other Operating Expenses" in the consolidated income statement.

The inclusions due to merger are a result of the recognition of liabilities assumed at the acquisition date due to the business combination described in Note 4.

In 2012 the tax authorities issued assessments relating to the levy on games of luck, betting or chance, raffles and tombolas against the absorbed company Gestora de Inversiones Audiovisuales La Sexta, S.A. for an amount of EUR 6,903 thousand. In this respect, the merger agreements establish that La Sexta shareholders must indemnify Antena 3 de Televisión, S.A. for any economic loss that could arise from these assessments.

In 2011, as a result of the judgments handed down relating to lawsuits with collection societies, a portion of the provision recognised for this purpose was reversed.

One of the most noteworthy significant events in 2011 was the judgment handed down against Uniprex, S.A. (Sole-Shareholder Company) by the Madrid Provincial Appellate Court, which overturned a favourable judgment handed down previously, ordering the Group to pay EUR 26,271 thousand for damage and losses caused during the settlement phase of an agreement entered into with the Radio Blanca Group, which had already given rise to an adverse arbitral award in 2004. The aforementioned amount was recognised and paid in 2012, using the relevant provisions, which had a net negative impact of EUR 14,927 thousand on the consolidated financial statements.

The main item included under "**Other Non-Current Liabilities**" relates to the payables of Gestora de Inversiones Audiovisuales La Sexta, S.A. to its shareholders, which were assumed by the Parent as a result of the aforementioned merger transaction, amount to EUR 68,532 thousand, fall due in 2014 and bear interest at a floating rate tied to Euribor plus a market spread (see Note 23).

"**Other Current Liabilities**" relates mainly to remuneration payable for various items. It also includes non-current payables to the Parent's new shareholders amounting to EUR 3,712 thousand.

14. **Bank borrowings**

The detail of "Bank Borrowings" at 31 December 2012 and 2011 is as follows:

Thousands of euros	2012			2011		
	Limit	Short-term balance drawn down	Long-term balance drawn down	Limit	Short-term balance drawn down	Long-term balance drawn down
Bank loans	6,452	6,226	226	10,580	10,128	452
Credit facilities	256,300	130,479	-	349,000	76,076	-
Interest payable	-	964	-	-	596	-
Total	262,752	137,669	226	359,580	86,800	452

The interest rates paid in 2012 on the loans and credit facilities arranged with banks are mainly tied to Euribor.

The long-term balances drawn down mature in 2014.

15. Hedging derivatives

Foreign currency hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows. The instruments purchased are denominated in US dollars.

The Group applies hedge accounting and documents the hedging relationships and the measurement of their effectiveness as required by IAS 39. In all cases, these include the cash flow hedges of firm commitments, the EUR/USD forward exchange rate exposure to possible variations in the cash flows payable in euros associated with broadcasting rights of which is hedged.

For 2012, due to the commencement of the period in which the broadcasting rights being hedged came into force, EUR 303 thousand from equity was deducted from inventories. For 2011 the amount deducted from equity and recognised as an addition to inventories was EUR 268 thousand. The changes in the fair value of the derivatives arranged by the Group depend on the changes in the EUR/USD exchange rate and on the euro interest rate curves.

At 31 December 2012, the Group had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 89,611 thousand, at a weighted average exchange rate of EUR 1.3058/USD 1. At 31 December 2011, the Group had arranged hedging instruments amounting to USD 70,091 thousand, at a weighted average exchange rate of EUR 1.3699/USD 1.

At the end of 2012 and 2011, the total amount of outstanding forward currency contracts entered into by the Group is as follows (the terms reflect the moment in which the hedged portion is recognised and in which the value of the hedging instruments is adjusted in equity as an increase in/reduction of inventories):

						Fair value (thousands of euros)	
2012	Classification	Type	Expiry date	Amount arranged (thousands of euros)	Ineffective portion recognised in the income statement (thousands of euros)	Assets	Liabilities
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2013	60,575	-	1,245	485
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2014	8,053	-	-	197

						Fair value (thousands of euros)	
2011	Classification	Type	Expiry date	Amount arranged (thousands of euros)	Ineffective portion recognised in the income statement (thousands of euros)	Assets	Liabilities
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2012	37,889	-	2,264	46
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2013	13,275	-	655	-

At 31 December 2012, the fair value of the Group's foreign currency derivatives, which are designated and effective as cash flow hedges, was estimated to be positive by EUR 1,245 thousand and negative by EUR 682 thousand (2011: EUR 2,919 thousand positive and EUR 46 thousand negative). This amount was deferred and recognised in equity.

The foreign currency derivatives have been arranged in such a way that they are totally effective and, therefore, they are recognised in full in equity until inventories are recognised.

The sensitivity analysis indicates that positive or negative changes of 10% in spot EUR/USD exchange rates would give rise to changes of approximately EUR 9 million in the fair value of the foreign currency derivatives in 2012 (2011: EUR 10 million). Increases in the value of the euro (depreciation of the US dollar) would increase negative values while decreases in the value of the euro would increase positive values.

The financial instruments measured at fair value should be classified as levels 1 to 3, based on the degree of verification of their fair value. Therefore, fair values arising from quoted prices on active markets will be classified as level 1. Those arising from external information other than quoted prices will be classified as level 2. And values obtained using valuation techniques that include data that is not observable in active markets will be classified as level 3. The Group's derivative instruments would be classified as level 2.

16. Trade and other payables

The detail of "Trade and Other Payables" in the consolidated balance sheets at 31 December 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Trade payables	348,338	280,677
Payable to associates and related companies	127,063	12,109
Customer advances	3,907	2,966
Total	479,308	295,752

The maximum payment period applicable to the Parent under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, is 75 days in the period between the entry into force of the Law and 31 December 2012.

The detail of the amounts paid and payable at 31 December 2012 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	426,283	84%
Remainder	78,232	16%
Total payments made in 2012	504,515	
Weighted average period of late payment (in days)	50	
Payments at year-end not made in the maximum payment period	18,838	

The detail of the amounts paid and payable at 31 December 2011 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	455,893	90%
Remainder	51,311	10%
Total payments made in 2011	507,204	
Weighted average period of late payment (in days)	46	
Payments at year-end not made in the maximum payment period	6,450	

Payments at year-end not made in the maximum payment period relate mainly to payables to suppliers for production services relating to agreements signed prior to the entry into force of the related legislation, included in "Current Liabilities - Trade and Other Payables" in the consolidated balance sheet.

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

17. Other guarantee commitments to third parties and contingent assets and liabilities

a) Guarantee commitments to third parties

The detail of the guarantees provided by the Group to banks for third- and related parties is as follows:

Thousands of euros	2012	2011
Group companies and associates	6,465	8,886
Other guarantees	14,009	7,084
Total	20,474	15,970

The Parent's directors consider that any liabilities not foreseen at 31 December 2012 that might arise from the guarantees provided would not be material.

b) Contingent liabilities

At 31 December 2012, certain civil, labour, criminal and administrative lawsuits had been filed against the Group companies, which were taken into account in estimating any contingent liabilities. Noteworthy, in view of their amount, were the lawsuits with certain collection societies.

The directors of the Parent and its legal advisers do not expect any material liabilities additional to those already recorded to arise from the outcome of the lawsuits in progress.

c) Litigation

In 2012 there were no significant changes in lawsuits and no new litigation proceedings deemed significant were brought against the Group.

18. Risk management policy

The Group's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Group are as follows:

a) Credit risk

The Group does not have significant credit risk since the average customer collection period is very short and guarantees are required for deferred payment sales. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.

The advertising contract terms enable bank guarantees to be demanded prior to the launch of advertising campaigns. Also, it should be noted that the Group does not have a significant concentration of credit risk exposure to third parties and no noteworthy incidents arose in 2012. The percentage of past-due receivables at 31 December 2012 was 4%.

The Corporate Governance Report includes an extensive summary of the risk control systems.

b) Liquidity risk

The Group's liquidity policy is to arrange credit lines and short-term investments that are sufficient to support its financial needs, on the basis of expected business performance. All of the foregoing are tied to floating interest rates (see Note 12).

The Group presents a working capital deficiency, as indicated in Note 2-a.

c) Market risk (including interest rate and foreign currency risk)

Both the Group's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows. The Group's financing is arranged at interest rates tied to Euribor. In view of the bank borrowings at 31 December 2012, changes of 100 basis points in the total cost borne would give rise to a +/- EUR 1.9 million change in the debt at that date.

Foreign currency risk is concentrated at the Parent and relates basically to the payments to be made in international markets to acquire broadcasting rights. The Parent arranges hedging instruments, mainly foreign currency hedges, to mitigate its foreign currency risk exposure for EUR/USD forward foreign currency risk. Sensitivity to changes in the exchange rate is described in Note 15.

19. Income and expenses

a) Operating income

The breakdown, by line of business and geographical market, of the Group's revenue for 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Advertising sales	717,745	771,093
Other sales	21,864	49,689
Trade and other discounts	(27,035)	(42,104)
Total	712,574	778,678

In 2012 and 2011 transactions exceeding 10% of total operating income were performed with three customers (media buyers grouping together advertising orders of various advertisers), which represented 17%, 16% and 13% (individually) and 46% (as an aggregate) of total advertising sales.

The breakdown, by geographical market, of the Group's revenue for 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Spain	710,283	770,759
Other EU countries	1,495	3,366
Non-EU countries	796	4,553
Total	712,574	778,678

b) Programme amortisation and other procurements

The detail of "Programme Amortisation and Other Procurements" is as follows:

Thousands of euros	2012	2011
Outside production services	225,051	230,969
Broadcasting of in-house productions	241,199	206,840
Programme broadcasting rights	140,271	157,127
Live broadcasting rights	43,589	1,049
Performances and contributions of entertainers	11,073	12,305
Other amortisation	6,480	4,550
Other purchases	347	754
Addition to programme rights	(261,542)	(238,237)
Total	406,468	375,357

"Addition to Programme Rights" reflects the expenses incurred in making programmes. In accordance with the Parent's procedures, these expenses are capitalised and subsequently amortised in accordance with the policies described in Note 3-f.

c) Staff costs

The detail of "Staff Costs" is as follows:

Thousands of euros	2012	2011
Wages and salaries	100,467	102,786
Social security costs	17,400	17,736
Other staff costs	2,431	2,712
Total	120,298	123,234

The remuneration of senior executives who are not directors amounted to EUR 4,852 thousand in 2012 (2011: EUR 4,278 thousand).

The Parent has not granted any loans or advances to its senior executives and it does not have any supplementary pension, retirement bonus or special indemnity obligations to them in their capacity as executives.

The average number of Group employees in 2012, by gender and professional category, was as follows:

Professional category	2012	
	Women	Men
Senior executives	2	10
Managers	73	171
Line personnel	519	569
Clerical staff	129	22
Other	125	85
Total	848	857

The average number of Group employees at 2012 year-end, by gender and professional category, was as follows:

Professional category	2012	
	Women	Men
Senior executives	2	10
Managers	73	178
Line personnel	519	573
Clerical staff	125	21
Other	126	79
Total	845	861

The number of senior executives includes two directors (both men).

The average number of employees in 2012 with a disability of more than 33%, by professional category, is as follows:

Professional category	2012
Managers	2
Line personnel	18
Clerical staff	15
Other	2
Total	37

d) Other operating expenses

The detail of "Other Operating Expenses" in the consolidated income statement is as follows:

Thousands of euros	2012	2011
Operating leases and charges	54,081	52,025
Work performed by other companies	50,484	49,471
Copyrights	16,883	28,680
Communications	8,224	9,831
Advertising and publicity	5,838	5,623
Other overheads	39,401	36,558
Total	174,911	182,188

"Operating Leases and Charges" in the accompanying consolidated income statement includes mainly the charge for the distribution of the audiovisual signal and the television operators' contribution to the financing of Corporación RTVE.

e) Other disclosures

The fees for audit services provided to the various companies composing the Antena 3 de Televisión, S.A. and Subsidiaries Group by the main auditors, Deloitte, S.L., and by other entities related thereto amounted to EUR 314 thousand in 2012 (2011: EUR 280 thousand). The fees for audit-related services in 2012 amounted to EUR 57 thousand (2011: EUR 43 thousand).

Also, the fees for other professional services provided to the various Group companies by the main auditors and by other entities related thereto amounted to EUR 71 thousand (2011: EUR 83 thousand). No tax advisory services were provided in 2012 or in 2011.

The Annual Corporate Governance Report includes a description of the work of the Audit Committee and an explanation of the manner in which the objectivity and independence of the auditor is guaranteed when the auditors provide non-audit services.

20. Other gains/losses

a) Net gain on changes in the value of financial instruments at fair value

"Net Gain on Changes in the Value of Financial Instruments at Fair Value" in the consolidated income statement includes mainly the net gain due to the change in fair value of the hedging instruments detailed in Note 15 to these consolidated financial statements and the gain on the held-for-trading financial asset at year-end (see Note 9).

b) Exchange differences

"Exchange Differences" includes the exchange differences arising from the Group's commercial transactions, relating mainly to the purchase of audiovisual productions in foreign currencies.

c) Financial loss

"Financial Loss" in the consolidated income statement for 2012 includes mainly interest on borrowings and the finance cost arising from the agreement with the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. (see Note 9), totalling EUR 10,078 thousand (2011: EUR 5,123 thousand), and finance income of EUR 243 thousand (2011: EUR 285 thousand).

d) Impairment and gains or losses on disposals of financial instruments

This heading in the consolidated income statement includes, on the one hand, impairment losses recognised in the year on financial assets, which were determined on the basis of an analysis of the recoverability of these investments, including investments in companies accounted for using the equity method, and, on the other hand, the net gains arising from the disposal of these assets and assets held for sale.

In 2012 gains or losses on disposals of financial instruments included the impact of the transfer of financial assets in Unipublic, S.A. and its subsidiary Organizaciones Deportivas y Culturales de Unipublic, S.A. and other exclusions from the scope of consolidation (see Notes 2-b and 8).

In 2011 impairment of financial assets reflects the impairment of the goodwill of Unipublic, S.A., amounting to EUR 3,965 thousand (see Note 8).

21. Business and geographical segments

Basis of segmentation

Segment reporting is structured on the basis of the Group's various business lines at the end of 2012 and 2011, taking into account, on the one hand, the nature of the services provided and, on the other, the customer segments targeted by them.

In 2012 and 2011 the Group focused its business activities on the following major business lines in Spain:

- Television
- Radio
- Other businesses, the most noteworthy of which are event management and audiovisual production.

Thousands of euros	Television		Radio		Other businesses		Adjustments and eliminations between segments		Antena 3 consolidated Group	
PROFIT (LOSS)	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Revenue and other income, net	638,813	669,964	82,773	89,264	28,008	54,520	(8,431)	(8,539)	741,163	805,209
Operating expenses (excluding depreciation and amortisation charge)	611,432	552,039	71,763	85,016	26,913	52,263	(8,431)	(8,539)	701,677	680,779
GROSS PROFIT FROM OPERATIONS	27,381	117,925	11,010	4,248	1,095	2,257	-	-	39,486	124,430
Depreciation and amortisation charge, impairment and gains or losses on disposals of non-current assets	13,469	12,328	28,383	3,303	185	207	-	-	42,037	15,838
Gains from bargain purchases arising on business combinations	19,536	-	-	-	-	-	-	-	19,536	-
PROFIT (LOSS) FROM OPERATIONS	33,448	105,597	(17,373)	945	910	2,050	-	-	16,985	108,592
Net gain due to changes in the value of financial instruments at fair value	4,931	2,428	-	-	-	-	-	-	4,931	2,428
Exchange differences	4,089	(3,497)	-	-	(12)	(17)	-	-	4,077	(3,514)
Investment income	1,384	2,910	219	896	84	188	(1,444)	(3,709)	243	285
Finance costs	10,027	6,088	215	39	1,280	2,705	(1,444)	(3,709)	10,078	5,123
Financial profit (loss)	(8,643)	(3,178)	4	857	(1,196)	(2,517)	-	-	(9,835)	(4,838)
Impairment of financial assets	-	-	-	-	-	(3,965)	-	-	-	(3,965)
Gains (losses) on disposals of financial assets	(832)	84	(3)	4	(2,339)	215	-	-	(3,174)	303
Share of results of associates and joint ventures accounted for using the equity method	(32)	534	-	-	(1,048)	112	-	-	(1,080)	646
PROFIT (LOSS) BEFORE TAX	32,961	101,968	(17,372)	1,806	(3,685)	(4,122)	-	-	11,904	99,652
Income tax	(16,122)	9,392	(4,444)	43	561	(3,215)	-	-	(20,005)	6,220
PROFIT (LOSS) AFTER TAX	49,083	92,576	(12,928)	1,763	(4,246)	(907)	-	-	31,909	93,432

Thousands of euros	Television		Radio		Other businesses		Adjustments and eliminations between segments		Antena 3 consolidated Group	
BALANCE SHEET	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
ASSETS										
Segment assets	1,310,272	966,491	229,199	364,668	166,078	135,467	(527,846)	(689,453)	1,173,703	777,173
Investments accounted for using the equity method	86	2,217	-	-	-	3,816	-	-	86	6,033
TOTAL ASSETS	1,306,357	968,708	229,199	364,668	166,079	139,283	(527,846)	(689,453)	1,173,789	783,206
EQUITY AND LIABILITIES										
Segment liabilities	1,306,357	968,708	229,199	364,668	166,079	139,283	(527,846)	(689,453)	1,173,789	783,206
TOTAL LIABILITIES	1,306,357	968,708	229,199	364,668	166,079	139,283	(527,846)	(689,453)	1,173,789	783,206

22. Tax matters

a) Consolidated tax group

Pursuant to current legislation, the consolidated tax group includes Antena 3 de Televisión, S.A., as the Parent, and the Spanish subsidiaries that meet the requirements provided for in Spanish legislation regulating the taxation of the consolidated profits of corporate groups (in which an ownership interest of more than 75% is held).

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

Pursuant to Corporation Tax Law 43/1995, of 27 December, on 26 December 2000, Antena 3 de Televisión, S.A. notified the Madrid tax authorities of its decision to file consolidated income tax returns. This application is considered indefinite provided that the requirements established in the current Article 67 of the Consolidated Spanish Corporation Tax Law are met and the Group does not opt to cease to apply the consolidated tax regime. The filing of consolidated tax returns gives rise to reciprocal intra-Group balances, due to the offset of the losses incurred by certain companies against the profit earned by other Group companies.

On 16 December 2011, the joint merger agreement entered into on 30 June 2011 was executed in a public deed, whereby Publicidad 3, S.A.U. absorbed Antena de Radiodifusión, S.A.U., Medipress Valencia, S.A.U., Canal Radio Baleares, S.L.U., Radio Media Aragón, S.L.U., Canal Radio Madrid, S.L.U., Canal Radio Valencia, S.L.U. and Uniprex, S.A.U, which simultaneously and in the same act absorbed Radio Noticias Noventa, S.A.U., Radio Sistemas Radiofónicos Cinco, S.L.U. and Rkor Radio, S.L.U. in the preliminary phase.

The resulting company's change of name to Uniprex, S.A.U. is contained in the aforementioned deed.

Consequently, the new company Uniprex, S.A.U. acquired the assets and liabilities of the absorbed companies, which were dissolved without liquidation, in accordance with their balance sheets, whose assets and liabilities were transferred en bloc to the absorbing company.

The merger goodwill, which on 16 December 2011 amounted to EUR 99,137 thousand for tax purposes (comprising EUR 5,599 thousand of Rkor Radio, EUR 1,360 thousand of Medipress Valencia, EUR 8,591 thousand of Antena de Radiodifusión and EUR 83,587 thousand of Uniprex) may be amortised at an annual rate of 1% in 2012 and 2013, as defined in Article 26.1.3. of Royal Decree-Law 20/2012, of 13 July, introducing measures to ensure budgetary stability and foster competitiveness, and at a rate of 5% from 2014 onwards, regardless of its recognition for accounting purposes. This amortisation is deductible for tax purposes. The merger goodwill for tax purposes does not coincide with that recognised for accounting purposes (see Note 5).

On 5 June 2009, the public deed was executed of the merger by absorption of Radio Tormes, S.A. (Sole-Shareholder Company), Radio Alamedilla, S.A. (Sole-Shareholder Company), Compañía Tres Mil Ochocientos, S.L. (Sole-Shareholder Company), La Veu de LLeida, S.L. (Sole-Shareholder Company), Grupo Universal de Emisoras Radio Amanecer, S.A. (Sole-Shareholder Company), Ondadit, S.L. (Sole-Shareholder Company) and Unión Ibérica de Radio, S.A. (Sole-Shareholder Company) into the sole shareholder Uniprex, S.A. (Sole-Shareholder Company) through the dissolution without liquidation of the absorbed companies and the transfer en bloc of their assets and liabilities to Uniprex, S.A. (Sole-Shareholder Company), the absorbing company, which acquired them by universal succession and was subrogated to all the rights and obligations of the absorbed companies, as stipulated in Article 233 of the Spanish Limited Liability Companies Law. The effective date from which the transactions of the absorbed companies were considered to have been performed for accounting and tax purposes by the absorbing company was taken to be 1 January 2009.

The merger gave rise to the merger goodwill shown in Note 4, which differs from the merger goodwill for tax purposes calculated and amortised as provided for in Article 89.3 of the Consolidated Spanish Corporation Tax Law.

On 31 October 2012, the merger-by-absorption of Gestora de Inversiones Audiovisuales La Sexta ("La Sexta") into Antena 3 de Televisión was registered at the Mercantile Registry of Madrid. As a result of the merger, Antena 3 acquired all the assets and liabilities of La Sexta by universal succession and was subrogated to all the rights and obligations of the absorbed company.

The merger became effective for accounting purposes on 5 October 2012.

The Company opted to avail itself of the special tax regime for mergers, spin-offs, asset contributions, security exchanges provided in Title VII, Chapter VIII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

In the process of allocating the price of the business combination to the assets and liabilities, the La Sexta trademark and the La Sexta multiplex operating licence were identified. The trademark will be amortised for accounting purposes over 20 years and the licence is considered to have an indefinite useful life.

b) Reconciliation of the accounting profit to the income tax expense

The reconciliation of the accounting profit to the income tax expense is as follows:

Thousands of euros	2012	2011
Consolidated profit before tax	11,904	99,652
Permanent differences	(13,179)	3,229
Tax losses incurred prior to the formation of the tax group used in 2012	(15)	(371)
Adjusted profit	(1,290)	102,510
Tax rate	30.00%	30.00%
Adjusted profit due to change in applicable tax rate	(387)	30,753
Tax credits	(18,944)	(24,349)
Current income tax expense	(19,331)	6,404
Deferred tax expense	(22)	
Income tax adjustment	(652)	(184)
Total tax expense	(20,005)	6,220
Effective tax rate	(168.05%)	6.24%

The 2012 permanent differences mainly include negative consolidation differences (EUR 18,531 thousand), the positive adjustment for the reversal of the amortisation of merger goodwill deducted from 2009 to 2011 (EUR 3,510 thousand) as a consequence of the impairment of goodwill, other non-deductible expenses (EUR 974 thousand) and donations (EUR 868 thousand).

The negative consolidation differences arise from changes in the scope of consolidation (gain of EUR 2,591), the result of using the equity method (gain of EUR 1,080) and the gains from bargain purchases arising on business combinations (loss of EUR 25,536) and accounting elimination differences (loss of EUR 2,644).

The tax credits indicated in the table above were earned by the Group in 2012 for investment in audiovisual production.

"Income Tax Adjustment" includes the difference between the projected income tax expense recognised in 2011 and the effective tax return filed.

The deferred tax expense relates to the tax effect of the deferred tax liability under IFRSs (see Note 22-e).

c) Reconciliation of the accounting profit to the taxable profit (tax loss)

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2012 and 2011 is as follows:

Thousands of euros	2012	2011
Accounting profit after tax	31,887	93,432
Income tax	(19,983)	6,220
Permanent differences -	(13,179)	3,229
Temporary differences -	8,083	(6,558)
Offset of prior years' tax losses	(15)	(371)
Taxable profit	6,793	95,952
Tax rate	30.00%	30.00%
Gross tax payable	2,038	28,785
Tax credits used in 2012	(640)	(10,460)
2012 tax prepayments	(1,964)	(19,270)
Tax payable (refundable)	(566)	(945)

The 2012 temporary differences include the positive difference on consolidation of EUR 4,432 thousand, additions of EUR 17,208 thousand and disposals of EUR 13,557 thousand (see Note 22-e).

The additions consist of deferred tax assets of EUR 17,101 thousand and deferred tax liabilities of EUR 198 thousand.

d) Tax receivables and payables

The detail of the tax receivables and payables at 31 December 2012 and 2011 is as follows:

Thousands of euros	2012	2011
NON-CURRENT ASSETS		
Deferred tax assets (Note 22-e)	26,043	11,664
Tax loss carryforwards	221,793	278
Unused tax credits and tax relief	74,703	48,849
	322,539	60,791
CURRENT ASSETS		
Income tax receivable	1,188	
2012 Income tax refundable (Note 20-c)	566	945
Other tax receivables	4	6
VAT refundable	7,107	758
	8,865	1,709
Total tax receivables	331,404	62,500
OTHER NON-CURRENT LIABILITIES		
Deferred tax liabilities (Note 22-e)	31,488	136
CURRENT LIABILITIES		
Tax withholdings payable	4,236	5,495
Income tax payable (Note 20-c)	-	-
Accrued social security taxes payable	1,681	1,821
VAT payable	7,681	4,941
	13,598	12,257
Total tax payables	45,086	12,393

On the basis of the timing estimate of future profits made by the Parent's directors for the offset and use of these taxes, only EUR 3,806 thousand were considered to be recoverable in the tax return for the coming year, EUR 2,779 thousand of which relate to deferred taxes and EUR 1,027 to unused tax credits and tax relief.

At 31 December 2012, the Group had recognised unused tax credits amounting to EUR 74,703 thousand, of which EUR 7,324 thousand relate to La Sexta.

Amount	Limit
337	2016
632	2017
1,099	2018
8,040	2019
19,484	2020
26,167	2021
18,944	2022
74,703	

e) Deferred tax assets recognised

The difference between the tax charge allocated to the current year and to prior years and the tax charge already paid or payable for such years, which is recognised under deferred tax assets, arose as a result of temporary differences derived from the following items:

CHANGES IN DEFERRED TAX ASSETS Thousands of euros	Balance at 31/12/10	Additions	Disposals	Other	Balance at 31/12/11	Additions	Disposals	Other	Transfers	Inclusions due to merger	Inclusion/excl usions from scope of consolidation	Balance at 2012
Contingencies and charges	6,652	749	(1,340)	-	6,061	2,554	(1,985)	4	4,024	1,561	35	12,275
Non-current accounts payable	6,907	2,033	(6,438)	(1,371)	1,131	1,250	(690)	135	(95)	498	-	2,228
Hedging instruments	(383)	-	(18)	-	(401)	192	-	-	-	-	-	(209)
Tax effect of assets at fair value	-	-	-	-	-	-	(1,030)	-	-	10,513	-	9,483
Other	1,530	3,390	(362)	315	4,873	1,299	(362)	251	(3,929)	-	134	2,266
Total	14,706	6,172	(8,158)	(1,056)	11,664	5,295	(4,067)	320	0	2,059	169	26,043

The changes in deferred tax assets, included in the "Other" column, include most notably the difference between the projected income tax expense for 2011 and the tax return actually filed.

The changes in "Deferred Tax Liabilities" were as follows:

DEFERRED TAX LIABILITIES Thousands of euros	Balance at 31/12/10	Additions	Disposals	Balance at 31/12/11	Additions	Disposals	Inclusions due to merger	Balance at 31/12/12
Recognition of intangible assets at fair value	-	-	-	-	-	(81)	31,319	31,238
Grants	127	9	-	136	114	-	-	250
Total	127	9	-	136	114	(81)	31,319	31,488

"Hedging Instruments" in the "Deferred Tax Asset" and "Deferred Tax Liabilities" tables is not included in "Temporary Differences" or "Deferred Tax Assets" in the tables in Note 20-c) since for tax purposes they are recognised directly in equity.

The "Recognition of Intangible Assets at Fair Value" deferred tax liability relates to the temporary difference arising as a result of the difference between the carrying amount and the tax base of the identified trademark and signal broadcasting licence (IAS 12).

The trademark is amortised for accounting purposes at a rate of 5%, the amortisation charge in 2012 being EUR 270 thousand.

The amortisation is not deductible for tax purposes and, therefore, gives rise to a positive adjustment to the taxable profit (tax loss) which is recognised as a deferred tax liability.

The different interpretation provided under International Accounting Standards, as compared to local accounting standards, in relation to the recognition of intangible assets at fair value, gives rise to a greater deferred tax liability under IFRS than that recognised in accordance with the Spanish National Chart of Accounts, to which the tax legislation for income tax purposes is not applicable.

On the basis of the timing estimate made by the Parent's directors of future profits for the offset and use of these deferred tax assets, EUR 19,572 thousand were considered to be recoverable in the long term while EUR 2,779 thousand were considered to be recoverable in the short term. Both amounts are recognised under "Deferred Tax Assets".

Also, on the basis of the aforementioned timing estimate of future profits, the directors consider that there are no reasonable doubts as to the recovery of the amounts recognised in the accompanying balance sheet within the statutory time periods and limits on the basis of the prepared projections.

The key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience, advertising efficiency ratios and the evolution of expenses. Except for advertising, the data of which are measured on the basis of external sources of information, the assumptions are based on past experience and reasonable projections approved by Parent management and updated in accordance with the performance of the advertising markets. These future projections cover the next ten years.

The Group performs sensitivity analyses in the event of reasonable changes in the key assumptions used to determine the recoverability of these assets. Therefore, the sensitivity analyses are prepared under various scenarios based on the variables that are considered to be most relevant, i.e. advertising income, which mainly depends on the performance of the advertising market, the investment share reached and the operating margin achieved. The aforementioned analyses do not disclose evidence of the non-recoverability of the tax assets and tax credits recognised.

f) Tax recognised in equity

In addition to the income tax recognised in the consolidated income statement, in 2012 and 2011 the Group recognised the following amounts in consolidated equity:

Thousands of euros	2012	2011
Hedging instruments	(209)	(401)
Total	(209)	(401)

g) Other information

At 31 December 2012, the Group had from 2005 onwards open for review for income tax, since in 2010 it underwent a partial review in this connection. The Group has from 2008 onwards open for review for all the other taxes applicable to it.

In 2008 the Parent (Antena 3 de Televisión, S.A.) acquired non-current assets as required under the terms established in Article 36 ter. of the Spanish Corporation Tax Law as worded in Law 24/2001, for the reinvestment of the extraordinary income obtained by the Group company Uniprex Televisión, S.L. (Sole-Shareholder Company) on the transfer of the ownership interest in a company. This reinvestment (EUR 499,950) gave rise to a tax credit of EUR 41,793, which was taken in 2008.

The aforementioned non-current assets continue to be held in use at Antena 3 Televisión in accordance with Article 36 of Spanish Corporation Tax Royal Decree-Law 4/2004.

Also, in 2009 the Company used the aforementioned tax credit for the reinvestment of extraordinary income deriving from the transfer of the ownership interest of Gloway Broadcasting Services, S.L., in compliance with the requirement of Article 36. In 2009 the Company acquired non-current assets amounting to EUR 6,414 thousand, under the terms and conditions established in the aforementioned Article to comply with the reinvestment and earned tax credits of EUR 46 thousand that it did not use.

These non-current assets continue to be used and are held in the equity of Antena 3 Televisión.

At 31 December 2012, the detail of the prior years' tax loss carryforwards is as follows. EUR 221,793 thousand were recognised of which EUR 221,701 thousand were transferred to Antena 3 de Televisión, from the absorbed company, Gestora de Inversiones Audiovisuales La Sexta, as a result of the universal succession of all the assets and liabilities of the transferred company arising from the application of the special tax regime for mergers, spin-offs, asset contributions and security exchanges provided for in Title VII, Chapter VIII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

LAST YEAR FOR OFFSET	Thousands of euros
2013	2,482
2014	569
2015	120
2016	488
2017	215
2019	58
2020	49
2021	5
2022	22
2023	207
2024	59,154
2025	45,185
2026	38,301
2027	34,758
2028	10,053
2029	18,568
2030	15,565
TOTAL	226,083

23. Related party transactions

Transactions between the Parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. Transactions and balances between the Group and its associates and other related companies are disclosed below:

Balances at 31/12/12	Thousands of euros			
	Trade receivables	Current trade payables	Non-current payables	Short-term payables
Associates:				
Cordina Planet, S.L.	76	-	-	73
Fundación A3	33	1,039	-	-
Hola Televisión América, S.L.	32	-	336	-
I3 Televisión, S.L.	60	1,287	-	-
Organiz. Deport. y Culturales de Unipublic, S.A.U.	-	50	-	-
Unipublic, S.A.	59	5,217	-	-
Total associates (Notes 11 and 16)	260	7,593	336	73
Related companies:				
Gamp Audiovisual, S.A.	-	-	35,619	1,929
Gala Desarrollos Comerciales, S.L.	-	-	4,994	270
Imagina Media Audiovisual, S.L.	-	1,499	27,918	1,513
Imagina Group	40,811	103,263	52	-
Planeta Group	4,712	6,926	-	-
RTL Group	771	7,782	-	-
Total related companies (Notes 11 and 16)	46,294	119,470	68,584	3,712

Balances at 31/12/11	Thousands of euros	
	Trade receivables	Short-term payables
Associates:		
Fundación A3	52	1,406
I3 Televisión, S.L.	11	972
Organiz. Deport. y Culturales de Unipublic, S.A.U.	-	50
Unipublic, S.A.	298	4,735
Total associates (Notes 11 and 16)	361	7,163
Related companies:		
Planeta Group	747	4,469
RTL Group	22	477
Total related companies (Notes 11 and 16)	769	4,946

Transactions at 31/12/12	Thousands of euros		
	Sales	Purchases, acquisition of rights and other services	Finance costs
Associates:			
Cordina Planet, S.L.	89	-	-
Fundación A3	114	-	4
Hola Televisión América, S.L.	34	-	-
I3 Televisión, S.L.	273	6,378	-
Unipublic, S.A.	188	6	7
Total associates	698	6,384	11
Related companies:			
Gamp Audiovisual, S.A.	-	-	1,009
Gala Desarrollos Comerciales, S.L.	-	-	141
Imagina Media Audiovisual, S.L.	-	75	791
Imagina Group	37,212	19,784	-
Planeta Group	2,273	7,228	-
RTL Group	419	9,855	-
Total related companies	39,904	36,242	1,941

In addition to these transactions, in 2012 the Group sold and purchased advertising space to and from related companies, amounting to EUR 2,413 thousand and EUR 1,352 thousand, respectively, through advertising agencies.

In 2012 the Group acquired a 15% ownership interest in Audiovisual Española 2000, S.A., a company related to the main shareholder (see Note 9).

Transactions at 31/12/11	Thousands of euros	
	Sales	Purchases, acquisition of rights and other services
Associates:		
Fundación Antena 3	158	-
I3 Televisión, S.L.	512	5,912
Unipublic, S.A.	273	15
Total associates	943	5,927
Related companies:		
Planeta Group	2,912	11,104
RTL Group	70	526
Total related companies	2,982	11,630

In addition to these transactions, in 2011 the Group sold and purchased advertising space to and from related companies, amounting to EUR 1,345 thousand and EUR 2,769 thousand, respectively, through advertising agencies.

24. Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	2012	2011
Net profit for the year (thousands of euros)	31,909	93,434
Weighted average number of shares outstanding (thousands of shares)	213,636	200,104
Basic earnings per share (euros)	0.149	0.467

The diluted earnings per share coincide with basic earnings per share since there are no equity instruments with a dilutive effect.

25. Proposed distribution of profit

The Parent's directors will propose to the shareholders at the Annual General Meeting that the profit for 2012 be distributed as follows:

Thousands of euros	2012
Interim dividends paid in 2012 (EUR 0.11 per share)	21,352
To legal reserve	2,193
To voluntary reserves	12,317
Total	35,862

On 11 December 2012, the Board of Directors of the Parent approved the distribution out of the Parent's profit for 2012 a gross dividend of EUR 0.11 per share, for all the shares entitled to receive this interim dividend, implying a total dividend of EUR 21,352 thousand, which were recognised under "Equity - Interim Dividend" in the accompanying consolidated balance sheet.

The provisional accounting statement prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the dividends is as follows:

LIQUIDITY STATEMENT FOR THE PAYMENT OF THE INTERIM DIVIDEND FOR 2012

	Thousands of euros
Liquidity at 31 October 2012	154,578
Cash projection at 31 December 2012:	
Current transactions from November to December 2012	28,381
Financial transactions from November to December 2012	(60,064)
Projected dividend payment	(21,352)
Liquidity projection at 31 December 2012	101,543

26. Remuneration of the Board of Directors

In 2012 the remuneration earned by the current and former members of the Parent's Board of Directors (composed of two women and eleven men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 3,447 thousand, EUR 778 thousand and EUR 16 thousand, respectively. In 2011 these expenses amounted to EUR 3,448 thousand, EUR 643 thousand and EUR 14 thousand, respectively.

The Parent has not granted any loans or advances to its Board members and it does not have any supplementary pension, retirement bonus or special indemnity obligations to them in their capacity as directors.

27. Other disclosures concerning the Board of Directors

Pursuant to Article 229 et seq. of the Spanish Limited Liability Companies Law (LSC), the following information is included:

- A) As notified by each of the directors, at 31 December 2012, neither the directors nor the parties related thereto held direct or indirect equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A. and the companies composing its Group, except for the director of **Imagina Media Audiovisual, S.L.U.** who holds direct or indirect equity interests in the share capital of the following companies, all of which belong to the Antena 3 Group:

Investee	Activity engaged in	% of ownership	Position held in the company, where applicable
Mediaproduction Properties, B.V.	Ownership of securities - Audiovisual industry	100	None
Globo Media, S.A.U. Group	Holding company - Audiovisual industry	100	None
Adisar Media, S.L.	Audiovisual production services	60	None
Antena Local, S.L.	Radio and television	60	None
Asturmedia Producciones Audiovisuales, S.L.	Audiovisual production and distribution	49	None
Avenida dos Aliados, S.A.	Holding company - Audiovisual industry	52.35	None
Bikini Pos Produção de Filmes, Ltda.	Post-production	90	None
Centroamerica TV, Llc	Television	82.5	None
CLS Audiovisuais, Lda	Production services	75	None
Distribuidora Digital de Fútbol, S.L.	Audiovisual services	100	None
Enef Holding, S.L.U.	Ownership of securities - Audiovisual industry	100	None
Equille Investment, B.V.	Ownership of securities - Audiovisual industry	100	None
Estudios Hackenbush, S.L.	Advertising	100	None
Flaix Canal Televisió, S.L.	Radio broadcasting services	50	None
Full Zoom-producciones audiovisuales, Ltda	Audiovisual production	50	None
Gabinete de Estudios de la Comunicación Audiovisual, S.A.U.	Survey and reporting of sporting events	100	None
GAMP Audiovisual, S.A.	Ownership of securities - Audiovisual industry	72.74	None
Geca Minutados, S.L.	Survey and reporting of sporting events	100	None
GLM Brasil Conteudos Audiovisuais, Ltda	Audiovisual content	100	None
Globepro Telecomunicaciones, S.L.	Broadcasting of audiovisual signals via satellite	100	None
Globo Media, S.A.	Audiovisual content	98.7	None
Gol Televisión S.L.U.	Television	100	None
GTV Estudios, Lda	Multimedia services	100	None
Hangin, S.A.	Distribution of audiovisual programmes	50	None

Hostoil Produksioak, S.L.	Audiovisual production	100	None
Imagina Contenidos Audiovisuales, S.L.	Audiovisual content	100	None
Imagina Media Inversiones de Comunicación Audiovisual, S.L.U.	Publishing and sale of publications and other items relating to the audiovisual industry	100	
Imagina Group France	Exploitation of mobile unit for broadcasting of sporting events	100	None
Imagina International Sales, S.L.	Marketing of audiovisual works	100	None
Imagina USA, Inc.	Purchase and sale of audiovisual rights	100	None
Imalatam, S.L.A.	Audiovisual production and services	82.5	None
Imalatam Caracas, C.A.	Audiovisual production	40.43	None
Imasblue Estudio, S.L.	Postproduction services	54.46	None
Infinia, AD, S.A.	Postproduction services	54.46	None
K 2000, S.A.	Content production	100	None
Labo Productions 2007, LLC	Content production	82.5	None
Liquid Media, S.L.	Television, telematic network and internet content	100	None
Media 3.14, S.L.	Television content production	90	None
Media Base Sports, S.L.	Image right management (sports)	55	None
Media Burst Serviços para Empresas Audiovisuais Sociedade Unipessoal	Audiovisual-industry related industrial facilities	100	None
Media Cam Producción Audiovisual, S.L.	Management and exploitation of marketing rights	100	None
Media Luso Produções para la Televisao, Lda	Videographic production	100	None
Media Sports Marketing, S.L.	Image right management (sports)	80	None
Media World, LLC	Distribution of television rights, television production and sports marketing	82.5	None
Mediaconti Servicios de Continuidad S.L.	Audiovisual continuity services	100	None
Mediamag Management Kft	Videographic production	100	None
Mediamóvil Unidad de Producción, S.L.	Equipment and technical facilities for audiovisual-related fields	60	None
Mediapro Middle East FZ L.L.C.	Audiovisual production and services	100	None
Mediaproducción, S.L.	Exploitation of mobile units for broadcasting of sporting events	100	None
Mediapropiedades, S.A.	Audiovisual production and services	50	None
Mediarena Servicios, S.A.	Videographic production	100	None
Mediasur Producciones Audiovisuales, S.L.	Videographic production	100	None
Mediatem Canales Temáticos, S.L.	Videographic production	100	None
Molinare, S.A.	Purchase and sale of shares	100	None
MW Colombia LLC	Audiovisual production and services	82.5	None
Nuevas Iniciativas Audiovisuales, S.L.	Exploitation of radiobroadcasting companies or media	100	None
Ombú Producciones, S.A.	Film production	62.96	None
Omnicamm Sistemas Avançados de captação de imagem, lmtda	Provision of television services	50	None
Overon América, Llc	Broadcasting	40.43	None
Overon Bulgaria EOOD	Broadcasting	49	None
Overon US, Inc	Broadcasting	50	None
Ovideo Lisboa, Lda	Production and editing of film and video programmes	30.24	None
Ovideo TV, S.A.	Production and editing of film and video programmes	60	None
Pasiones TV, Llc	TV channel management	49.5	None
Plataforma de Televisión Digital Terrestre, S.L.	Dormant Company - Audiovisual communication services	100	None
Play Televisión, S.L.	Consulting and integration of information systems and technology	50	None
POC Ventures, B.V.B.A.	Audiovisual production services	100	None

Pro TV Global Production Services FZ-LLC.	Audiovisual production and services	100	None
Promo Caracas, C.A.	Audiovisual production	99.95	None
Prom TV, S.A.	Audiovisual production	70	None
Promofilm California, L.L.C.	Audiovisual production	82.5	None
Promofilm Colombia, Ltda.	Audiovisual production	100	None
Promofilm do Brasil, Ltda.	Audiovisual production	100	None
Promofilm México S.A. de C.V.	Audiovisual production	100	None
Promofilm Music, L.L.C	Audiovisual production	82.5	None
Promofilm US, L.L.C.	Audiovisual production	82.5	None
Promofilm, S.A.	Audiovisual production	100	None
Revolution Broadcast Produções Artísticas Ltda	Exploitation of mobile units for broadcasting of sporting events	65	None
Royal Media Internacional, S.L.	Videographic production	100	None
Servicios Audiovisuales Overon, S.L.	Broadcasting	49	None
Servicios Integrales Unitecnia, S.L.	Industrial facilities related to the audiovisual industry	100	None
Sociedad Europea de Unidades Móviles, S.L.	Exploitation of mobile units for broadcasting of sporting events	96.84	None
Sociedad General de Producción y Explotación de Contenidos, S.L.	Television content production	100	None
Teleamazonas Internacional, Llc	Theme channel production and management	41.25	None
Trivideo Tricycle Ovideo, S.L.	Audiovisual production	50	None
T&M Tecnologia & Media, Consultadoria e Produção Multimedia, Lda	Videographic production	50	None
Televisión Dominicana, Llc	Television channel management	82.5	None
US Imagina, Llc	Audiovisual production and services	82.5	None
Video Shopping Broadcast, S.L.	Sale of professional audio and video products	80	None
Wisdom TV España, S.L.	Production, marketing and consulting services	50	None
Wisdom Televisión, Sistemas Informáticos para Televisao, Lda	Production, marketing and consulting services	50	None
Wtvision Sistemas Informáticos para televisao, Ltda	Production, marketing and consulting services	50	None
Wtvision, INC	Production, marketing and consulting services	50	None
Xarxa Oberta, de Comunicació i Tecnologia de Catalunya, S.A.	Construction and exploitation of next generation networks	65	None
You Whisp Company, S.L.	Consulting and integration of technological tools for audiovisual content management	28.05	None
Umedia Sports Advertising, S.L.	Static advertising	50	None
12 Hearts, LLC	Any lawful company object	41.25	None

In addition, **Imagina Media Audiovisual, S.L.U.** notified the Parent that **José Miguel Contreras Tejera**, its designated representative to perform the duties of director of Antena 3 de Televisión, S.A., at 31 December 2012 held direct or indirect equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A. and the companies composing its Group:

Investee	Activity engaged in	% of ownership	Position held in the company, where applicable
Imagina Media Audiovisual, S.L.	Ownership of securities - Audiovisual industry	3.45	Director
JMC 2000, S.L.	Audiovisual consulting	50	Sole director

In addition, **Gamp Audiovisual, S.A.** notified the Parent that **Josep María Benet Ferrán**, its designated representative to perform the duties of director of Antena 3 de Televisión, S.A., at 31 December 2012 held direct or indirect equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A. and the companies composing its Group:

Investee	Activity engaged in	% of ownership	Position held in the company, where applicable
Imagina Media Audiovisual, S.L.	Ownership of securities - Audiovisual industry	7.35	Chairman

B) With regard to the performance of activities carried on by the members of the Board of Directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A., at 31 December 2012, the directors or their representatives had notified the Company of the following:

Nicolás Abel Bellet de Tavernost

Activity	Company through which the activity is performed	Position held or functions performed
Television	Rtl Group, S.A.	Member of the operations management committee Member of the Management Committee
Television	Métropole Television, S.A.*	Chairman of the executive committee

* As a result of his position in this company, he carries on activities related to the audiovisual industry through the M6 Group in France.

Josep María Benet Ferrán, representing the director Gamp Audiovisual, S.A.:

Activity	Company through which the activity is performed	Position held or functions performed
Audiovisual continuity services	Mediaconti Servicios de Continuidad S.L.	Director acting severally
Publishing, distribution and sale of publications	Imagina Media Inversiones de Comunicación Audiovisual, S.L.U.	Director acting jointly
Ownership of securities - Audiovisual industry	Mediaproduction Properties, BV	Director acting severally
Informative productions	Medianews Canarias, S.L.	Director acting jointly
Marketing of advertising space	Umedia Sports Advertising, S.L.	Director
Audiovisual content	Imagina Contenidos Audiovisuales, S.L.	Representative

José Miguel Contreras Tejera, representing the director Imagina Media Audiovisual, S.L.:

Activity	Company through which the activity is performed	Position held or functions performed
Ownership of securities - Audiovisual industry	Gamp Audiovisual, S.A.	Director
Audiovisual production	Grupo Globomedia, S.A.	Representative of the director JMC 2000, S.L.
Audiovisual production	Globo Media, S.A.	Director
Ownership of securities - Audiovisual industry	Imagina Contenidos Audiovisuales, S.L.	Director

Silvio González:

Activity	Company through which the activity is performed	Position held or functions performed
Advertising	Atres Advertising, S.L.U.	Representative of the sole director Antena 3 de Televisión, S.A.
Sales	Antena 3 Eventos, S.A.U.	Representative of the sole director Antena 3 de Televisión, S.A.
Audiovisual production	Antena 3 Films, S.L.U.	Representative of the sole director Antena 3 de Televisión, S.A.
Gaming operations	Antena 3 Juegos, S.A.U.	Representative of the sole director Antena 3 de Televisión, S.A.
Sales	Antena 3 Multimedia, S.L.U.	Representative of the sole director Antena 3 de Televisión, S.A.
News production	Antena 3 Noticias, S.L.U.	Representative of the sole director Antena 3 de Televisión, S.A. since 12 March 2012
Television	Antena 3 Tdt de Colombia, Ltda.	Member of the Board of Directors
Production of TV commercials	Guadiana Producciones, S.A.U.	Representative of the sole director Antena 3 de Televisión, S.A.
Management of rights	Música Aparte, S.A.U.	Representative of the sole director Antena 3 de Televisión, S.A.
Radio	Uniprex, S.A.U	Representative of the sole director Antena 3 de Televisión, S.A.
Television	Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	Representative of the sole director Uniprex, S.A.U.
Television	Uniprex Televisión, S.L.U.	Representative of the sole director Uniprex, S.A.U.
Television	Uniprex Valencia TV, S.L.U.	Representative of the sole director Uniprex, S.A.U.
Television	Uniprex Televisión Digital Terrestre de Andalucía, S.L.	Representative of the sole director Uniprex, S.A.U.

Elmar Heggen:

Activity	Company through which the activity is performed	Position held or functions performed
Holding company - Audiovisual industry	RTL Group, S.A.	Financial manager and corporate director of the head office of the RTL Group
Holding company - Audiovisual industry	Ufa Film und Fernseh, Gmbh	General manager
Holding company - Audiovisual industry	CLT-Ufa, S.A.	Director
Holding company - Audiovisual industry	Immobilière Bayar d'Antin, S.A.	Director
Belgian radio	Inadi, S.A.	Director
French radio	IP France, S.A.	Director
Television	RTL 9, S.A.	Director
Belgian television	RTL Belgium, S.A.	Director
Holding company - Audiovisual industry	RTL Group Central and Eastern Europe, S.A.	Director
Holding company - Audiovisual industry	RTL Group Germany, S.A.	Director
Holding company - Audiovisual industry	RTL Group Central and Eastern Europe, Gmbh	Executive chairman
German radio	RTL Radio Berlin, Gmbh	General manager
German television	RTL Television, Gmbh	General manager
Holding company - Audiovisual industry	Fremantlemedia, S.A.	Chairman of the Board of Directors
Holding company - Audiovisual industry	RTL Group Deutschland, Gmbh	General manager
Holding company - Audiovisual industry	RTL Group Vermögensverwaltung, Gmbh	General manager
Production	RTL Group Services, Gmbh	General manager
Holding company - Audiovisual industry	RTL TV D.O.O.	Director
French radio	Ediradio, S.A.	Member of the supervisory committee
French television	Métropole Television, S.A.	Member of the supervisory committee
Holding company - Audiovisual industry	Audiomédia Investments, S.A.	Chairman of the Board of Directors
Radio broadcasting	Broadcasting Center Europe, S.A.	Chairman of the Board of Directors
Insurance	Media Assurances, S.A.	Chairman of the Board of Directors
Technical services	Media Properties, Sàrl	Chairman of management committee
Television and radio holding company	RTL Nederland Holding, BV	Chairman of the supervisory committee
Holding company	Bertelsmann Capital Investment, S.A. SICAR	Director
New technologies	Duchy Digital, S.A.	Chairman of the Board of Directors
Licences	RTL Group Licensing Asia, Gmbh	Executive director

The following must be stated in relation to the activities performed by the aforementioned directors:

1.- In all cases, the proprietary directors discharge their professional activities at companies that form part of the corporate groups of their respective reference shareholders, which they represent on the Board of Directors of Antena 3 de Televisión, S.A.

2.- At the time of their appointment by the shareholders at the Annual General Meeting, information was disclosed on the relationship existing between the aforementioned proprietary directors and the shareholders that proposed their appointment in each case and on those who were associated as non-executive proprietary directors.

3.- In the case of the Chief Executive Officer, Silvio González, executive director, all the professional activities indicated are performed at companies owned by the Antena 3 Group and, therefore, no competition is entailed. In all cases, he acts as representative of the legal entity holding the position of sole director, which may be Antena 3 de Televisión, S.A. itself or any of its subsidiaries. Each of these subsidiaries has its own management team.

4.- The inclusion of this information in the Company's consolidated financial statements complies with Article 230 of the Spanish Limited Liability Companies Law on notifying the shareholders at the Annual General Meeting and obtaining their express authorisation.

The other directors, José Manuel Lara Bosch, Maurizio Carlotti, Mauricio Casals Aldama, Aurora Catá Salas, José Creuheras Margenat, María Entrecanales Franco and Pedro Ramón y Cajal Agüeras have notified the Company that, at 31 December 2012, they did not perform any activities as independent professionals or employees that were identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A.

28. Events after the reporting period

There were no significant events between year-end and the date of preparation of the financial statements.

29. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Antena 3 de Televisión, S.A. and Subsidiaries

Consolidated directors' report

2012

ANTENA 3 AND SUBSIDIARIES GROUP (CONSOLIDATED GROUP) DIRECTORS' REPORT FOR 2012

Business performance and situation of the Group

The economic context in which the Antena 3 Group carries on its business activities was yet another negative year in 2012. In this respect, 2012 was the fifth consecutive year in which general economic activity either stagnated or decreased. Although a well known fact, it should still be underlined due to the impact it has on our market and the results that may be achieved. Also, due to the general economic downturn, the Spanish economic policies to reduce debt have a particularly negative impact directly on household spending and, as a result, on the advertising expenditure of companies, particularly those selling consumer goods and services.

Although to date no final figures are available, it is estimated that in 2012 the advertising market experienced a decrease of around 16%, with radio advertising performing slightly better with a decrease of 14% and television advertising performing slightly worse with a decrease of 19%. The accelerated decrease in advertising placed the market in 2012, in nominal terms, on a similar level with that of 1998/1999, which means that the deterioration observed in recent years is much worse than that experienced by the Spanish economy as a whole.

In 2012 the reorganisation and concentration of the free-to-air television industry continued, the structure of which had previously been unfeasible, particularly in a stagnant economic environment. The most significant event was the completion of the merger by absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A. by Antena 3 de Televisión, S.A. The transaction was initiated in December 2011, when an agreement was entered into to integrate the two companies, and was completed in October 2012 with the transaction's registration in the Madrid Mercantile Register, once all the necessary procedures had been completed and authorisations obtained. The effective date as of which the transactions of the La Sexta are considered to be performed for accounting purposes by Antena 3 is 5 October 2012, when the Spanish Cabinet adopted a resolution authorising the transfer of the audiovisual communications licence.

As explained in the initial presentation, in the draft terms of merger and other documentation, the transaction was undertaken mainly to improve the shareholders' return on their investments by expanding the content offering and improving advertising efficiency. In spite of the current macro-economic situation, this merger was carried out in accordance with the initial forecasts and it was possible to obtain benefits from the outset both in terms of content and programming, as well as from a commercial point of view, which immediately strengthened the position and visibility of the Antena 3 Group.

The combined effects of the decrease in the advertising market, the increase in the market share of the television and radio businesses and the inclusion of three months of operations of La Sexta resulted in consolidated revenue of EUR 713 million as compared to EUR 779 million in 2011. Although to a lesser degree, other income also increased (by 7.8% to EUR 29 million). The Group's overall income was EUR 741 million, which is down 8% on 2011.

The performance of operating variables was highly positive. The audience share of the Group's channels, including those of Antena 3 and those formerly of La Sexta, achieved an all-time-high of 27.6% in the fourth quarter of 2012, the first year of the post-merger entity. This share is 1.5% up on the preceding quarter and 2.2% up on that of the same period in 2011. As mentioned above, it was possible to achieve improvements in audiences almost from the outset and the same trend has been observed in early 2013. Both the Antena 3 and La Sexta channels show marked improvement in their audiences. It should be underlined that the improvement observed in La Sexta is being achieved without coverage of any sporting event, unlike in prior years.

As in recent years, the radio business line, which is operated through Uniprex, S.A.U., continued its uninterrupted improvement in audience shares. This trend consolidated its ranking as the second radio broadcasting Group in Spain. According to the 2012 third wave of the General Media Study, Onda Cero, which broadcasts general content, achieved 2.6 million listeners, up 5% as compared to the same wave in 2011. Europa FM's music format performed even better with more than 2 million listeners, which is 461,000 listeners up in terms of the same wave in 2011 and brings it close to being ranked second among Spain's music format radio stations.

As expected, the Group's operating expenses were affected by the inclusion of La Sexta in the fourth quarter of 2012. However, they were up only 3.1% to EUR 702 million. In 2012 the rigorous cost control policy was reinforced with cuts in all areas, except in programming, due to the addition of three La Sexta channels in October and the effort made in relation to the Fórmula 1 broadcasting rights.

Within the framework of the merger transaction a gain from a bargain purchase arising on business combinations of EUR 19.5 million was disclosed, which had a positive impact on the consolidated income statement.

Also, based on the expected future performance of the radio business, an impairment of goodwill amounting to EUR 25.4 million was recognised in the consolidated balance sheet.

Profit before tax amounted to EUR 12 million. After-tax profit amounted to EUR 32 million in 2012, compared with EUR 93 million in 2011.

Significant events for the Group after the reporting period

There were no significant events between year-end and the date of preparation of the consolidated financial statements.

Outlook for the Group

It is to be expected that the weakness in economic activity will continue throughout 2013, which will have a negative impact on the advertising market and, therefore, on the capacity of our businesses to generate higher revenue. This outlook was taken into consideration in the approach adopted to managed Group activities for the near future.

Over the coming months the aim will be to reinforce the Group's position in the markets in which it operates and, in particular, to consolidate the positive results of the merger initiated in October 2011. Initiatives to improve the variety of programmes and channels currently offered will provide the basis for achieving ongoing improvements in audience and market shares. Additionally, maximum flexibility will be maintained in terms of costs and achieving operating efficiency in order to enable the Group to adapt quickly to whatever negative circumstances may arise. The search for opportunities associated with the audiovisual market, particularly in the digital and internet environment, will continue to be of strategic importance, the Nubeox launch being an example of this kind of initiative.

In any event the policy of prudence observed in recent years will continue to be applied. Taking advantage of business opportunities when they arise is aligned with the mitigation of risks and the aim of maintaining the Group's financial and equity balance.

Research and development activities

The Group does not carry on any specific research and development activities. However, it updates its investments in all new technologies related to engineering, systems and content distribution on an on-going basis. In this field Antena 3 de Televisión, S.A. has and uses state-of-the-art technology, which enables it to be at the forefront in the deployment of digital activities and in the Internet.

Treasury share acquisitions

In 2012 4,369,272 treasury shares were acquired for a total amount of EUR 19,019 million. In accordance with the draft terms of merger, 1,181,296 treasury shares were delivered to the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. Following the aforementioned transactions, at 31 December 2012, the Company held 15,818,704 treasury shares of EUR 0.75 par value each, representing 7.01% of the Parent's share capital.

Use of financial instruments and main financial risks

The Group performs transactions with financial instruments mainly to hedge the foreign currency risk on the purchases of broadcasting rights in the year.

At 31 December 2012, the Group had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 89,611 thousand, at a weighted average exchange rate of EUR 1.3058/USD 1. The net fair value of these hedging instruments gave rise to a financial asset of EUR 1,245 thousand and a financial liability of EUR 682 thousand at year-end.

The Group has established the risk management systems required to ensure that transactions in markets are performed in accordance with its established policies, rules and procedures and within the limits approved for each case. The Company's main financial risks are as follows:

- a) Foreign currency risk. The Group's foreign currency risks relate mainly to the payments to be made in international markets to acquire broadcasting rights. The Group arranges hedging instruments, mainly foreign currency hedges, to mitigate its foreign currency risk.
- b) Liquidity risk. The Group's liquidity policy is to arrange credit lines and short-term investments that are sufficient to support its financial needs, on the basis of expected business performance.
- c) Credit risk. The Group does not have a significant credit risk since the average customer collection period is very short and guarantees are required for deferred payment sales. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.
- d) Interest rate risk. Both the Group's cash and its bank borrowings are exposed to interest rate risk. Group financing is at interest rates tied to Euribor.