

# Antena 3 de Televisión, S.A.

**Auditors' Report**

**Financial Statements for the Year Ended  
December 31, 2005**

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*Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 25). In the event of a discrepancy, the Spanish-language version prevails.*

## **Antena 3 de Televisión, S.A.**

### **Notes to 2005 financial statements**

#### **1. Company description**

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 June 7, 1988, and its then sole corporate purpose was the indirect management of a 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 and, pursuant to a resolution of the Spanish Council of Ministers of August 25, 1989, was awarded a concession for the indirect management of the television service, for a period of ten years, which ended on April 3, 2000.

On May 7, 1996, the Shareholders' Meeting resolved to change and extend the Company's corporate purpose, as permitted by Satellite Telecommunications Law 37/1995.

On March 10, 2000, the Council of Ministers adopted a resolution renewing the concession for the indirect management of the television service for a period of ten years from April 3, 2000. The terms of this renewal were the same as for the former concession, with the added obligation of commencing digital broadcasting on April 3, 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 which approved the Spanish Technical Plan for Digital Terrestrial Television.

The Shareholders' Meeting of Antena 3 de Televisión, S.A. and the Company's Board of Directors Meeting, on April 28, 2003 and July 29, 2003, respectively, 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 Unified Computerized Trading System (Continuous Market).

On October 29, 2003, the Company's shares commenced trading on these stock markets.

On November 25, 2005, the Council of Ministers resolved to expand the concession contract, simultaneously with the rest of concession-holders in Spain, by granting the Company three Digital Terrestrial Television (DTT) channels, on a single frequency and on one multiplex, which would replace the channel through which the network was broadcasting all its analog programs simultaneously since April 2002. Thus, from November 30, 2005, A3TV offers three different types of programming: the general A3TV channel which uses analog technology and two DTT channels, each with a different type of programming.

In view of the business activity 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 net worth, financial position and results of operations. Therefore, no specific disclosures relating to environmental issues are included in these notes to financial statements.

#### **2. Basis of presentation**

##### **a) *True and fair view***

The financial statements for 2005, which were prepared from the Company's accounting records, are presented in accordance with the Spanish National Chart of Accounts and, accordingly, give a true and fair view of the Company's net worth, financial position and results of operations. These financial statements, which were prepared by the Company's directors, will be submitted for approval by the Shareholders' Meeting, and it is considered that they will be approved without any changes.

### **3. Proposed distribution of income**

The Company's directors will propose to the Shareholders' Meeting that the income for 2005 be distributed as follows:

	<b>Thousands of Euros</b>
Interim dividends paid in 2005 (€0.38/share)	83,038
Dividends (maximum amount to be distributed, equal to €0.43/share for all the shares representing the Company's capital stock, i.e. 222,224,000 shares)	95,556
Voluntary reserves (minimum amount)	28,878
<b>Total</b>	<b>207,472</b>

On July 25, 2005, the Company's Board of Directors resolved to distribute a gross interim dividend of €0.38/share out of 2005 income.

In accordance with Article 216 of the revised Corporations Law, the following accounting statement evidences the existence of sufficient liquidity for the distribution of the interim dividend.

The accounting liquidity statement for the period from June 30, 2005 to December 31, 2005, is as follows:

	<b>Thousands of Euros</b>
<b>Liquidity as of June 30, 2005</b>	<b>339,207</b>
Cash projections through September 30, 2005:	
Ordinary transactions	37,845
Financial transactions	328
Estimated liquidity as of September 30, 2005	377,380
Projected dividend payment	84,445
Estimated liquidity as of September 30, 2005	292,935
Cash projections through December 31, 2005:	
Ordinary transactions	73,523
Financial transactions	(4,649)
<b>Estimated liquidity as of December 31, 2005</b>	<b>361,810</b>

#### **4. Valuation standards**

The main valuation methods applied by the Company in preparing its financial statements for 2005, in accordance with the Spanish National Chart of Accounts, were as follows:

##### **a) Intangible assets**

This caption in the balance sheet includes basically the costs incurred in the acquisition or production of computer software when it will foreseeably be used for several years. Most of these assets are amortized on a straight-line basis over five years. In the event of software obsolescence, the related allowances for decline in value are recorded or the asset is written off.

##### **b) Tangible fixed assets**

Tangible fixed assets are carried at cost.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

Upkeep and maintenance expenses are expensed currently.

The Company depreciates its tangible fixed assets by the straight-line method at annual rates based on the following years of estimated useful life:

	<b>Years of Estimated Useful Life</b>
Structures	33
Plant	5, 8 and 12.5
Computer hardware	5 and 10
Other fixtures	5, 10 and 12.5
Other tangible fixed assets	6 and 10

##### **c) Long-term investments**

Long-term investments consist basically of unlisted securities, which are valued at the lower of cost or underlying book value of the holdings, adjusted by the amount of the unrealized gains disclosed at the time of acquisition and still existing at year-end, net, where appropriate, of the required allowances for decline in value if cost is higher than fair value at the end of each year or period.

The Company owns majority holdings in the capital stock of certain companies and owns holdings of 20% or more in the capital stock of other companies (see Note 7). The financial statements as of December 31, 2005, do not reflect the increases in the value of the Company's holdings in these companies which would result from fully consolidating the majority holdings and from accounting for the holdings in associated companies by the equity method. The effect of using consolidation procedures in accordance with International Financial Reporting Standards, would be a decrease in shareholders' equity as of December 31, 2005, of €2,181 thousand, an increase in income for the year of €18,538 thousand and a decrease in assets of €147,438 thousand, which are reflected in the Group's consolidated financial statements as of that date prepared in accordance with International Financial Reporting Standards.

##### **d) Treasury stock**

The shares of treasury stock acquired by the Company without a capital reduction resolution having been adopted by the Shareholders' Meeting are valued at cost, and the related value adjustments required if the market price at year-end is lower than the acquisition cost are recognized in income for the year.

In accordance with Article 79.3 of the revised Corporations Law, the Company has recorded the related restricted reserve (see Note 11).

**e) Inventories**

*Program rights*

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

1. Inventoriable in-house productions (programs produced to be rerun, such as series) are recorded at acquisition and/or production cost, which includes both external costs billed by third parties for program production and for the acquisition of resources, and internal production costs, which are calculated by applying preset internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programs are recorded, based on their nature, under the appropriate captions in the statement of income and are included under the "Program Rights" caption in the balance sheet with a credit to the "Addition to Inventories" account under the "Amortization of Programs and Other Rights" caption in the statement of income.

Amortization of these programs is recorded under the "Amortization of Programs and Other Rights" caption in the statement of income on the basis of the number of showings, in accordance with the rates shown below:

	<b>Amortization Rate</b>
1 <sup>st</sup> showing	90%
2 <sup>nd</sup> showing	10%

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

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

2. Non-inventoriable in-house productions (programs produced to be shown only once) are valued by the same methods and procedures as those used to value inventoriable in-house productions. Programs produced and not shown are recorded at year-end under the "Program Rights – In-House Productions and Productions in Process" caption in the balance sheet. The cost of these programs is recorded as an expense under the "Amortization of Programs and Other Rights" caption in the statement of income at the time of the first showing.
3. Rights on outside productions (films, series and other similar productions) are recorded 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 the "Advances to Suppliers" caption in the balance sheet. The amortization of the rights is recorded under the "Amortization of Programs and Other Rights" caption in the statement of income 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:

<b>FILMS</b>	<b>Number of Showings Contracted</b>		
	<b>1</b>	<b>2</b>	<b>3 or More</b>
1 <sup>st</sup> showing	100%	50%	50%
2 <sup>nd</sup> showing	-	50%	30%
3 <sup>rd</sup> showing	-	-	20%

<b>SERIES</b>	<b>Number of Showings Contracted</b>	
	<b>1</b>	<b>2 or More</b>
1 <sup>st</sup> showing	100%	50%
2 <sup>nd</sup> showing	-	50%

4. Live broadcasting rights are recorded at cost. The cost of these rights is recorded as an expense under the "Amortization of Programs and Other Rights" caption in the statement of income at the time of broadcast of the event on which the rights were acquired.

#### *Consumables and other inventories*

Dubbings, sound tracks, titles and signature tunes of outside productions are recorded at acquisition or production cost. The amortization of rights is recorded under the "Amortization of Programs and Other Rights" caption in the statement of income at the time of the showing, by the same method as that used for outside productions.

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

#### *Allowances*

The Company records allowances to reduce the unamortized value of in-house productions and of the rights on outside productions which it considers will not be shown. When these rights expire, the allowances recorded are used and the cost of the rights is written off.

#### *Classification of programs*

Program inventories are classified as current assets, in accordance with the Spanish National Chart of Accounts and standard practice in the industry in which the Company operates. However, programs are amortized over several years (see Note 8).

**f) Short-term investments**

This caption includes short-term investments (mainly in fixed-income securities). The Company records these short-term investments for the amount effectively paid and for the unmatured accrued interest at year-end earned on these acquisitions. As of December 31, 2005, the Company had short-term deposits amounting to €109,699 thousand.

This caption also includes Antena 3 de Televisión, S.A.'s investments in companies which are intended to be realized or settled in the near term. As of December 31, 2005, these investments were recorded at their estimated net asset value taking into account Antena 3 de Televisión, S.A.'s investment risk. The data on the net worth position of these investees were obtained from these companies' respective unaudited financial statements as of December 31, 2005. The companies in this situation as of December 31, 2005, were: Antena 3 Temática, S.A., Sole-Shareholder Company in liquidation, Antena 3 Directo, S.A., Sole-Shareholder Company, Guadiana Producciones, S.A., Sole-Shareholder Company, Compunet Servicios Telemáticos, S.L., Sole-Shareholder Company, and Antena 3 Perú, S.A.

**g) Exchange differences**

Assets and liabilities and receivables and payables denominated in foreign currencies are translated to euros at the exchange rates ruling at the transaction date, and the receivables and payables are adjusted at year-end to the exchange rates then prevailing, unless exchange hedges or other similar instruments have been arranged, in which case they are valued at the hedged exchange rate.

The positive net exchange differences arising on adjustment of foreign currency accounts payable and receivable to year-end exchange rates are recorded under the "Deferred Revenues" caption on the liability side of the balance sheet, unless exchange losses have been charged to income in prior years, in which case the positive differences are credited to income for the year up to the limit of the negative net differences charged to income in prior years. Negative differences are charged to income. Positive differences deferred in prior years are credited to income in the year in which the related accounts receivable and payable fall due or are repaid early, or as negative exchange differences for the same or a higher amount are recognized.

**h) Corporate income tax**

The expense for corporate income tax is recorded on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences. Tax relief and tax credits, excluding tax withholdings and prepayments, are recorded as a reduction of the tax charge for the year in which they arise.

In 2001 the Company started to be taxed on a consolidated basis with other Group companies (see Note 16). In this connection, in calculating its corporate income tax, the Company took into consideration the Spanish Accounting and Audit Institute (ICAC) Resolution of October 9, 1997, establishing the methods for the recording of corporate income tax at companies that file consolidated tax returns.

**i) Recognition of revenues and expenses**

*General method*

Revenues and expenses are recognized 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.

However, in accordance with the accounting principle of prudence, the Company only records realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

*Advertising revenues*

At present, the Company basically obtains revenues from the sale of advertising space; these revenues are recognized in the statement of income when the related advertising spot is broadcast.

*Sale of in-house production and other audiovisual rights*

The Company records these sales as period revenues when the broadcasting rights for the in-house production or the audiovisual rights are sold. The advances received on sales of these rights are not taken to income until the rights are transferred.

**j) Provisions for contingencies and expenses**

The Company records under the “Provisions Contingencies and Expenses” and “Other Provisions” captions on the liability side of the accompanying balance sheet the estimated amount required for probable or certain third-party liability arising from collateral and other similar guarantees provided by the Company, litigation, indemnity payments and outstanding obligations of undetermined amount, and to cover estimated potential losses. These allowances are recorded when the liability, obligation or decision giving rise to the indemnity, payment or loss arises.

These captions also include the provisions required to cover the negative net worth of Group companies.

€8,294 thousand were charged in this connection to the “Extraordinary Expenses” caption in the accompanying statement of income for 2005 (see Note 20-g).

**k) Severance costs**

Under current labor legislation, the Company is required to pay severance to employees terminated under certain conditions. The Company’s directors do not anticipate the generation of any liabilities additional to those already recorded in this connection.

**l) Financial instruments**

The Company performs transactions with financial instruments to hedge the exchange rate risk on the purchases of broadcasting rights in the year (see Note 19).

Foreign currency liabilities are adjusted to the year-end exchange rates when no hedge has been arranged.

**m) Costs deriving from the three-year variable compensation plan**

The Company charges the amount incurred in the year in connection with implementation of the three-year variable compensation plan to the “Personnel Expenses” or “Other Current Operating Expenses” captions in the accompanying statement of income, based on the labor relationship or the services contract of the beneficiaries, with a credit to the “Other Long-Term Payables” caption in the accompanying balance sheet (see Note 20-c).

The amount incurred is calculated on the basis of the terms of the plan and the Company’s estimates of 2006 earnings and the market value of its shares, and it is expected that the entire plan will be paid in cash.

**n) Dividends**

On July 25, 2005, the Board of Directors of Antena 3 de Televisión, S.A. approved the payment of an €83,038 thousand interim dividend out of 2005 income, and this amount was recorded as a reduction of the Company’s shareholders’ equity. The final dividend proposed by Antena 3 de Televisión, S.A.’s Board of Directors for approval by the Shareholders’ Meeting will not be deducted from shareholders’ equity until it is definitively approved.

**5. Intangible assets**

The transactions recorded in 2005 in intangible asset accounts and the related accumulated amortization are summarized as follows:

	Thousands of Euros				Balance at 12/31/05
	Balance at 12/31/04	Additions or Provisions	Retirements	Transfers	
<b>Cost:</b>					
Intellectual property	305	-	-	-	305
Computer software	19,405	428	(1)	(56)	19,776
	19,710	428	(1)	(56)	20,081
<b>Accumulated amortization:</b>					
Intellectual property	(212)	(56)	-	-	(268)
Computer software	(14,518)	(2,663)	-	-	(17,181)
	(14,730)	(2,719)	-	-	(17,449)
<b>Allowances</b>				(2,203)	(2,203)
<b>Total</b>	<b>4,980</b>				<b>429</b>

As of December 31, 2005, the cost and accumulated amortization of the fully amortized intangible assets in use amounted to €8,339 thousand.

## 6. Tangible fixed assets

The transactions recorded in 2005 in tangible fixed asset accounts and the related accumulated depreciation are summarized as follows:

	Thousands of Euros				Balance at 12/31/05
	Balance at 12/31/04	Additions or Provisions	Retirements or Reductions	Transfers	
<b>Cost:</b>					
Land and structures	57,572	1,400	(1,702)	-	57,270
Plant	77,290	6,042	(11,817)	2	71,517
Computer hardware	23,151	1,013	(342)	245	24,067
Other fixtures and tangible fixed assets	46,477	1,621	(586)	20	47,532
Construction in progress	211	646	-	(211)	646
	204,701	10,722	(14,447)	56	201,032
<b>Accumulated depreciation:</b>					
Structures	(15,486)	(1,806)	897	-	(16,395)
Plant	(58,258)	(6,934)	11,034	-	(54,158)
Computer hardware	(18,713)	(2,575)	330	-	(20,958)
Other fixtures and tangible fixed assets	(33,578)	(3,242)	576	-	(36,244)
	(126,035)	(14,557)	12,837	-	(127,755)
<b>Allowances</b>	(9,034)	-	33	2,203	(6,798)
<b>Total</b>	<b>69,632</b>				<b>66,479</b>

As of December 31, 2005, the cost and accumulated depreciation of the fully depreciated fixed assets in use amounted to €60,441 thousand.

The Company takes out insurance policies to sufficiently cover the possible risks to which its tangible fixed assets are subject.

## 7. Long-term investments

The transactions recorded in 2005 in the “Long-Term Investments” accounts and the related allowances are summarized as follows:

	Thousands of Euros				
	Balance at 12/31/04	Additions or Provisions	Retirements or Reductions	Transfers	Balance at 12/31/05
<b>Investments in Group companies-</b>					
Antena 3 Editorial, S.A.U.	60	-	-	-	60
Antena 3 Multimedia, S.L.U	3	-	-	-	3
Atres Advertising, S.L.U.	3	-	-	-	3
Compunet Servicios Telemáticos, S.L.U.	2,415	-	-	(2,415)	-
Ensueño Films, S.L.U.	1,804	-	-	-	1,804
I3 Televisión, S.L.U.	-	300	-	-	300
Movierecord Cine, S.A.U.	18,006	4,868	-	-	22,874
Organizaciones Deportivas y Culturales Unipublic, S.A.U.	-	2,200	-	-	2,200
Publicidad 3, S.A.U.	505	-	-	-	505
Unipublic, S.A.U	-	39,187	-	-	39,187
Total investments in Group companies	22,796	46,555	-	(2,415)	66,936
<b>Investments in associated companies-</b>					
Canal Factoría de Ficción, S.A.	240	-	-	-	240
Total investments in associated companies	240	-	-	-	240
<b>Other investments-</b>					
Canal Satélite Digital, S.L.	11,145	-	(11,145)	-	-
Media Park, S.A.	1,142	-	(1,142)	-	-
T.V.I. Televisão Independente, S.A.	2,016	-	-	-	2,016
Total other investments	14,303	-	(12,287)	-	2,016
Long-term guarantees given	140	282	-	-	422
Long-term loans to Group companies	335,630	-	(1,000)	-	334,630
Other long-term loans	584	-	-	(187)	397
Investment valuation allowance	(33,437)	(1,857)	8,726	780	(25,788)
Long-term loan impairment allowance	-	(397)	-	-	(397)
<b>Total</b>	<b>340,256</b>				<b>378,456</b>

The period provision to the long-term investment valuation allowance amounting to €1,857 thousand is recorded under the “Variation in Control Portfolio Allowances” caption in the accompanying statement of income.

The main transactions performed in the year in relation to the holdings in Group companies were as follows:

- On April 7, 2005, Antena 3 de Televisión, S.A. sold its 2.25% holding in Canal Satélite Digital, S.L.
- On May 26, 2005, Antena 3 de Televisión acquired all the shares of Unipublic, S.A., Sole-Shareholder Company, and Organizaciones Deportivas y Culturales Unipublic, S.A., Sole-Shareholder Company.
- On May 12, 2005, Antena 3 de Televisión, S.A. sold its 0.94% holding in Media Park, S.A.
- On November 8, 2005, Antena 3 de Televisión made a monetary contribution to offset losses at Movierecord Cine, S.A., Sole-Shareholder Company, for the purpose of restoring its net worth equilibrium.
- I3 Televisión S.L., Sole-Shareholder Company, was formed on November 30, 2005, for the purpose of developing, installing and marketing information technology-based applications and systems and of marketing software products.

- The transfers from the “Investments in Group Companies” caption relate to the decision adopted by the Company to realize at short term its investment in Compunet Servicios Telemáticos, S.L. Sole-Shareholder Company. The investment in this company was reclassified to the “Short-Term Investments” caption in the accompanying balance sheet (see Note 4-f).
- The “Long-Term Loans to Group Companies” caption includes the amount of the participating loans granted to the subsidiaries (see Note 10). In December 2005, the €1,000 thousand participating loan granted to Compunet Servicios Telemáticos, S.L., Sole-Shareholder Company, was converted into equity as a contribution to offset the company’s losses, for the purpose of restoring its net worth equilibrium.

At the end of each year or period the directors assess the business plans of their investees, revise them if necessary and estimate the value of the holdings and the recoverability of the investments made.

The Group companies and information thereon are as follows:

Company	Location	Line of Business	% of Ownership	Thousands of Euros		Shareholders' Contributions	Income (Loss) for the Year
				Capital	Reserves		
Antena 3 Editorial, S.A.U.	Madrid	Management of rights	100%	60	2,691	-	1,914
Antena 3 Multimedia, S.L.U	Madrid	TV-based commercial management	100%	3	-	-	(1)
Atres Advertising, S.L.U.	Madrid	Management of advertising	100%	3	(1)	-	230
Ensueño Films, S.L.U.	Madrid	Audiovisual productions	100%	1,804	(1,768)	-	(288)
I3 Televisión, S.L.U.	Madrid	IT	100%	300	-	-	-
Movierecord Cine, S.A.U.	Madrid	Advertising in cinemas	100%	801	160	1,994	(1,503)
Organizaciones Deportivas y Culturales Unipublic, S.A.U.	Madrid	Organization of sports events	100%	72	1,901	-	45
Publicidad 3, S.A.U.	Madrid	Broadcasting services	100%	60	(189,150)	468	4,944
Unipublic, S.A.U.	Madrid	Organization of sports events	100%	600	9,551	-	1,312

The information on Atres Advertising, S.L., Sole-Shareholder Company, Unipublic, S.A., Sole-Shareholder Company, and Movierecord Cine, S.A., Sole-Shareholder Company, was obtained from the audited financial statements as of December 31, 2005.

The associated company and information thereon are as follows:

Company	Location	Line of Business	% of Ownership	Thousands of Euros			
				Capital Stock and Additional Paid-in Capital	Reserves	Income (Loss) for the Year	Capital Payments Payable
Canal Factoría de Ficción, S.A	Madrid	Production of fiction programs	40%	600	-	470	120

The other investees of the Company and information thereon are as follows:

Company	Location	Line of Business	% of Ownership	Thousands of Euros		
				Capital Stock and Additional Paid-in Capital	Reserves	Income (Loss) for the Year
T.V.I. Televisão Independente, S.A.	Lisbon	Television	0.001%	65,810	(a)	(a)

(a) Information not available

None of Antena 3 de Televisión, S.A.'s investees is listed on Spanish or foreign stock exchanges.

## 8. Inventories

The detail of the balance of this caption in the balance sheet as of December 31, 2005, is as follows:

	Thousands of Euros
Program rights, net-	
Rights on outside productions	243,640
In-house productions and productions in process	28,467
Sports broadcasting rights	3,214
Allowance for inventory obsolescence	(38,447)
	<b>236,874</b>
Consumables and other inventories-	
Dubblings, sound tracks and titles	2,203
Other materials	1,839
	<b>4,042</b>
Advances to suppliers	<b>26,873</b>
<b>Total</b>	<b>267,789</b>

The "Advances to Suppliers" caption in the accompanying balance sheet as of December 31, 2005, includes basically prepayments in connection with commitments to outside production rights.

As of December 31, 2005, the Company had commitments, mainly for the purchase of audiovisual property rights, amounting to €191,417 thousand. In addition, the Company has purchase commitments to distributors, the definitive amount and price of which will be determined once the rights are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. The best estimate of these commitments amounts to €89,073 thousand.

It is estimated that €149,441 thousand of rights on inventoriable in-house and outside productions will be amortized in 2006 (see Note 4-e).

## 9. Trade receivables

The detail of the balance of this caption in the balance sheet as of December 31, 2005, is as follows:

	Thousands of Euros
Trade receivables for sales	193,219
Barter trade receivables	3,497
Trade notes receivable	1,065
<b>Total</b>	<b>197,781</b>

## 10. Balances and transactions with Group and associated companies

The detail of the balances with Group and associated companies in the accompanying balance sheet as of December 31, 2005, is as follows:

	Thousands of Euros						
	Long-Term Loans to Group Companies	Balances Receivable at Short Term			Balances Payable at Short Term		
		Operating Receivables	Short-Term Loans	Receivable from Group and Associated Companies	Short-Term Payables	Operating Payables	Payable to Group and Associated Companies
<b>Group companies:</b>							
Antena 3 Directo, S.A.U. (a)	-	-	10,000	10,000	9,987	-	9,987
Antena 3 Editorial, S.A.U.	-	-	1,031	1,031	7,111	-	7,111
Antena 3 Temática, S.A.U. in liquidation (a)	-	-	2,561	2,561	2,409	-	2,409
Atres Advertising, S.L.U.	-	796	124	920	1,215	2,854	4,069
Compunet Servicios Telemáticos, S.L.U.	-	-	16	16	36	-	36
Ensueño Films, S.L.U.	5,500	-	5,176	5,176	650	418	1,068
Guadiana Producciones, S.A.U.	-	-	48	48	189	-	189
Movierecord Cine, S.A.U.	-	8	8,560	8,568	1,382	-	1,382
Organizaciones Deportivas y Culturales de Unipublic, S.A.	-	-	-	-	1,301	-	1,301
Publicidad 3, S.A.U.	329,130	-	3	3	1,191	-	1,191
Unipublic, S.A.	-	-	-	-	6,368	-	6,368
Antena de Radiodifusión, S.A.U.	-	-	-	-	18	-	18
Uniprex, S.A.U.	-	801	-	801	186,160	610	186,770
Other companies	-	4	25	29	23	-	23
<b>Associated and related companies:</b>							
Canal Factoría de Ficción, S.A.	-	142	-	142	-	-	-
Grupo Planeta Agostini	-	-	-	-	-	-	-
Sociedad Anónima Del Video, S.L.	-	128	-	128	-	-	-
Vox Film & Fernseh GmbH & Co. KG	-	9	-	9	-	-	-
Planeta Directo, S.L.	-	499	-	499	-	-	-
Prodigius Audiovisual, S.A.	-	-	-	-	-	-	-
Dea Planeta, S.L.	-	10	-	10	-	236	236
M6 Droits Audiovisuales	-	-	-	-	-	750	750
Grundy Producciones, S.A.	-	-	-	-	-	1,341	1,341
I.P. Network, S.A.	-	-	-	-	-	113	113
Metropole Production	-	87	-	87	-	-	-
Pearson Televisión Internacional	-	-	-	-	-	45	45
Santander Investment Services, S.A.	-	-	-	-	-	66	66
Sportfive GMBH	-	163	-	163	-	2,500	2,500
<b>Total</b>	<b>334,630</b>	<b>2,647</b>	<b>27,544</b>	<b>30,191</b>	<b>218,040</b>	<b>8,933</b>	<b>226,973</b>

(a) Participating loans granted to companies the investments in which are intended to be realized or settled in the near term.

The credit lines granted to the Group companies earn average interest tied to Euribor.

The accounts receivable from and payable to the companies the investments in which are intended to be realized or settled in the near term were taken into account in order to estimate the net asset value and to consider the total risk associated with Antena 3 Televisión, S.A.'s investments in these companies (see Note 4-f).

The detail of the transactions carried out in 2005 with the Group and associated companies is as follows:

	Thousands of Euros			
	Sales and Services	Financial Revenues	Purchases, Acquisitions of Rights and Other Services	Financial Expenses
<b>Group companies:</b>				
Antena 3 Directo, S.A.U.	1	-	9	-
Antena 3 Editorial, S.A.U.	-	-	-	80
Atres Advertising, S.L.U.	3,371	-	13,330	-
Ensueño Films, S.L.U.	3	28	418	-
Guadiana Producciones, S.A.U.	1	13	2	-
Movierecord Cine, S.A.U.	23	297	53	-
Organizaciones Deportivas y Culturales Unipublic, S.A.U.	-	-	-	11
Publicidad 3, S.A.U.	-	3	-	-
Unipublic, S.A.U.	-	-	1,496	49
Uniprex, S.A.U.	4,421	-	5,911	-
<b>Associated and related companies:</b>				
Vox Film & Fernseh GmbH & Co. KG	930	-	-	-
Santander Investment Services, S.A.	1	-	200	-
Sociedad Anónima del Video, S.L.	250	-	-	-
Planeta Junior, S.L.	-	-	221	-
Prodigius Audiovisual, S.A.	-	-	657	-
Grundy Producciones, S.A.	3	-	2,262	-
DeAplaneta, S.L.	580	-	70	-
I.P. Network, S.A.	-	-	247	-
Canal Factoría de Ficción, S.A.	540	-	-	-
M6 Droits Audiovisuales, S.A.	-	-	2,500	-
Audiovisual Española 2000, S.A.	36	-	-	-
Ediciones Temas De Hoy, S.A.	12	-	-	-
Planeta Deagostini, S.A.	13	-	-	-
Pearson Televisión International	-	-	90	-
RTL Televisión GmbH	-	-	46	-
Planeta Directo, S.L.	1,404	-	-	-
Metropole Production, S.A.	207	-	-	-
Sportfive GMBH	163	-	8,515	-
<b>Total</b>	<b>11,959</b>	<b>341</b>	<b>36,027</b>	<b>140</b>

## **11. Shareholders' equity**

The transactions recorded under this caption in the accompanying balance sheet as of December 31, 2005, are summarized as follows:

	Capital Stock	Legal Reserve	Reserve for Treasury Stock	Other Reserves	Retained Earnings	Dividend	Interim Dividend	Income for the Year
Balances at December 31, 2004	166,668	33,334	2,933	37,382	9,366	-	-	102,859
Distribution of 2004 income	-	-	-	19,588	-	83,271	-	(102,859)
Transfers of reserves	-	-	26,586	(17,220)	(9,366)	-	-	-
Dividends paid	-	-	-	-	-	(83,271)	-	-
2005 income	-	-	-	-	-	-	(83,038)	207,472
<b>Balances at December 31, 2005</b>	<b>166,668</b>	<b>33,334</b>	<b>29,519</b>	<b>39,750</b>	-	-	<b>(83,038)</b>	<b>207,472</b>

### **Capital stock**

The capital stock consists of 222,224,000 fully subscribed and paid shares of €0.75 par value each, all of which are of the same class and series and carry the same rights.

On March 9, 2005, the Shareholders' Meeting resolved to change the par value of the shares from €3 to the current €0.75. This resolution became effective starting April 27, 2005.

The shareholder structure as of December 31, 2005, was as follows:

	% of Ownership
Grupo Planeta-de Agostini, S.L.	39.48
RTL Group Communications S.L.U.	17.27
Macame, S.A. (Banco Santander Central Hispano Group)	9.49
Banco Santander Central Hispano, S.A.	0.51
Other shareholders	33.25
	<b>100.00</b>

### **Legal reserve**

Under the revised Corporations Law, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount. Otherwise, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

### **Other reserves**

The "Other Reserves" account includes restricted reserves of €281 thousand relating to the "Reserve for Adjustment of Capital Stock to Euros".

### **Reserve for treasury stock**

Under the revised Corporations Law, a restricted reserve must be recorded for an amount equal to the value of the treasury stock held by the Company. Also, the par value of the shares of treasury stock cannot exceed 5% of the Company's capital stock and the shares in question must be fully paid in.

As of December 31, 2005, the total cost of the shares of treasury stock amounted to €29,519 thousand and related to 3,703,817 shares.

### **12. Provisions and other long-term payables**

The balance of the long-term "Provisions for Contingencies and Expenses" caption in the accompanying balance sheet relates in full to the provision recorded by the Company for the amount of the negative net worth of the subsidiaries of Antena 3 de Televisión, S.A., the investments in which are intended to be held at long term.

The main item in the "Long-Term Debt – Other Payables" caption relates to the estimated total liabilities to date arising from the multiyear incentive, loyalty-building and variable compensation programs currently in force, which amount to €31,509 thousand (see Note 4-m).

### **13. Payable to credit institutions**

The breakdown of the balance of this caption on the liability side of the accompanying balance sheet as of December 31, 2005, is as follows:

	Thousands of Euros	
	Limit	Balance Drawn Down at Short Term
Credit lines	319,000	1,307
Accrued interest payable	-	123
<b>Total</b>		<b>1,430</b>

The interest rates paid by the Company in 2005 on the loans and credit facilities arranged with credit institutions were mainly tied to Euribor plus a spread ranging from 0.2% to 0.6%.

### **14. Trade accounts payable**

The detail of the balance of this caption in the balance sheet as of December 31, 2005, is as follows:

	Thousands of Euros
Payable to suppliers	98,760
Payable for unreceived invoices	92,970
Barter payables	1,634
<b>Total</b>	<b>193,364</b>

### **15. Other provisions**

The detail of the balance of the "Other Provisions" caption on the liability side of the accompanying balance sheet as of December 31, 2005, is as follows:

	Thousands of Euros
Other provisions for short-term contingencies and expenses	54,345
Trade discounts payable	35,574
<b>Total</b>	<b>89,919</b>

## **16. Tax matters**

The detail of the balances of the “Tax Receivables” and “Taxes Payable” captions on the asset and liability sides, respectively, of the accompanying balance sheet as of December 31, 2005, is as follows:

	<b>Thousands of Euros</b>
Long term- Prepaid taxes	30,703
	<b>30,703</b>
Short term- Prepaid taxes	2,346
Unused tax credits and tax relief	16,986
Other tax receivables	2,803
	<b>22,135</b>
<b>Total tax receivables</b>	<b>52,838</b>
Short term- Tax withholdings payable	2,184
Corporate income tax payable	803
Accrued social security taxes payable	1,236
VAT payable	7,238
<b>Total taxes payable</b>	<b>11,461</b>

Pursuant to Corporate Income Tax Law 43/1995, on December 26, 2000, Antena 3 de Televisión, S.A. notified the Madrid tax authorities of its decision to file consolidated tax returns indefinitely provided that the requirements established in Article 81 of this Law are met and it does not decide to cease to apply the consolidated tax regime (Law 24/2001).

The filing of consolidated tax returns gives rise to reciprocal intercompany balances, due to the offset of the losses incurred by certain companies against the income earned by other Group companies. These balances are recorded in the “Payable to Group Companies” and “Receivable from Group Companies” accounts, as appropriate.

Corporate income tax is calculated on the basis of income per books determined by application of generally accepted accounting principles, which does not necessarily coincide with taxable income.

The reconciliation of the income for 2005 per books to the taxable income for corporate income tax purposes is as follows:

	Thousands of Euros	
	Taxable Income	Tax Charge
Income before taxes for 2005	299,496	104,824
Permanent differences-		
Increases	2,348	822
Permanent differences due to consolidation	(3,085)	(1,080)
Total permanent differences	(737)	(258)
Tax credits		(10,003)
Tax loss carryforward		
Adjusted income per books and expense for the year	<b>298,759</b>	<b>94,563</b>
Income tax adjustments		-2,539
<b>Corporate income tax expense</b>		<b>92,024</b>
Timing differences:		
Increases-		
Arising in the year	36,558	12,795
Decreases-		
Arising in prior years	(5,569)	(1,949)
Total timing differences	30,989	10,846
<b>Taxable income and net tax payable</b>	<b>329,748</b>	<b>115,412</b>
<b>Tax credits taken in 2005</b>		<b>(21,790)</b>
<b>Gross tax payable</b>		<b>93,622</b>
2005 prepayments		(39,672)
<b>Tax payable</b>		<b>53,950</b>
<b>Tax credits taken/tax losses offset by Group companies</b>		<b>(53,148)</b>
<b>Corporate income tax refundable</b>		<b>802</b>

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 recorded in the "Prepaid Income Tax" account, arose as a result of timing differences derived mainly from the recording of certain "Provisions for Contingencies and Expenses", plus a portion of the amount recorded under the "Other Long-Term Payables" caption in the accompanying balance sheet (see Note 20-c).

The detail of the unused tax credits earned by the Company and of the years in which it earned them is as follows:

Year	Thousands of Euros
2004	7,515
2005	9,471

Based on the estimate made by the Company's directors of the years in which sufficient future income will be obtained to enable these prepaid taxes and tax credits to be offset and used, €30,703 were recorded under the "Fixed and Other Noncurrent Assets – Tax Receivables" caption, and €2,346 thousand were recorded in the "Prepaid Taxes" account under the "Current Assets – Tax Receivables" caption and €16,986 thousand were recorded under the "Current Assets - Unused Tax Credits and Tax Relief" caption. Also, on the basis of the aforementioned estimate of future income, the directors consider that there is no reasonable doubt as to the recovery of the amounts recognized in the accompanying balance sheet within the legally established time periods and limits.

The Company complied with the period during which it had to maintain the fixed assets in which it reinvested extraordinary income from the transfer of an equity investment, the tax credit for which it decided to take in 2001, pursuant to Article 36.ter of the Corporate Income Tax Law, as worded by Law 24/2001. The income for which the tax credit for the reinvestment of extraordinary income was taken amounts to €4,507 thousand, and the related amount was reinvested in 2001.

The Company has the years since 2001 open for review by the tax inspection authorities for VAT and personal income tax withholdings and for corporate income tax. The Company's directors do not expect any material liabilities to arise as a result of an inspection of the open years that would affect the financial statements.

## **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 Company to financial institutions for third parties is as follows:

	<b>Thousands of Euros</b>
Group and associated companies	256,417
Other guarantees	15,181
<b>Total</b>	<b>271,598</b>

The Company's directors consider that the liabilities not foreseen as of December 31, 2005, if any, which might arise from the guarantees provided, would not be material.

### **b) Contingent liabilities**

As of December 31, 2005, certain civil, labor, criminal and administrative lawsuits had been filed against the Company which were taken into account in estimating any contingent liabilities. Noteworthy because of their amount were the lawsuits with certain collecting societies.

Also, the lawsuits involving the Group companies include most notably the arbitral award handed down in the arbitration proceedings brought by Uniprex, S.A., Sole-Shareholder Company, and the Radio Blanca Group in connection with the contract entered into by the two parties on July 27, 2001.

In relation to this arbitration, the aforementioned Radio Blanca Group also requested arbitration due to breach of contract, the right to request the termination thereof and the payment of the contractually stipulated amounts, together with the damage and loss caused. Both arbitration proceedings were resolved simultaneously by an arbitral award dated March 16, 2004.

Uniprex, S.A., Sole-Shareholder Company, filed an appeal with the Madrid Provincial Appellate Court requesting that the award be rendered null and void. No decision has yet been handed down in this connection.

The Radio Blanca Group requested the enforcement of the arbitral award, which led to the termination and settlement of the contract dated July 27, 2001, and to the stay of payment of damages until the appeal to have the award set aside has been resolved, subject to Uniprex, S.A., Sole-Shareholder Company, providing a bank guarantee amounting to €247,140 thousand, secured by Antena 3 de Televisión, S.A., to cover the amount of the damages and the legally stipulated amount for interest and costs.

The Company's directors 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) Contingent assets**

On February 14, 2006, an agreement was reached with the Spanish Professional Soccer League (LFP) in connection with the provisional execution of the court decision whereby the League was ordered to pay €25.5 million plus interest to Antena 3 de Televisión, S.A. Under this agreement, the LFP recognizes Antena 3 de Televisión, S.A.'s right to provisionally execute the decision and a payment schedule for the aforementioned amount is set, without any of the parties expressly waiving their claims in the related appeals filed.

## **18. Foreign currency balances and transactions**

### **a) Foreign currency balances**

The breakdown, by currency, of the equivalent euro value of the Company's foreign currency debts included in the "Trade Accounts Payable" caption on the liability side of the accompanying balance sheet as of December 31, 2005, is as follows:

<b>Currency</b>	<b>Thousands of Euros</b>
U.S. dollars	72,025
Other currencies	54
<b>Total</b>	<b>72,079</b>

### **b) Foreign currency transactions**

The foreign currency transactions performed in 2005 related mainly to transactions denominated in U.S. dollars. Their equivalent euro values translated at the average exchange rates for the year were as follows

	<b>Thousands of Euros</b>	
	<b>U.S. Dollars</b>	<b>Other Currencies</b>
Sales	2,012	-
Purchases and other expenses	110,414	23,429
<b>Total</b>	<b>112,426</b>	<b>23,429</b>

## **19. Financial instruments**

As of December 31, 2005, the Company had arranged transactions to hedge its foreign currency asset and liability positions amounting to US\$ 133,043 thousand, at a weighted average exchange rate of €1.2381/US\$ 1, the detail being as follows:

<b>Maturity</b>	<b>Thousands of U.S. Dollars</b>
2006	87,966
2007	43,015
2008	2,062
<b>Total</b>	<b>133,043</b>

The net fair value of the hedging financial instruments amounted to €3,467 thousand at year-end.

## **20. Revenues and expenses**

### **a) Net revenues**

Most of the Company's sales are made in Spain.

### **b) Amortization of Programs and Other Rights**

The detail of the "Amortization of Programs and Other Rights" caption in 2005, is as follows:

	<b>Thousands of Euros</b>
Broadcasting of in-house productions	167,554
Outside production services	141,726
Program broadcasting rights	114,352
Performances of and contributions by entertainers	12,469
Other amortization	17,101
Live broadcasting rights	10,783
Addition to inventories	(171,827)
<b>Total</b>	<b>292,158</b>

The "Addition to Inventories" account reflects the expenses incurred in making programs. In accordance with the Company's procedures, these expenses are capitalized and subsequently amortized as described in Note 4-e.

### **c) Personnel expenses**

The breakdown of the personnel expenses for 2005 is as follows:

	<b>Thousands of Euros</b>
Wages and salaries	86,409
Social security costs and other employee welfare expenses	14,452
Other personnel expenses	4,224
<b>Total</b>	<b>105,085</b>

The "Wages and Salaries" caption includes the expense for 2005 arising from the Antena 3 Group's three-year variable compensation and executive loyalty-building plan allocable to the Company's employees.

As reported to the Spanish National Securities Market Commission (CNMV) on May 12, 2004, on that same date the Company's Shareholders' Meeting approved a three-year variable compensation and executive loyalty-building plan for the Antena 3 Group. To implement the resolution of the Shareholders' Meeting, after the opinion of the Appointments and Compensation Committee had been heard and the appropriate resolutions had been adopted by the managing bodies empowered to do so, in 2005 the first stage of the plan was implemented, which was notified to the CNMV on January 4, 2005. This plan is aimed at two groups of directors and executives, and uniform terms and conditions were established for each group.

The main features of this plan as of December 31, 2005, were as follows:

1. Plan beneficiaries: 31 beneficiaries, all of them in the two categories established in the plan, namely: executives and professionals related to the Antena 3 Group by an employment relationship or a contract for services (both directors and nondirectors). As of December 31, 2005, there were 27 beneficiaries at Antena 3 de Televisión, S.A.

2. Overall amount of the plan: the implementation of the plan at 2005 year-end represented 86.0% of the maximum incentive possible approved by the Shareholders' Meeting. This percentage is the sum of:
  - a. 1.72% of the result of multiplying by 11.6 the difference between €120,000 thousand and the consolidated EBITDA of the Antena 3 Group as of December 31, 2006, based on the formally prepared and audited financial statements. The maximum percentage approved by the Shareholders' Meeting in this connection was 2%.
  - b. 0.860% of the difference between €1,392,000 thousand and the average stock market value of the Company in December 2006, up to a limit of €2,000,000 thousand. The maximum percentage approved by the Shareholders' Meeting in this connection was 1%.
3. Means of applying the plan to the different groups:
  - a. Through July 10, 2009: group with mixed variable compensation, which includes the payment of 30% of the total amount in July 2007, and the remaining 70% in July 2009. This group includes 13 beneficiaries, 10 of whom work for Antena 3 de Televisión, S.A., and the amount assigned is 75% of the aforementioned 86%.
  - b. Through July 10, 2007: group with variable compensation in cash only. This group consists of 18 beneficiaries, 17 of whom work for Antena 3 de Televisión, S.A., and the amount assigned is 11% of the aforementioned 86%.

The average number of employees in 2005, by category, was as follows:

Professional Category	Number of Employees
Senior management	27
Operations and programs personnel	972
Commercial personnel	9
Management personnel	158
Interns	47
Specific-project hires	195
<b>Total</b>	<b>1,408</b>

#### d) Rent and royalties

The "Rent and Royalties" caption in the accompanying statement of income for 2005 includes most notably the amounts paid to Retevisión I, S.A. as fees for the distribution of the audiovisual signal.

#### e) Other current operating expenses

The breakdown of the balance of this caption in the statement of income for 2005 is as follows:

	Thousands of Euros
Work performed by other companies	12,373
Communications	6,234
Advertising and publicity	8,946
Copyright and other expenses	86,548
<b>Total</b>	<b>114,100</b>

**f) Fees and other amounts paid to auditors**

The fees accrued in 2005 for audit services provided to Antena 3 de Televisión, S.A. by Deloitte, S.L. amounted to €173 thousand. Also, the fees for other professional services provided to the Company by its auditors in 2005 amounted to €56 thousand.

**g) Extraordinary expenses**

The detail of this caption in the statement of income for 2005 is as follows:

	<b>Thousands of Euros</b>
Period provisions for contingencies and expenses (Note 4-j)	8,294
Other extraordinary expenses	4,612
<b>Total</b>	<b>12,906</b>

**21. Directors' compensation and other benefits**

The compensation earned in 2005 by the former and current directors for salaries and attendance fees amounted to €1,825 thousand.

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

Also, the Company has recorded an accrual for the estimated cost of the three-year variable compensation and executive loyalty-building plan, which includes the portion applicable to directors (see Notes 4-m and 20-c).

**22. Detail of the equity interests held by the directors in companies engaging in similar activities and performance by them, as independent professionals or as employees, of similar activities**

Pursuant to Article 127 ter.4 of the Spanish Corporations Law, introduced by Law 26/2003, which amends Securities Market Law 24/1988, and the revised Spanish Corporations Law, in order to reinforce the transparency of listed corporations, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of Antena 3 de Televisión, S.A. in which the members of the Board of Directors own equity interests, per the representations made by each of the directors, and of the functions, if any, that they discharge at those companies, and of the activities that the members of the Board of Directors carry on, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the corporate purpose of Antena 3 de Televisión, S.A.

- A) Directors of Antena 3 de Televisión, S.A. who are also directors or executives of other Antena 3 de Televisión Group companies

- B) Directors of Antena 3 de Televisión, S.A. who are also directors or executives of significant shareholders of the Antena 3 de Televisión Group:
- José Manuel Lara Bosch is the Chairman of the Board of Directors of Grupo Planeta-de Agostini, S.L. (formerly Kort Geding, S.L.)
  - José Manuel Abad Silvestre is a director and General Manager of Grupo Planeta- de Agostini, S.L. (formerly Kort Geding, S.L.)
  - Marco Drago is Deputy Chairman of the Board of Directors of Grupo Planeta-de Agostini, S.L. (formerly Kort Geding, S.L.)
  - José Creuheras Margenat is a director of Grupo Planeta-de Agostini, S.L. (formerly Kort Geding, S.L.)
  - Nicolás Abel Bellet de Tavernost is a member of the Operations Management Committee of RTL Group Communication, S.L.U.
  - Joan David Grimà Terré is General Manager of Banco Santander Central Hispano, S.A.
  - José Luis Díaz Fernández is General Manager of Banco Banif, S.A. (BSCH Group)
  - Elmar Heggen, who is a director since December 21, 2005, is regional operations and development Vice President of RTL Group, S.A.
  - Thomas Rabe, who was a director through December 21, 2005, is the financial manager of RTL Group, S.A. and corporate manager.
- C) Equity interests and, if appropriate, positions held by directors during the year ended December 31, 2005, in the following companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the corporate purpose of Antena 3 de Televisión, S.A. and of its Group companies.
- None of the directors of Antena 3 de Televisión, S.A. perform, as independent professionals or as employees, any activities that are identical, similar or complementary to the activity that constitutes the corporate purpose of Antena 3 de Televisión, S.A.
- D) Members of the Board of Directors of Antena 3 de Televisión, S.A. who are also directors of other listed companies:
- José Manuel Lara Bosch: director of Banco de Sabadell and of Compañía de Distribución Logista, S.A.
  - Joan David Grimà Terré: independent director of ACS, Actividades de Construcción y Servicios, S.A.
  - Pedro Ramón y Cajal Agüeras: director of Indra Sistemas, S.A.
- E) Activities performed by the directors of Antena 3 de Televisión, S.A., as independent professionals or as employees, that are identical, similar or complementary to the activity carried on by the Company:
- Nicolás Abel Bellet de Tavernost: Chairman of the Board of Directors of Métropole Televisión. S.A. (television services).
  - Thomas Rabe, who was a director through December 21, 2005: General Manager of UFA Films und Fernseh GMBH (audiovisual production).

**23. Subsequent events**

No significant events for the Company's business activity have taken place since year-end.

**24. Statements of changes in financial position for 2005 and 2004**

Following are the statements of changes in financial position for 2005 and 2004:



The reconciliation of the income for the year to the funds obtained from operations is as follows:

	Thousands of Euros	
	2005	2004
<b>Income for the year</b>	207,472	102,859
<b>Add</b>		
Depreciation and amortization and start-up expenses		
Provision to investment valuation allowance and charge to reserve for treasury stock	17,276	19,833
Period provision for long-term contingencies and expenses	1,857	3,165
Losses on control portfolio disposals	-	4,688
Provision to tangible fixed asset allowance	-	466
Amortization of debt arrangement expenses	-	1,247
Losses on tangible fixed assets	845	483
Depreciation and amortization and start-up expenses	-	1,058
<b>Less</b>		
Amount used of the provision for contingencies and expenses	(7,503)	
<b>Funds obtained from operations</b>	<b>219,947</b>	<b>133,799</b>

## 25. Explanation added for translation to English

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

On February 22, 2006, the Board of Directors of Antena 3 de Televisión, S.A. resolved to prepare the Financial Statements, Management Report and Proposed Distribution of Income for 2005 of Antena 3 de Televisión, S.A. contained in this document, which are signed below by the directors in proof of conformity:

José Manuel Lara Bosch

Maurizio Carlotti

José Miguel Abad Silvestre

Nicolás Abel Bellet de Tavernost

José Creuheras Margenat

José Luis Díaz Fernández

Marco Drago

Joan David Grimà Terré

Elmar Heggen

José Luis López de Garayo Gallardo

Pedro Antonio Martín Marín

Pedro Ramón y Cajal Agüeras