Antena 3 de Televisión, S.A. and Subsidiaries

Auditors’ report

Consolidated Financial Statements
for the year ended 31 December 2005

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Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2005 AND 2004

Thousands of euros	NOTES	2005	2004
ASSETS			
Goodwill	4	180,739	135,366
Property, plant and equipment	6	83,714	87,762
Other intangible assets	5	20,982	16,648
Investments accounted for using the equity method	7	479	377
Deferred tax assets	20	52,044	108,344
Other non-current assets	7	881	4,846
NON-CURRENT ASSETS		**338,839**	**353,343**
Programme rights	8	259,365	232,581
Inventories		4,042	5,116
Trade and other receivables	9	249,417	211,832
Current financial assets		3,478	1
Current tax assets	20	4,591	5,044
Other current assets		3,151	4,873
Cash and cash equivalents		140,014	178,471
CURRENT ASSETS		**664,058**	**637,918**
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		**545**	**5,041**
TOTAL ASSETS		**1,003,442**	**996,302**
LIABILITIES			
Share capital	10-a	166,668	166,668
Legal reserve	10-b	33,334	33,334
Reserve for treasury shares	10-b	29,519	2,933
Retained earnings		274,560	150,697
Treasury shares	10-c	(29,519)	(2,933)
Interim dividends	10-d	(83,038)	-
EQUITY		**391,524**	**350,699**
Bank borrowings	12	629	62,642
Provisions	11	1,717	-
Other non-current liabilities		36,936	10,080
NON-CURRENT LIABILITIES		**39,282**	**72,722**
Bank borrowings	12	1,860	31,791
Trade and other payables	14	234,164	228,661
Other financial liabilities		11	20,158
Provisions	11	297,577	267,631
Current tax liabilities	20	14,326	9,280
Other current liabilities		23,466	13,575
CURRENT LIABILITIES		**571,404**	**571,096**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		**1,232**	**1,785**
TOTAL LIABILITIES AND EQUITY		**1,003,442**	**996,302**

The accompanying Notes 1 to 25 are an integral part of the consolidated balance sheets at 31 December 2005 and 2004.

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

Thousands of euros	NOTES	**2005**	**2004**
Revenue	17	932,042	770,956
Other income	17	72,737	47,078
Programme amortisation and other procurements	18-a	(303,725)	(281,607)
Staff costs	18-b	(152,087)	(143,274)
Depreciation and amortisation expense		(22,059)	(25,161)
Other operating expenses	18-c	(201,550)	(194,633)
OPERATING PROFIT		**325,358**	**173,359**
Net impairment losses		8,737	2,519
Net gain (loss) on changes in the value of financial instruments at fair value		14,253	(5,022)
Exchange differences		(14,451)	204
Net financial loss		(14,064)	(10,720)
Share of results of associates and joint ventures accounted for using the equity method		-	73
Net gain (loss) on the disposal of non-current assets or on the valuation of non-current assets classified as held for sale not included under discontinued operations		2,835	(4,315)
Other gains		30	1,583
Other losses		-	(540)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**322,698**	**157,141**
Income tax	20	96,688	44,076
PROFIT FOR THE YEAR		**226,010**	**113,065**

Earnings per share:	**2005**	**2004 (*)**
From continuing operations		
Basic	1.034	0.513
Diluted	1.034	0.513

(*) Data adjusted to the change in par value in 2005

The accompanying Notes 1 to 25 are an integral part of the consolidated income statements for 2005 and 2004.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

Thousands of Euros	Share Capital	Legal Reserve	Reserve for Treasury Shares	Treasury Shares	Retained Earnings	Interim Dividend	Equity Attributable to the Parent	Minority Interests	Equity
Balance at 1 January 2004	**166,668**	**33,334**	**2,933**	**(2,933)**	**41,763**	**0**	**241,765**	**873**	**242,638**
Gains and losses:									
Net changes in cash flow hedges					(5,506)		(5,506)		(5,506)
Profit for the year					113,065		113,065		113,065
Changes in the scope of consolidation					1,375		1,375	(873)	502
Balance at 31 December 2004	**166,668**	**33,334**	**2,933**	**(2,933)**	**150,697**	**0**	**350,699**	**0**	**350,699**
Gains and losses:									
Net changes in cash flow hedges					7,864		7,864		7,864
Profit for the year					226,010		226,010		226,010
Treasury share transactions:									0
Acquisition of treasury shares				(26,586)			(26,586)		(26,586)
Chance to reserve for treasury shares			26,586		(26,586)		0		0
Distribution of profit:									0
2004 dividend					(83,271)		(83,271)		(83,271)
Interim dividend out of 2005 profit						(83,038)	(83,038)		(83,038)
Changes in the scope of consolidation					(154)		(154)		(154)
Balance at 31 December 2005	**166,668**	**33,334**	**29,519**	**(29,519)**	**274,560**	**(83,038)**	**391,524**	**0**	**391,524**

The accompanying Notes 1 to 25 are an integral part of the consolidated statements of changes in equity for 2005 and 2004

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

Thousands of euros	2005	2004
1.- CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated profit for the year before tax	**322,698**	**157,141**
Adjustments for:	**71,439**	**81,264**
- Depreciation/amortisation	22,059	25,161
- Provisions	46,721	41,317
- Proceeds from disposal / asset impairment	(11,602)	(753)
- Finance income	(2,523)	(14,454)
- Finance costs	16,786	29,993
Changes in working capital	**(60,324)**	**(46,589)**
Net cash from operations	**333,813**	**191,816**
Finance costs paid	(3,879)	(4,653)
Income taxes paid	(38,625)	(2,643)
Net cash flows from operating activities	**291,310**	**184,520**
2.- CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	**(68,811)**	**(15,788)**
Subsidiaries, joint ventures and associates	(45,231)	0
Property, plant and equipment and intangible assets	(23,580)	(15,788)
Disposals	**20,217**	**9,639**
Subsidiaries, joint ventures and associates	15,800	9,639
Property, plant and equipment and intangible assets	4,416	0
Net cash flows from investing activities	**(48,594)**	**(6,149)**
3.- CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(166,309)	0
Acquisition of treasury shares	(26,586)	0
Net cash flows from financing activities	**(192,895)**	**0**
NET INCREASE/DECREASE IN CASH	**49,821**	**178,371**
Cash and cash equivalents at beginning of year	**84,038**	**(94,333)**
Changes in the scope of consolidation/IFRS	3,665	
Cash and cash equivalents at beginning of year – new scope of consolidation	**87,704**	
Cash and cash equivalents at end of year	**137,525**	**84,038**

The accompanying Notes 1 to 25 are an integral part of the consolidated cash flow statements for 2005 and 2004.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 25). In the event of a discrepancy, the Spanish-language version prevails.

Antena 3 de Televisión, S.A. and Subsidiaries

Notes to the 2005 and 2004 Consolidated Financial Statements

1. Description of the Group

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 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 of 3 May, and, pursuant to a resolution of the Spanish Council of Ministers of 25 August 1989, was awarded a concession for the indirect management of the television service, for a period of ten years, which ended on 3 April 2000.

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

On 10 March 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 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 to begin broadcasting on that date 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.

On 25 November 2005, the Council of Ministers resolved to expand the concession contract, simultaneously with the rest of concession-holders in Spain, by granting the Parent 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 analogue programmes simultaneously since April 2002. Thus, from 30 November 2005, A3TV offers three different types of programming: the general A3TV channel which uses analogue technology and two DTT channels, each with a different type of programming.

In relation to the renewal of the radio broadcasting service concessions owned 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 ownership of 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).

The Parent's Shareholders' Meeting and its Board of Directors Meeting, on 28 April 2003 and 29 July 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 29 October 2003, the Parent's shares commenced trading on these stock markets.

In view of the business activities carried on by the companies, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to the net worth, 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.

2. Basis of presentation of the 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 (IFRSs), as adopted by the European Union in conformity with Regulation (EC) no.. 1606/2002 of the European Parliament and 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 legislation in this connection, and, accordingly, they present fairly the Group's consolidated equity and financial position at 31 December 2005 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 2005 (IFRSs) differ from those used by the Group companies (Spanish GAAP), the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with the International Financial Reporting Standards adopted in Europe.

The 2005 consolidated financial statements of the Group and the 2005 individual 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 2004 consolidated financial statements, which are included for comparison purposes, were also prepared in accordance with IFRSs as adopted by the European Union consistently with the standards applied in 2005.

Responsibility for the information and for the estimates made

The information in these financial statements is the responsibility of the Group's directors.

In the Group's consolidated financial statements for 2005 estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and commitments reported herein. These estimates relate basically to the following:

- The impairment losses on certain assets (see Notes 5, 6 and 9),
- The assumptions used in the calculation of liabilities arising from the three-year executive compensation plan (see Note 18-b),
- 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 4),
- The fair value of certain unquoted assets (see Note 8), and
- Provisions (see Note 11)

Although these estimates were made on the basis of the best information available at 31 December 2005, 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.

Since the Group opted for early application of IAS 32 and IAS 39 in 2004, the data relating to treasury shares and financial assets and liabilities in the consolidated balance sheet are comparable to those reported for 2004.

b) Basis of consolidation

Subsidiaries

Following are the subsidiaries included in the scope of consolidation:

Corporate name	Location	Year of Incorporation	Line of Business	Owner Company	2005 %
Antena 3 Directo, S.A.U.	Madrid	1994	Direct TV sales	Antena 3 de Televisión, S.A.	100
Antena 3 Editorial, S.A.U.	Madrid	1990	Management of rights	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 Temática, S.A.U. (in liquidation)	Madrid	1998	Audiovisual productions	Antena 3 de Televisión, S.A.	100
Atres Advertising, S.L.U.	Madrid	2004	Management of advertising	Antena 3 de Televisión, S.A.	100
Compunet Servicios Telemáticos, S.A.U.	Madrid	1976	Internet	Antena 3 de Televisión, S.A.	100
Ensueño Films, S.L.U.	Madrid	2000	Audiovisual productions	Antena 3 de Televisión, S.A.	100
Guadiana Producciones, S.A.U.	Madrid	1994	Audiovisual productions	Antena 3 de Televisión, S.A.	100
I3 Televisión, S.L.U.	Madrid	2005	IT services	Antena 3 de Televisión, S.A.	100
Movierecord Cine, S.A.U.	Madrid	1966	Advertising in cinemas	Antena 3 de Televisión, S.A.	100
Organizaciones Deportivas y Culturales Unipublic, S.A.U.	Madrid	1984	Organisation of sports events	Antena 3 de Televisión, S.A.	100
Publicidad 3, S.A.U.	Madrid	1982	Radio broadcasting services	Antena 3 de Televisión, S.A.	100
Unipublic, S.A.U.	Madrid	1975	Organisation of sports events	Antena 3 de Televisión, S.A.	100
Antena de Radiodifusión, S.A.U.	Madrid	1994	Radio broadcasting services	Publicidad 3, S.A.U.	100
Medipress Valencia, S.A.U.	Valencia	1998	Radio broadcasting services	Publicidad 3, S.A.U.	100
Uniprex, S.A.U.	Madrid	1967	Radio broadcasting services	Publicidad 3, S.A.U.	100
Canal Media Radio Galicia, S.L.U.	La 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
Compañía Tres Mil Ochocientos, S.L.U.	La Coruña	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Corporación Radiofónica Castilla León, S.A.U.	Valladolid	2000	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
Grupo Universal de Emisoras de Radio Amanecer, S.A.U.	Madrid	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Ipar Onda, S.A.U.	San Sebastián	1988	Radio broadcasting services	Uniprex, S.A.U.	100
La Veu de Lleida, S.L.U.	Lleida	1991	Radio broadcasting services	Uniprex, S.A.U.	100
Onda Cero, S.A.U.	Coslada	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Ondadit, S.L.U.	Madrid	1994	Radio broadcasting services	Uniprex, S.A.U.	100
Radio Alamedilla, S.A.U.	Salamanca	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Radio Noticias 90, S.A.U.	Las Palmas	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Radio Sistemas Radiofónicos Cinco, S.L.U.	Madrid	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Radio Tormes, S.A.U.	Salamanca	1989	Radio broadcasting services	Uniprex, S.A.U.	100
Rkor Radio, S.L.U.	Barcelona	1983	Radio broadcasting services	Uniprex, S.A.U.	100
Uniprex Televisión, S.L.U.	Madrid	2004	Indirect management of TV service	Uniprex, S.A.U.	100
Uniprex Televisio Digital Terrestre Catalana, S.L.U.	Barcelona	2005	Local Digital Terrestrial Television	Uniprex, S.A.U.	100
Uniprex Valencia TV, S.L.U.	Valencia	2005	Local Digital Terrestrial Television	Uniprex, S.A.U.	100
Canal Radio Castilla y León, S.L.U.	Valladolid	1997	Radio broadcasting services	Canal Media Radio, S.A.U.	100
Canal Radio Valencia, S.L.U.	Valencia	1997	Radio broadcasting services	Canal Media Radio, S.A.U.	100

The Parent has the capacity to exercise effective control over all these subsidiaries, and, consequently, their financial statements are fully consolidated with those of the Parent. Adjustments were made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group.

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

Associates

Following are the companies over which the Company is in a position to exercise significant influence, but not control:

Corporate name	Location	Year of Incorporation	Line of Business	Owner Company	2005 %
Canal Factoría de Ficción, S.A.	Madrid	2000	Production of fiction programmes	Antena 3 de Televisión, S.A.	40
Unimedia Central de Medios, S.A.	Madrid	1997	Advertising	Unipublic, S.A.U.	49
Corporación Radiofónica Región de Murcia, S.A.	Murcia	2000	Radio broadcasting services	Uniprex, S.A.U.	50
Teledifusión Madrid, S.A.	Madrid	2005	Radio broadcasting services	Uniprex Televisión, S.L.U.	10

Changes in the scope of consolidation

On 26 May 2005, Antena 3 de Televisión, S.A. acquired all the share capital of Unipublic, S.A., Sole-Shareholder Company, whose corporate purpose is to carry on advertising activities and to organise sporting contests. As a result of this acquisition, Unipublic was fully consolidated from 1 June 2005.

On the same date, the Parent acquired all the share capital of Organizaciones Deportivas y Culturales Unipublic, S.A., Sole-Shareholder Company, whose corporate purpose is identical to that of Unipublic, S.A., Sole-Shareholder Company, and which was also fully consolidated from 1 June 2005.

On 14 July 2005, the Group formed Uniprex Televisio Digital Terrestre Catalana, S.L., Sole-Shareholder Company, and Uniprex Valencia TV, S.L., Sole-shareholder Company, the corporate purpose of these two companies being the indirect management of the local digital terrestrial television service.

I3 Televisión S.L., Sole-Shareholder Company, was formed on 30 November 2005 with the purpose of developing, installing and marketing IT-based applications and systems and of marketing software products.

These companies were included in the scope of consolidation as subsidiaries in 2005, and were consequently fully consolidated.

Teledifusión Madrid, S.A., in which Uniprex Televisión, S.L., Sole-Shareholder Company, has a 10% ownership interest, was incorporated on 27 December 2005. From this date this company, whose corporate purpose consists of the indirect management of the local digital terrestrial television service, was proportionately consolidated.

On 29 December 2005, Uniprex, S.A., Sole-Shareholder Company, acquired all of the shares of Rkor Radio, S.L., Sole-shareholder Company, giving EUR 2,761 thousand on account to Societat Catalana de Radiodifusió, S.A. This company, which engages in the provision of radio broadcasting services, was fully consolidated from 29 December 2005.

3. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union, were as follows:

a) *Consolidation goodwill*

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

The acquired assets and liabilities are provisionally measured at the date on which the Group obtains control over the subsidiary. This measurement is reviewed within a year from the acquisition date, until the fair value of assets and liabilities is definitively determined. Any excess of the cost of acquisition of the company over the corresponding carrying amount will be temporarily recognised as goodwill.

Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.

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 any impairment is written down with a charge to "Net Impairment Losses" in the accompanying consolidated income statement.

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

b) *Other intangible assets*

Administrative concessions

This heading includes mainly the cost assigned to administrative concessions for radio broadcasting acquired by Uniprex, S.A., Sole-Shareholder Company, and by Publicidad 3, S.A., Sole-Shareholder Company. The corresponding amount in the accompanying balance sheet relates to the expenses incurred to directly obtain the concession from the State or from the related public agency. This amount is amortised on a straight-line basis over ten years.

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 recorded with a charge to "Other Intangible Assets" in the consolidated balance sheet.

Computer system maintenance costs are recorded 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

The balance of “Audiovisual Productions” relates to the costs incurred by the Group in the making of film productions. The carrying amount includes the production costs incurred in relation to the remuneration paid to co-producers and the launch and first sale costs. The Group starts 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 fours years. Accordingly at each year end the amortised percentage through that date is approximately the same as the percentage of the revenue generated until then with respect to the present value of the estimated total revenue for that period. The Group records the necessary provisions on the net carrying amounts of these film productions in those cases where it is considered necessary based on future marketing expectations.

Since activities related to the acquisition, production and marketing of audiovisual productions are part of the Group’s normal operations, they are included in operating activities for cash flow statement purposes, and the charges to the consolidated income statement are included under “Programme Amortisation and Other Procurements”.

c) Property, plant and equipment

Land and buildings acquired for the performance of the Group’s business activity or for administrative purposes are recognised in the consolidated balance sheet at acquisition or production cost net of the related 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 recorded 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 consolidated income statement on an accrual basis as incurred.

Fixtures and equipment are measured at cost net of the related depreciation and any recognised impairment losses.

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 and is based on the application of the following depreciation rates, which are determined on the basis of the average years of useful life of the various assets:

	Years of Useful Life
Structures	33
Plant	10
Machinery and tools	5, 8, 10 and 12,5
Furniture	10
Computer hardware	5 to 10
Transport equipment and other items of property, plant and equipment	6 and 10

Assets held under finance leases are recorded 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. At 31 December 2005, “Property, Plant and Equipment” in the consolidated balance sheet included EUR 306 thousand relating to assets held under finance leases (see Note 6).

d) Programme rights

Programme rights are valued, 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 preset internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programmes are recorded, based on their nature, under the appropriate captions in the consolidated income statement and are included under "Programme Rights" in the consolidated balance sheet with a credit to "Inclusion in Programme Rights" under "Programme Amortisation and Other Procurements" in the accompanying consolidated income statement.

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

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

   The maximum period for 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 valued by the same methods and procedures as those used to value 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 by means of derivative instruments designated as cash flow hedges pursuant to IAS 39 will include:

   - the portion of the cumulative loss or gain on the hedging instrument on the date on which the term of the right commences.

   - for payments made prior to the commencement of the right, the accumulated exchange gains or losses on that date.

The amortisation of the rights is recorded under “Programme Amortisation and Other Procurements” in the consolidated 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%

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 measured at the closing rate.

Allowances

The Group records allowances 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 allowances recorded are used to write off the cost of the rights.

Classification of programme rights

In accordance with standard practice in the industry in which the Group operates, programme rights are classified as current assets and the portion that is amortised over more than one year is detailed in Note 8.

e) Non-current assets and liabilities classified as held for sale

The Group classifies under this item in the consolidated balance sheet the non-current assets and disposal groups whose carrying amount is expected to be recovered through a sale transaction rather than through continuing use. The assets in this condition at 31 December 2005, were those relating to Antena 3 Directo, S.A., Sole-Shareholder Company, Antena 3 Temática, S.A., Sole-Shareholder Company in liquidation, Compunet Servicios Telemáticos, S.L., Sole-Shareholder Company, and Guadiana Producciones, S.A., Sole-Shareholder Company.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current liabilities held for sale include the fair value of the liabilities associated with the aforementioned assets, which are expected to be sold at short term.

f) *Financial assets and liabilities*

Financial assets and liabilities are recognised in the consolidated balance sheet when the Group arranges the related financial instruments.

The financial assets and liabilities 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. When the term of the broadcasting rights designated as 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 for the year.

The Group periodically tests the efficiency of the hedges outstanding, and the ineffective portion is recognised immediately in the consolidated income statement.

Hedge accounting is discontinued when the hedging instrument expires 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 rights are acquired. 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.

Classification of financial assets as current or non-current

In the accompanying consolidated balance sheet, financial assets maturing within 12 months are classified as current assets and those maturing within more than 12 months as non-current assets.

g) *Treasury shares*

All the treasury shares of the Parent at 31 December 2005, represented 1.67% of the issued share capital at that date (the treasury share transactions performed in 2005 are summarised in Note 10). Treasury shares are deducted from equity.

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

The Group charges the amount incurred in the year in connection with implementation of the three-year variable compensation plan to “Staff Costs” or “Other Operating Expenses” in the accompanying consolidated income statement, based on the labour relationship or the services contract of the beneficiaries, with a credit to “Other Non-Current Liabilities” in the accompanying consolidated balance sheet (see Note 18-b).

The amount incurred is calculated on the basis of the terms of the plan and the Parent management’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.

The amounts recognised in the 2005 financial statements were discounted to present value using a discount rate that reflects the time value of money. This effect is included in the consolidated income statement as an interest expense as the value of the provision increases. The finance cost taken to the 2005 consolidated income statement in this connection amounts to EUR 193 thousand.

i) *Liability instruments*

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges 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.

Current/non-current classification of debts

In the accompanying consolidated balance sheet debts due to be settled within 12 months are classified as current liabilities and those due to be settled within more than 12 months as non-current liabilities.

Termination benefits

Under current labour legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. The consolidated companies’ directors do not anticipate the generation of any liabilities additional to those already recognised in this connection.

j) *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 on the basis of 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 reviewed and adjusted at the end of each year.

k) *Recognition of revenue and expenses*

Revenue and expenses are recognised on an accrual basis.

General method

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

Sales of goods are recognised when substantially all the risks and rewards have been transferred.

Advertising revenue

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

Sale of in-house productions and other audiovisual rights

The Group records these sales as period revenue 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 credited to profit until the rights are transferred.

l) Income tax; deferred tax assets and liabilities

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

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets (including those relating to temporary difference 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.

In 2001 the Group started to be taxed on a consolidated basis. Antena 3 de Televisión, S.A. is the Parent of this consolidated tax Group (see Note 20).

m) 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 recorded by applying the exchange rates prevailing at the date of the transaction.

At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates prevailing on the balance sheet date. Non-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 adjusted. Any resulting gains or losses are recognised directly in the income statement, except for the exchange differences arising from changes in the fair value of non-monetary assets and liabilities, which are recognised directly in equity.

n) Consolidated cash flow statements

The following terms are used in the consolidated cash flow statements 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 entity and other activities that are not investing or financing activities.

Investing activities: the acquisition, disposal and use by other means 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 the equity and borrowings of the Company that are not operating activities.

o) 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 did not perform any transactions of any kind leading to diluted earnings per share different from basic earnings per share.

p) Dividend

The interim dividend out of the 2005 profit of Antena 3 de Televisión, S.A. approved by the Board of Directors on 25 July 2005, amounting to EUR 83,038 thousand, is presented as a deduction from the Group's equity. However, the final dividend 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. Goodwill

The changes in this consolidated balance sheet heading in 2004 and 2005 were as follows:

Thousands of Euros	Balance at 01/01/04	Additions	Disposals	Balance at 31/12/04	Additions	Balance at 31/12/05
Antena de Radiodifusión, S.A.U.	8,591	-	-	8,591	-	8,591
Canal Media Radio Galicia, S.L.U.	295	-	-	295	-	295
Canal Media Radio, S.A.U.	1,899	-	-	1,899	-	1,899
Ipar Onda, S.A.U.	260	-	-	260	-	260
Medipress Valencia, S.A.U.	-	559	-	559	800	1,359
Onda Cero Ramblas, S.L.	1,194	-	(1,194)	-		-
Organizaciones Deportivas y Culturales Unipublic, S.A.U.	-	-	-	-	150	150
Radio Alamedilla, S.A.U.	78	-	-	78	-	78
Radio Tormes, S.A.U.	314	-	-	314	-	314
Rkor Radio, S.L.U.	-	-	-	-	9,100	9,100
Uniprex, S.A.U.	123,370	-	-	123,370	-	123,370
Unipublic, S.A.U.	-	-	-	-	35,323	35,323
Total, gross	**136,001**	**559**	**(1,194)**	**135,366**	**45,373**	**180,739**

The Group reviewed the recoverable amount of goodwill at 31 December 2005, and considered that there was no evidence of impairment.

All of the requirements of the agreement with Medipress Valencia, S.A., Sole-Shareholder Company, were met in 2005 and, the related goodwill was definitively measured at EUR 1,359 thousand.

The goodwill relating to Unipublic, S.A., Sole-Shareholder Company, Organizaciones Deportivas y Culturales Unipublic, S.A., Sole-Shareholder Company, and Rkor Radio, S.L., Sole-Shareholder Company, is provisional since the processes required to definitively calculate the goodwill on the acquisition of these companies had not yet been completed at the date on which these consolidated financial statements were authorised for issue.

The net fair values of Unipublic, S.A., Sole-Shareholder Company, and Organizaciones Deportivas y Culturales Unipublic, S.A., Sole-Shareholder Company, on the purchase dates were EUR 3,882 thousand and EUR 2,032 thousand, respectively.
Unipublic, S.A., Sole-Shareholder Company, contributed EUR 7,582 thousand to consolidated profit for the year and Organizaciones Deportivas y Culturales Unipublic, S.A., Sole-Shareholder Company, contributed losses of EUR 14 thousand.

5. Other intangible assets

The breakdown of the balances and transactions recognised in other intangible asset accounts in the consolidated balance sheets in 2005 and 2004 is as follows:

	Thousands of Euros					
	Balance at 31/12/04	Additions/ Derecognition due to Change in Scope of Consolidation	Additions or Charges	Disposals or Reductions	Transfers	Balance at 31/12/05
Cost:						
Concessions, patents and trademarks	40,507	13	-	(27)	12	40,505
Intellectual property	395	2	-	(2)	(12)	383
Computer software	26,834	106	484	(66)	(56)	27,302
Audiovisual productions	12,194	-	223	(16)	1,200	13,601
Other intangible assets	647	-	-	-	-	647
Intangible assets in progress	867	-	10,314	-	(1,200)	9,981
	81,444	**121**	**11,021**	**(111)**	**(56)**	**92,419**
Accumulated amortisation:						
Concessions, patents and trademarks	(31,883)	(13)	(980)	(3)	(12)	(32,891)
Intellectual property	(317)	(2)	(65)	32	12	(340)
Computer software	(20,932)	(105)	(3,134)	65	-	(24,106)
Audiovisual productions	(8,593)	-	(2,637)	-	-	(11,230)
Other intangible assets	(647)	-	-	-	-	(647)
	(62,372)	**(120)**	**(6,816)**	**94**	**-**	**(69,214)**
Allowances:	**(2,424)**	**-**	**-**	**201**	**-**	**(2,223)**
Total	**16,648**					**20,982**

	Thousands of Euros						
	Balance at 01/01/04	Additions/ Derecognition due to Change in Scope of Consolidation	Additions or Charges	Disposals or Reductions	Held-for-Sale Assets	Transfers	Balance at 31/12/04
Cost:							
Concessions, patents and trademarks	33,468	-	7,044	(8)	-	3	40,507
Intellectual property	420	-	71	-	(93)	(3)	395
Computer software	26,021	(95)	960	(50)	(2)	-	26,834
Audiovisual productions	10,014	-	899	(367)	-	1,648	12,194
Other intangible assets	954	(321)	14	-	-	-	647
Intangible assets in progress	1,572	-	954	(11)	-	(1,648)	867
	72,449	**(416)**	**9,942**	**(436)**	**(95)**	**-**	**81,444**
Accumulated amortisation:							
Concessions, patents and trademarks	(31,022)	-	(864)	6	-	(3)	(31,883)
Intellectual property	(342)	-	(68)	(3)	93	3	(317)
Computer software	(16,983)	75	(4,066)	40	2	-	(20,932)
Audiovisual productions	(5,486)	-	(3,196)	89	-	-	(8,593)
Other intangible assets	(949)	310	(8)	-	-	-	(647)
	(54,782)	**385**	**(8,202)**	**132**	**95**	**-**	**(62,372)**
Allowances:	**(2,214)**	**-**	**(632)**	**422**	**-**	**-**	**(2,424)**
Total	**15,453**						**16,648**

Fully amortised intangible assets in use at 31 December 2005 and 2004, amounted to EUR 48,868 thousand and EUR 38,521 thousand, respectively.

6. Property, plant and equipment

The breakdown of the balances and transactions recognised in these accounts in the consolidated balance sheets in 2005 and 2004 is as follows:

	Thousands of Euros					
	Balance at 31/12/04	Additions/ Derecognition due to Change in Scope of Consolidation	Additions or Charges	Disposals or Reductions	Transfers	Balance at 31/12/05
Cost:						
Land and structures	61,600	5,388	1,400	(6,358)	-	62,030
Plant and machinery	96,116	236	7,223	(11,987)	(17)	91,571
Other fixtures and tools	42,844	291	2,152	(1,082)	39	44,244
Furniture	14,201	492	245	(732)	-	14,206
Computer hardware	30,353	115	1,640	(760)	245	31,593
Transport equipment and other items of property, plant and equipment	3,745	3,125	410	(1,123)	-	6,157
Construction in progress	211	-	646	-	(211)	646
	249,070	**9,647**	**13,716**	**(22,042)**	**56**	**250,447**
Accumulated depreciation:						
Land and structures	(16,119)	(361)	(1,877)	1,099	(13)	(17,271)
Plant and machinery	(71,363)	(81)	(8,340)	11,073	21	(68,690)
Other fixtures and tools	(29,539)	(83)	(3,007)	598	(27)	(32,058)
Furniture	(10,321)	(263)	(969)	512	21	(11,020)
Computer hardware	(23,433)	(74)	(3,277)	685	(2)	(26,101)
Transport equipment and other items of property, plant and equipment	(3,259)	(1,447)	(409)	377	-	(4,738)
	(154,034)	**(2,309)**	**(17,879)**	**14,344**	**-**	**(159,878)**
Allowances:	**(7,274)**	**-**	**-**	**419**	**-**	**(6,855)**
Total	**87,762**					**83,714**

	Thousands of Euros						
	Balance at 01/01/04	Additions/ Derecognition due to Change in Scope of Consolidation	Additions or Charges	Disposals or Reductions	Held-for-Sale Assets	Transfers	Balance at 31/12/04
Cost:							
Land and structures	64,576	(3,123)	822	(698)	-	23	61,600
Plant and machinery	106,921	(9,215)	2,075	(3,947)	-	282	96,116
Other fixtures and tools	46,017	(605)	1,237	(3,749)	-	(56)	42,844
Furniture	15,129	(363)	258	(769)	(3)	(51)	14,201
Computer hardware	29,149	(193)	2,182	(784)	(29)	28	30,353
Transport equipment and other items of property, plant and equipment	4,235	(82)	99	(507)	-	-	3,745
Construction in progress	281	(33)	219	(30)	-	(226)	211
	266,308	**(13,614)**	**6,892**	**(10,484)**	**(32)**	**-**	**249,070**
Accumulated depreciation:							
Land and structures	(14,847)	269	(1,850)	309	-	-	(16,119)
Plant and machinery	(69,861)	4,295	(8,942)	3,220	-	(75)	(71,363)
Other fixtures and tools	(28,223)	327	(3,617)	1,929	-	45	(29,539)
Furniture	(10,005)	130	(1,058)	608	1	3	(10,321)
Computer hardware	(19,797)	141	(4,468)	663	28	-	(23,433)
Transport equipment and other items of property, plant and equipment	(3,572)	56	(220)	450	-	27	(3,259)
	(146,305)	**5,218**	**(20,155)**	**7,179**	**29**	**-**	**(154,034)**
Allowances:	**(7,416)**	**-**	**(1,630)**	**1,772**	**-**	**-**	**(7,274)**
Total	**112,587**						**87,762**

At 31 December 2005 and 2004, fully depreciated property, plant and equipment in use amounted to EUR 78,747 thousand and EUR 65,002 thousand, respectively. 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.

At 31 December 2005, the carrying amount of the Group's land and structures included EUR 306 thousand (net of the related depreciation) in respect of assets held under finance leases. These assets relate to Unipublic, S.A., Sole-Shareholder Company, and, accordingly, at 2004 year-end the Group had not entered into any finance lease agreements.

The impairment loss recognised in the 2004 consolidated income statement relates to an overstatement of the carrying amount of the facilities relating to the regional centres used to carry on television operations. Since the Group intends to discontinue these operations, it reviewed the market value of these assets and recognised the related impairment loss in the consolidated income statement.

The reversals of impairment losses recognised in 2004 and 2005 relate to the definitive abandonment by Uniprex, S.A., Sole-Shareholder Company, of the offices in c/ José Ortega y Gasset where it had carried on its business activity until 2004.

7. Investments accounted for using the equity method and other non-current assets

The changes in these accounts in 2005 and 2004 were as follows:

	Thousands of Euros				
	Balance at 31/12/04	Additions/ Derecognition due to Change in Scope of Consolidation	Additions or Charges	Disposals or Reductions	Balance at 31/12/05
Investments accounted for using the equity method-					
Canal Factoría de Ficción, S.A.	289	-	-	(50)	239
Corporación Radiofónica Castilla León, S.A.U.	-	-	-	-	-
Corporación Radiofónica Región de Murcia, S.A.	88	-	-	-	88
Onda Cero Ramblas, S.L.	-	-	-	-	-
Teledifusión Madrid, S.A.	-	100	-	-	100
Unimedia Central de Medios, S.A.	-	52	-	-	52
Investments accounted for using the equity method	**377**	**152**	**-**	**(50)**	**479**
Other investments-					
Media Park, S.A.	1,142	-	-	(1,142)	-
T.V.I. Televisâo Independiente, S.A.	2,016	-	-	-	2,016
Canal Satélite Digital, S.L.	11,145	-	-	(11,145)	-
Other	26	144	-	(25)	145
	14,329	**144**	**-**	**(12,312)**	**2,161**
Long-term guarantees and deposits	654	19	282	(130)	825
Long-term loans	585	-		(187)	398
Impairment allowance	(10,722)	(120)	-	8,705	(2,137)
Other long-term allowances	-	-	(397)	-	(397)
Other investments	-	-	31	-	31
Other non-current assets	**4,846**				**881**

	Thousands of Euros					
	Balance at 01/01/04	Eliminations from Scope of Consolidation	Additions or Charges	Disposals or Reductions	Transfers	Balance at 31/12/04
Investments accounted for using the equity method-						
Canal Factoría de Ficción, S.A.	219	-	70	-	-	289
Corporación Radiofónica Castilla León, S.A.U.	28	-	-	-	(28)	-
Corporación Radiofónica Región de Murcia, S.A.	84	-	4	-	-	88
Onda Cero Ramblas, S.L.	744	(744)	-	-	-	-
Teledifusión Madrid, S.A.	-	-	-	-	-	-
Unimedia Central de Medios, S.A.	-	-	-	-	-	-
Investments accounted for using the equity Method	**1,075**	**(744)**	**74**	**-**	**(28)**	**377**
Other investments-						
Media Park, S.A.	1,142	-	-	-	-	1,142
T.V.I. Televisâo Independiente, S.A.	2,016	-	-	-	-	2,016
Canal Satélite Digital, S.L.	11,145	-	-	-	-	11,145
Other	33	-	-	(7)	-	26
	14,336	**-**	**-**	**(7)**	**-**	**14,329**
Long-term guarantees and deposits	750	(26)	7	(77)	-	654
Long-term loans	1,596	263	-	(1,274)	-	585
Impairment allowance	(11,253)	-	-	151	380	(10,722)
Other long-term allowances	-	-	-	-	-	-
Other investments	387	-	-	(387)	-	-
Other non-current assets	**5,816**					**4,846**

These assets are carried at fair value. None of the Group's investees is listed on Spanish or foreign stock exchanges.

8. Programme rights

The detail of this item is as follows:

Thousands of Euros	2005	2004
Programme rights, net-		
Rights on outside productions	241,988	216,927
In-house productions and programmes in process	28,467	29,287
Sports broadcasting rights	3,214	3,214
Impairment losses	(38,274)	(41,599)
	235,395	**207,829**
Advances on purchases of rights	**23,970**	**24,752**
Total	**259,365**	**232,581**

At 31 December 2005, the Parent had commitments, mainly for the purchase of audiovisual property rights, amounting to EUR 191,417 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 amounts to EUR 89,073 thousand.

It is estimated that EUR 149,441 thousand of rights on inventoriable in-house and outside productions will be amortised in 2006 (see Note 3-d).

9. Trade and other receivables

The detail of “Trade and Other Receivables” in the consolidated balance sheets at 31 December 2005 and 2004, is as follows:

	Thousands of Euros	
	2005	2004
Trade receivables	238,721	199,283
Receivable from associates	1,686	1,205
Other accounts receivable	9,010	11,344
Total	**249,417**	**211,832**

The estimated amounts are recognised in the consolidated balance sheet net of allowances for estimated bad debts, on the basis of prior years’ experience and the Group’s assessment of the current economic climate.

10. Equity

a) Share capital

At 31 December 2005, the Parent’s share capital amounted to EUR 166,668 thousand and consisted of 222,224,000 fully subscribed and paid shares of EUR 0.75 par value each, all of which are of the same class and series and carry the same rights.

On 9 March 2005, the Parent’s shareholders at the Annual General Meeting resolved to change the par value of the shares from EUR 3 to the current EUR 0.75. This resolution became effective on 27 April 2005.

b) Reserves

Legal reserve

Under the Consolidated Companies Law, 10% of the net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of 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.

Reserve for treasury shares

Pursuant to the Consolidated Companies Law, a restricted reserve must be recorded for an amount equal to the value of the treasury shares held by the Parent. Also, the par value of the treasury shares cannot exceed 5% of the Parent’s share capital and the shares must be fully paid in.

c) *Treasury shares*

The changes in "Treasury Shares" in 2005 and 2004 were as follows:

	2005		2004	
	Number of Shares	Amount (*)	Number of Shares (**)	Amount (*)
At beginning of year	1,926,008	2,933	1,926,008	2,933
Purchases	1,777,809	26,586	-	-
At end of year	**3,703,817**	**29,519**	**1,926,008**	**2,933**

(*) In thousands of euros.
(**) Data adjusted to reflect the change in par value made in 2005.

The shares of the Parent held by it represent 1.67% of the Parent's share capital and total 3,703,817 shares, with a par value of EUR 29,519 thousand and an average acquisition price of EUR 7.97 per share.

d) *Interim dividends*

The interim dividend paid out of 2005 profit is presented as a deduction from the Group's equity.

11. Provisions and other non-current liabilities

The changes in current and non-current provisions in 2005 were as follows:

Thousands of Euros	Balance at 31/12/04	Additions to the Scope of Consolidation	Period Charge	Amounts Used	Transfers	Balance at 31/12/05
Litigation	211,068	2,269	21,225	(974)	-	233,588
Operating accounts receivable	25,674	-	32,497	(22,598)	-	35,573
Other provisions	30,889	-	6,821	(7,504)	(73)	30,133
Total provisions	**267,631**	**2,269**	**60,543**	**(31,076)**	**(73)**	**299,294**

The amounts used in 2005 did not have any effect on the consolidated income statement since they were used for the purpose for which they were set aside.

The liability recognised for litigation includes the amount of the provisions arising from the arbitral award dated 16 March 2004, in relation to the termination of the contract entered into by Uniprex, S.A., Sole-Shareholder Company, and the Radio Blanca Group.

On 30 March 2004, the Parent's Board of Directors resolved to file an appeal at the Madrid Provincial Appellate Court to have the aforementioned arbitral award set aside, although a final decision has not yet been handed down. Also, on 23 September 2004, Madrid Court of First Instance 12 handed down a judgment ordering the provisional enforcement of the judgment, as a result of which the Group submitted a bank guarantee amounting to EUR 247,140 thousand (see Note 15-a).

The balance of "Other Non-Current Liabilities" relates mainly to the estimated liabilities incurred to date in relation to the pluriannual incentive, loyalty-building and variable compensation plans in force, which amount to EUR 33,978 thousand (see Note 3-h).

12. Bank borrowings

The detail of "Bank Borrowings" in the consolidated balance sheets at 31 December 2005 and 2004, is as follows:

	Thousands of Euros					
	2005			2004		
	Limit	Current Drawn Down Balance	Non-Current Drawn Down Balance	Limit	Current Drawn Down Balance	Non-Current Drawn Down Balance
Loans	629	-	629	95,184	31,214	62,642
Credit facilities	319,000	1,634	-	218,000	1	-
Accrued interest payable	-	226	-	-	576	-
TOTAL	**319,629**	**1,860**	**629**	**313,184**	**31,791**	**62,642**

The interest rates paid by the Parent in 2004 on the loans and credit facilities arranged with banks are mainly tied to Euribor plus a spread ranging from 0.2% to 0.75%.

13. Foreign exchange hedges

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

At the consolidated balance sheet date, the total amount of outstanding forward foreign currency contracts entered into by the Group was as follows:

	Thousands of US Dollars	
Maturity	**2005**	**2004**
2005	-	115,147
2006	87,966	77,776
2007	43,015	33,054
2008	2,062	1,421
Total	**133,043**	**227,398**

At 31 December 2005, the fair value of the Group's currency derivatives, which are designated and effective as cash flow hedges, was estimated to be approximately EUR 3,478 thousand of financial assets (EUR 15,744 thousand of financial liability in 2004). This amount was deferred and recognised in equity.

EUR 912 thousand and EUR 1,846 thousand were taken to "Finance Cost" and "Inventories", respectively, in relation to acquisitions of outside production rights that were included in the consolidated balance sheet in 2005.

At 2004 year-end the Group held currency derivatives amounting to EUR 4,414 thousand that did not qualify for hedge accounting.

14. Trade and other payables

The detail of this item in the consolidated balance sheets at 31 December 2005 and 2004, is as follows:

	Thousands of Euros	
	2005	2004
Trade payables	222,098	220,414
Payable to associates	9,297	3,652
Customer advances	2,769	4,595
Total	**234,164**	**228,661**

15. 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 financial institutions for third parties is as follows:

	Thousands of Euros	
	2005	2004
Radio Blanca Group arbitral award	247,140	247,140
Group companies and associates	14,546	8,350
Other guarantees	28,669	21,529
Total	**290,355**	**277,019**

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

b) Contingent liabilities

At 31 December 2005, 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 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 27 July 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 proceedings were resolved simultaneously by an arbitral award dated 16 March 2004.

Uniprex, S.A., Sole-Shareholder Company, filed an appeal at 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 27 July 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 of EUR 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 directors of the Group companies and their 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 14 February 2006, an agreement was reached with the Spanish Professional Football League (LFP) in connection with the provisional execution of the court decision whereby the League was ordered to pay EUR 25.5 million plus interest to Antena 3 de Televisión, S.A. Under this agreement, the LFP recognises 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.

16. Risk management policy

a) Risk management policy

The businesses and companies establish the risk management controls required to ensure that transactions in markets are performed in accordance with the Antena 3 Group's policies, rules and procedures and all transactions take place within the limits approved for each case.

b) Foreign currency risk

Foreign currency risks are concentrated at the Parent and relate basically to the payments to be made in international markets to acquire broadcasting rights.
The Parent arranges hedging instruments, mainly exchange rate hedges, to mitigate its foreign currency risk exposure.

c) Liquidity risk

The Group's liquidity policy is to arrange credit lines and short-term investments for amounts that are sufficient to support its financing needs, on the basis of the expected business performance.

d) Credit risk

The Group does not have significant credit risk since the average customer collection period is quite short and cash is placed and derivatives are arranged with highly creditworthy entities.

17. Revenue

The detail of the Group's revenue in 2005 and 2004 is as follows:

	Thousands of Euros	
	2005	**2004**
Advertising sales	996,080	829,071
Other sales	1,635	8,810
Trade and other discounts	(65,673)	(66,925)
Other operating income	72,737	47,078
Total	**1,004,779**	**818,034**

18. Expenses

a) Programme amortisation and other procurements

The detail of this item is as follows:

	Thousands of Euros	
	2005	2004
Programme broadcasting rights	115,997	113,300
Broadcasting of in-house productions	165,406	170,578
Addition to programme rights	(178,145)	(178,729)
Live broadcasting rights	10,783	5,292
Outside production services	144,672	142,625
Performances of and contributions by entertainers	13,369	10,753
Other amortisation	19,783	13,187
Other purchases	11,860	4,601
Total	**303,725**	**281,607**

b) Staff costs

The detail of Staff Costs is as follows:

	Thousands of Euros	
	2005	2004
Wages and salaries	122,200	115,112
Social security costs	21,978	21,611
Other staff costs	7,909	6,551
Total	**152,087**	**143,274**

"Wages and Salaries" include the expense for each year arising from the Antena 3 Group's three-year variable compensation and executive loyalty-building plan allocable to the employees of the Group companies.

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

Professional Category	Number of Employees	
	2005	2004
Senior management	122	112
Operations and programmes	1,453	1,529
Commercial personnel	281	250
Management personnel	280	351
Interns	53	38
Specific-project hires	241	208
Total	**2,430**	**2,488**

Compensation in kind

The Group makes available to its employees partially subsidised services such as health insurance, meal vouchers and vehicle "renting" arrangements, the conditions of which are agreed in the collective labour agreement. The expense arising from this compensation is included under "Other Staff Costs".

Three-year variable compensation and executive loyalty-building plan

In 2004 the Group established a variable compensation system tied, inter alia, to the performance of the market price of the Parent's shares. The most salient matters relating to the implementation of this plan at 31 December 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).

2. Overall amount of the plan: the implementation of the plan at 2005 year-end represented 86% 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 EUR 120,000 thousand and the consolidated EBITDA of the Antena 3 Group at 31 December 2006, based on the formally prepared and audited financial statements. The maximum percentage approved by the Shareholders' Meeting in this connection was 2%.

    b. 0.86% of the difference between EUR 1,392,000 thousand and the average stock market value of the Parent in December 2006, up to a limit of EUR 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 10 July 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, and the amount assigned is 75% of the aforementioned 86%.

    b. Through 10 July 2007: group with variable compensation in cash only. This group consists of 18 beneficiaries, and the amount assigned is 11% of the aforementioned 86%.

c) Other operating expenses

The detail of the balance of "Other Operating Expenses" in the consolidated income statements is as follows:

	Thousands of Euros	
	2005	**2004**
Advertising and publicity	7,962	7,735
Communications	9,740	9,918
Work performed by other companies	26,774	29,766
Operating leases and charges	54,606	57,408
Copyrights	33,252	41,418
Other general expenses	69,216	48,388
	201,550	**194,633**

"Operating Leases and Charges" in the accompanying consolidated income statements include mainly the charge for the distribution of the audiovisual signal and the charge for the assignment of advertising space in cinemas.

d) 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 in 2005 amounted to EUR 263 thousand (EUR 240 thousand in 2004). Also, the fees paid in this connection to other auditors of various Group companies amounted to EUR 22 thousand in 2004. No amounts were paid in this connection in 2005.

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 73 thousand in 2005 (EUR 30 thousand in 2004).

The Corporate Governance Annual Report includes a description of the work of the Audit Committee and an explanation of how the objectivity and independence of the auditors is guaranteed when the auditors provide non-audit services.

19. Business and geographical segments

Basis of segmentation

Segment reporting is structured on the basis of the Group's various business lines at 2005 year-end, taking into account, on the one hand, the nature of the services provided and, on the other, the customer segments at which they are targeted.

In 2004 and 2005 the Group focused its business activities on the following business lines in Spain:

- Television
- Radio
- Other businesses, the most noteworthy of which are event management, audiovisual production and the management of advertising in cinemas.

Thousands of Euros	Television		Radio		Other Businesses		Consolidation Adjustments		Antena 3 Consolidated Group (IFRS)	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
Revenue										
Net external revenue	856,895	698,137	90,626	86,998	57,258	32,899	-	-	1,004,779	818,034
Net inter-segment revenue	7,821	2,590	6,840	4,790	19,744	1,058	(34,405)	(8,438)	-	-
Total net revenue	864,716	700,727	97,466	91,788	77,002	33,957	(34,405)	(8,438)	1,004,779	818,034
Operating expenses (excluding depreciation and amortisation)	**547,553**	**510,205**	**75,539**	**80,041**	**68,675**	**37,706**	**(34,405)**	**(8,438)**	**657,362**	**619,514**
Gross operating profit (loss)	**317,163**	**190,522**	**21,927**	**11,747**	**8,327**	**(3,749)**	**-**	**-**	**347,417**	**198,520**
Depreciation and amortisation charge	17,276	20,299	4,271	4,497	512	365	-	-	22,059	25,161
Operating profit (loss)	**299,887**	**170,223**	**17,656**	**7,250**	**7,815**	**(4,114)**	**-**	**-**	**325,358**	**173,359**
Net impairment losses recognised/reversed	11,592	(8,919)	4,922	(2,950)	-	3,587	(7,777)	10,801	8,737	2,519
Net gain (loss) on changes in the value of financial instruments at fair value	14,253	(5,022)	-	-	-	-	-	-	14,253	(5,022)
Exchange differences	(14,451)	204	-	-	-	-	-	-	(14,451)	204
Net financial loss	(13,877)	(10,129)	(34)	(292)	(153)	(299)	-	-	(14,064)	(10,720)
Share of results of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	73	-	73
Net gain (loss) on the disposal of non-current assets or on the valuation of non-current assets classified as held for sale not included under discontinued operations	3,185	(1,353)	28	608	(378)	(3,570)	-	-	2,835	(4,315)
Other gains	30	1,203	-	380	-	-	-	-	30	1,583
Other losses	-	(37)	-	(503)	-	-	-	-	-	(540)
Profit before tax	**300,619**	**146,170**	**22,572**	**4,493**	**7,284**	**(4,396)**	**(7,777)**	**10,874**	**322,698**	**157,141**
Net profit	**208,202**	**102,621**	**18,401**	**2,018**	**7,183**	**(2,448)**	**(7,777)**	**10,874**	**226,010**	**113,065**
Balance sheet										
ASSETS										
Assets by segment	1,116,814	1,079,483	432,694	411,084	78,196	42,493	(624,741)	(537,135)	1,002,963	995,925
Investments accounted for using the equity method	239	289	188	88	52	-			479	377
Total assets	**1,117,053**	**1,079,772**	**432,882**	**411,172**	**78,248**	**42,493**	**(624,741)**	**(537,135)**	**1,003,442**	**996,302**
LIABILITIES										
Liabilities by segment	1,117,053	1,079,772	432,882	411,172	78,248	42,493	(624,741)	(537,135)	1,003,442	996,302
Total liabilities	**1,117,053**	**1,079,772**	**432,882**	**411,172**	**78,248**	**42,493**	**(624,741)**	**(537,135)**	**1,003,442**	**996,302**

20. 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.

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 taxation 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 of 27 December). 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 income earned by other Group companies.

The detail of the tax receivables and payables at 31 December 2004 and 2005, is as follows:

Thousands of Euros	2005	2004
NON-CURRENT TAX ASSETS		
Deferred tax assets	34,071	28,431
Tax loss carryforwards	45	49,906
Assets relating to tax credits and tax relief	17,928	30,007
	52,044	**108,344**
CURRENT ASSETS		
Deferred tax assets		174
Corporation tax payable		3,525
Tax withholdings refundable	29	
Other tax receivables	4,562	1,345
	4,591	**5,044**
Total tax receivables	**56,635**	**113,388**
CURRENT LIABILITIES		
Tax withholdings payable	3,266	2,777
Corporation tax payable	803	
Accrued social security taxes payable	2,055	1,962
VAT payable	7,059	4,524
Other taxes payable	1,143	17
	14,326	**9,280**
Total tax payables	**14,326**	**9,280**

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 as deferred tax assets or deferred tax liabilities, arose as a result of temporary differences derived mainly from the following items:

DEFERRED TAX ASSETS	Thousands of Euros	
	2005	**2004**
- Operating bad debts	1,041	936
- Administrative proceedings	17,857	14,509
- Contingencies and expenses	4,392	5,943
- Non-current accounts payable	10,372	2,325
- Hedging financial instruments	283	4,826
- Other	126	66
TOTAL	**34,071**	**28,605**

The reconciliation of the income tax expense to the income tax expense recognised is as follows:

	Thousands of Euros	
	2005	**2004**
Consolidated profit before tax	322,698	157,140
Permanent differences	485	4,390
Tax losses arising prior to the formation of the Tax Group used in 2005	(18,267)	(562)
Adjusted profit	304,915	160,968
Tax rate	35%	35%
Adjusted profit at the applicable tax rate	106,720	56,339
Tax credits	(10,145)	(12,376)
Current tax expense	96,576	43,963
Deferred tax expense	112	113
Total tax expense	**96,688**	**44,076**
Temporary differences	10,862	3,551
Gross tax payable	**107,550**	**47,627**
Tax assets used by Group companies	(52,762)	(58,214)
Net tax payable	**64,932**	**1,789**

In addition to the income tax recognised in the consolidated income statement, in 2005 and 2004 the Group recognised the following amounts in consolidated equity:

	Thousands of Euros	
	2005	**2004**
- Hedging financial instruments	4,234	(2,965)
	4,234	**(2,965)**

The Group has all the years since 2002 open for review by the taxation authorities for VAT and personal income tax and since 2001 for corporation tax. The Parent's directors do not expect any material liabilities with an impact on the consolidated financial statements to arise as a result of a review of the open years.

The detail at 31 December 2005, of the prior years' tax losses available for offset against future profits and the last years for offset are as follows:

Year	Thousands of Euros
2007	832
2008	10,542
2009	573
2010	2,477
2011	315
2012	3,042
2013	3,999
2014	6,961
2015	8,196
2016	655
2017	28,787
	66,379

21. 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 between the Group and its associates are disclosed below. Transactions between the Parent and its subsidiaries and the associates are disclosed in the individual financial statements.

	Thousands of Euros			
Balances at 31/12/05	**Trade Receivables**	**Short-Term Loans**	**Short-Term Receivables**	**Short-Term Payables**
Associates:				
Canal Factoría Ficción, S.A.	142	-	**142**	-
Corporación Radiofónica Región de Murcia, S.A.	-	-	-	**72**
Total associates	**142**	-	**142**	**72**
Related companies:				
Audiovisual Española 2000, S.A.	64	-	**64**	-
DeAplaneta Producciones Cinematográficas, S.L.	-	-	-	92
DeAPlaneta, S.L.	10	-	**10**	236
Fremantle Media	-	-	-	45
Planeta Directo, S.L.	499	-	**499**	-
Prodigius Audiovisual, S.A.	-	-	-	1,101
Sociedad Anónima del Vídeo, S.L.	128	-	**128**	-
Unión Ibérica de Radio, S.A.	480	-	**480**	1,953
Grundy Producciones, S.A.	-	-	-	2,333
I.P. Network, S.A.	-	-	-	113
M6 Droits Audiovisuals, S.A.	-	-	-	750
Metropole Production, S.A.	87	-	**87**	-
Sportfive GmbH	163	-	**163**	2,500
Vox Film & Fernseh GmbH & Co. KG	9	-	**9**	-
SCH Investment, S.A.	-	-	-	66
Other companies	76	28	**104**	36
Total related companies	**1,516**	**28**	**1,544**	**9,225**

Balances at 31/12/04	Thousands of Euros		
	Trade Receivables	Short-Term Receivables	Short-Term Payables
Associates:			
Canal Factoría Ficción, S.A.	130	**130**	**-**
Corp.Radiof. Región de Murcia, S.A.	-	**-**	**70**
Total associates	**130**	**130**	**70**
Related companies:			
SCH Investment, S.A.	-	**-**	22
CLT-UFA, S.A.	-	**-**	247
DeAPlaneta, S.L.	182	**182**	348
Grundy Producciones, S.A.	-	**-**	48
M6 Droits Audiovisuals, S.A.	-	**-**	33
Media Park, S.A.	11	**11**	15
Metropole Production, S.A.	156	**156**	-
Planeta DeAgostini, S.A	(17)	**(17)**	-
Planeta Directo, S.L.	703	**703**	-
Planeta Junior, S.L.	-	**-**	327
Prodigius Audiovisual, S.A.	-	**-**	81
RTL Televisión GmbH	2	**2**	24
Sportfive GmbH	-	**-**	200
Ufa Film & Fernseh GmbH	-	**-**	1
Unión Ibérica de Radio, S.A.	-	**-**	1,770
Other companies	38	**38**	466
Total related companies	**1,075**	**1,075**	**3,582**

Transactions at 31/12/05	Thousands of Euros		
	Sales	Finance Income	Purchases, Acquisition of Rights and Other Services
Associates:			
Canal Factoría Ficción, S.A.	540	138	-
Total associates	**540**	**138**	**-**
Related companies:			
Audiovisual Española 2000, S.A.	385	-	-
DeAPlaneta, S.L.	580	-	70
DeAPlaneta Producc. Cinematográficas, S.L.	-	-	700
Editorial Temas De Hoy, S.A.	12	-	-
Fremantle Media	-	-	90
Grundy Producciones, S.A.	3	-	4,974
I.P. Network, S.A.	-	-	247
M6 Droits Audiovisuals, S.A.	-	-	2,500
Metropole Production, S.A.	207	-	-
Planeta DeAgostini, S.A	13	-	-
Planeta Directo, S.L.	1,404	-	-
Planeta Junior, S.R.L.	-	-	221
Prodigius Audiovisual, S.A.	-	-	1,607
Rkor Radio, S.L.	-	-	861
RTL Televisión GmbH	-	-	46
SCH Investment, S.A.	-	-	200
Sociedad Anónima del Vídeo, S.L.	250	-	-
Sportfive GmbH	163	-	8,515
Unión Ibérica de Radio, S.A.	1,134	-	4,111
Vox Film & Fernseh GmbH & Co.KG	931	-	-
Other companies	1	-	10
Total related companies	**5,083**	**-**	**24,152**

Transactions at 31/12/04	Thousands of Euros Sales	Finance Income	Purchases, Acquisition of Rights and Other Services
Associates:			
Canal Factoría Ficción, S.A.	424	-	-
Total associates	**424**	**-**	**-**
Related companies:			
Audiovisual Española 2000, S.A.	250	-	58
SCH Investment, S.A.	-	-	217
Canal Satélite Digital, S.L.	-	-	5
Centro de Estudios CEAC, S.L.	-	-	-
CLT-UFA, S.A.	-	-	6
DeAPlaneta, S.L.	358	-	1,500
Grundy Producciones, S.A.	-	-	2,032
Media Park, S.A.	19	-	235
Metropole Production, S.A.	156	-	-
Planeta 2010, S.L.	-	-	1
Planeta Directo, S.L.	1,335	-	-
Planeta Junior, S.L.	-	-	657
Prodigius Audiovisual, S.A.	-	-	70
RTL Televisión GmbH	5	-	89
Sportfive GmbH	-	-	2,726
Unión Ibérica de Radio, S.A.	1,123	-	4,066
Other companies	10	41	132
Total related companies	**3,256**	**41**	**11,794**

22. Directors' compensation

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

The Parent 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 Parent 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 3-h and 18-b).

23. Other disclosures relating to the Board of Directors

Pursuant to Article 127 ter.4 of the Spanish Companies Law, introduced by Law 26/2003, of 17 July, which amends Securities Market Law 24/1988, and the Consolidated Companies 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:

- Maurizio Carlotti is a director acting severally of Publicidad 3, S.A., Sole-Shareholder Company, and was a representative of Antena 3 de Televisión, S.A. as the sole director of the subsidiary Atres Advertising, S.L., Sole-Shareholder Company, until 10 June 2005.

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.)
- Nicolas 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 a director of BANCO BANIF, S.A. (BSCH Group).
- Elmar Heggen, who became the CEO on 21 December 2005, is the Regional Operations and Development Vice-President of RTL Group, S.A.
- Thomas Rabe, who was a director through 21 December 2005, is the Financial Manager of RTL Group, S.A. and Corporate Manager.

C) Equity interests and, if appropriate, positions held by directors in the year-ended 31 December 2005, in companies engaging in an activity that is identical, similar or complementary to the activity of Antena 3 de Televisión, S.A. and of its Group companies.

None of the directors of Antena 3 de Televisión, S.A. performs, as an independent professional or as an employee, 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 Parent:

- 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 21 December 2005: General Manager of UFA Films und Fernseh GMBH (audiovisual production).

24. Reconciliation of opening and closing balances for 2004

Until 2004 the Group prepared financial statements in accordance with the accounting principles and standards in force in Spain ("Spanish GAAP"). From 2005 onwards the Group is preparing its financial statements in accordance with the International Financial Reporting Standards adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

The figures for 2004 in these financial statements have been reconciled in order to present them in accordance with the same policies and criteria as those applicable to those for 2005.

The conversion of the Spanish GAAP financial statements to IFRSs involves applying these policies and criteria retrospectively, except for the fact that the Group availed itself of the exemption in relation to the recording of business combinations prior to 1 January 2004, and retained the goodwill recorded under Spanish GAAP.

The reconciliation of the equity at 1 January 2004, in accordance with Spanish GAAP and IFRSs is as follows:

Thousands of Euros	Equity
Balance at 01/01/04 under Spanish GAAP	**251,573**
Treasury shares	(2,933)
Hedge accounting	(1,424)
Impairment of assets	(1,540)
Changes in the scope of consolidation	(3,664)
Other	(247)
Balance at 01/01/04 under IFRS	**241,765**

The reconciliation of the equity at 31 December 2004, in accordance with Spanish GAAP and IFRSs is as follows:

Thousands of Euros	Equity
Balance at 31/12/04 under Spanish GAAP	**354,687**
Treasury shares	(2,933)
Hedge accounting	(6,930)
Goodwill	(1,540)
Changes in the scope of consolidation	(284)
Other	(95)
Profit or loss	7,794
Balance at 31/12/04 under IFRS	**350,699**

The reconciliation of the profit for 2004 between Spanish GAAP and IFRSs is as follows:

Thousands of Euros	Profit for the Year
Balance at 31/12/04 under Spanish GAAP	**105,271**
Hedge accounting	(2,033)
Goodwill	9,750
Changes in the scope of consolidation	(594)
Revaluation of three-year plan	955
Other	(284)
Balance at 31/12/04 under IFRS	**113,065**

The main adjustments made to the consolidated financial statements for 2004 are as follows:

a) Derecognition of deferred charges

Under Spanish GAAP it is possible, under certain circumstances, to capitalise certain expenses and recognise them as deferred charges; however, under IFRSs, these expenses cannot be capitalised. Therefore, in order to convert the Spanish GAAP consolidated financial statements to IFRSs, it was necessary to derecognise these capitalised expenses.

b) Amortisation of goodwill

Under Spanish GAAP, goodwill must be amortised systematically over a maximum period of 20 years. Under IFRSs it is not considered that there is a systematic decline in value of goodwill and, therefore, it is not amortised but must be periodically tested for impairment. This test was already performed under Spanish GAAP. Therefore, the goodwill amortisation charge recognised in 2004 was eliminated in the consolidated income statement under IFRSs.

c) Temporary tax differences

Under both Spanish GAAP and IFRSs, deferred tax assets or liabilities must be recognised for the difference between the timing of accrual of these taxes for tax and accounting purposes.
Under Spanish GAAP; in order to recognise deferred taxes there must be a timing difference between the amounts recognised for accounting purposes and in the related tax return. However, IFRSs require the use of the balance sheet liability method, whereby any difference between the carrying amount and the tax base of an asset or liability gives rise to a deferred tax asset or liability that must be recognised. When the financial statements were converted to IFRSs, the adjustments required to comply with this requirement were made.

d) Adjustment to other provisions

Under Spanish GAAP, the principle of prudence prevails over all other principles, making it possible to make provisions in accordance with the principle of prudence even if the likelihood of the risk materialising is less than 50% or in order to cover prevailing uncertainties.
Under IFRSs, in order to be able to make a provision, it must be more likely than not that the risk will materialise and it must be possible to measure the risk with sufficient reliability.
Based on these differences, certain of the provisions recognised in the consolidated balance sheet at 31 December 2003, under Spanish GAAP are not acceptable under IFRSs.

e) Elimination of extraordinary items

There are no extraordinary items in the IFRS consolidated income statement and, therefore, the extraordinary items recognised in the Spanish GAAP consolidated income statement have been reclassified to other headings based on their nature, which does not have an impact on the net profit, although it does affect the various margins in the consolidated income statement.

f) Treasury shares

Under Spanish GAAP, treasury shares must be recognised on the asset side of the consolidated balance sheet and the related restricted reserve must be recorded. Under IFRSs, the amount of own equity instruments is recognised as a deduction from equity.

Since the Group opted to apply IAS 32 and IAS 39 early, this impact is recognised in the comparative consolidated balance sheet for 2004.

g) Financial instruments

Under Spanish GAAP, unmatured financial instruments are not recognised in the consolidated balance sheet.

Under IFRSs, financial instruments held by the Group at year-end are recognised in the consolidated balance sheet as financial assets or liabilities at their fair value at year-end.

Changes in the fair value are recognised directly in the consolidated income statement, or in equity if the financial instruments meet the requirements to be considered "cash flow hedges".

The adjustments required to adapt the financial statements for 2004 to this criterion were made in the IFRS financial statements for 2004, since the Group opted to apply IAS 32 and IAS 39 early.

25. Explanation added for translation to English

These financial statements are presented on the basis of IFRSs, as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

On 22 February 2006, the Board of Directors of Antena 3 de Televisión, S.A. resolved to authorise for issue the consolidated financial statements at 31 December 2005, of Antena 3 de Televisión, S.A. and Subsidiaries 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