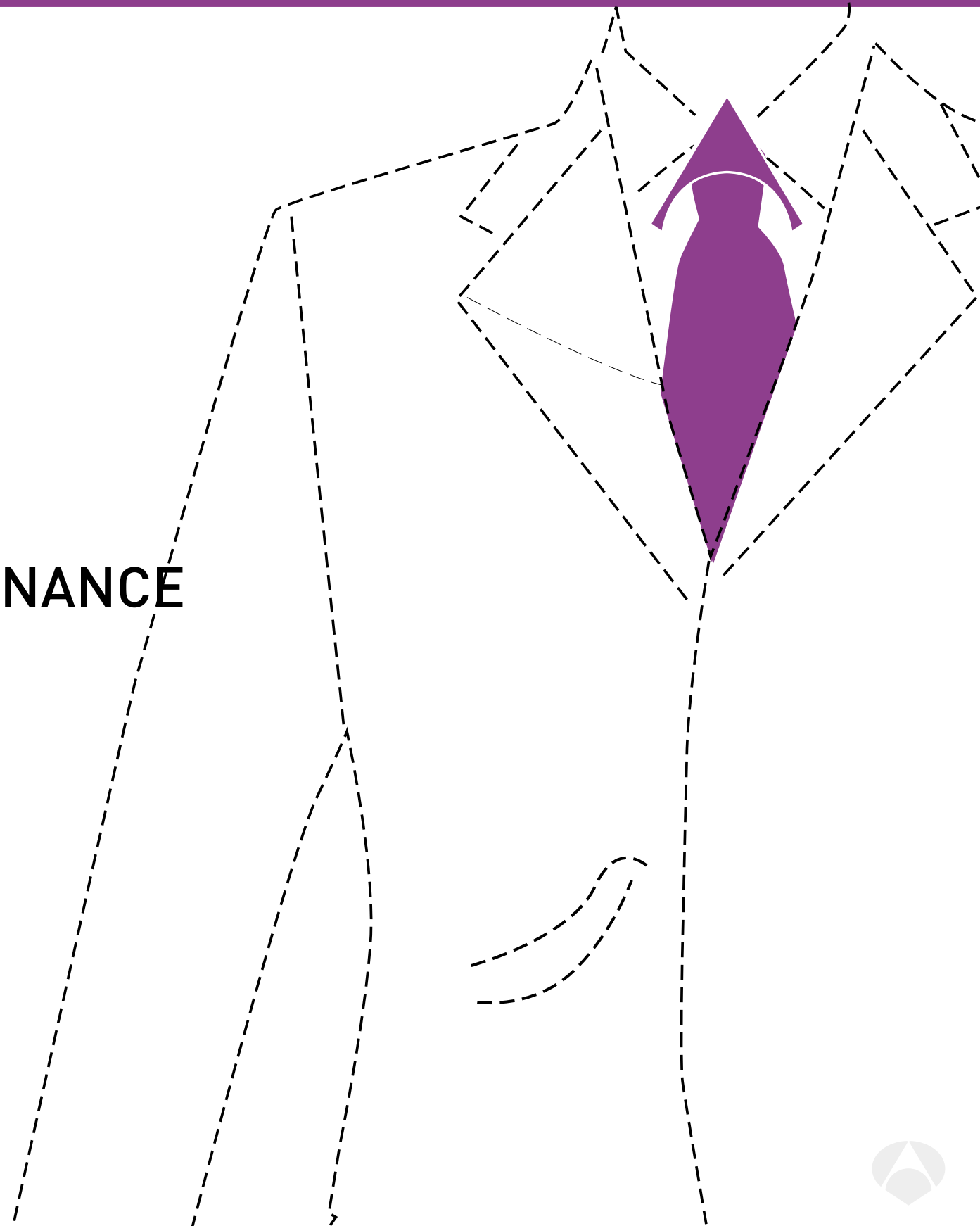


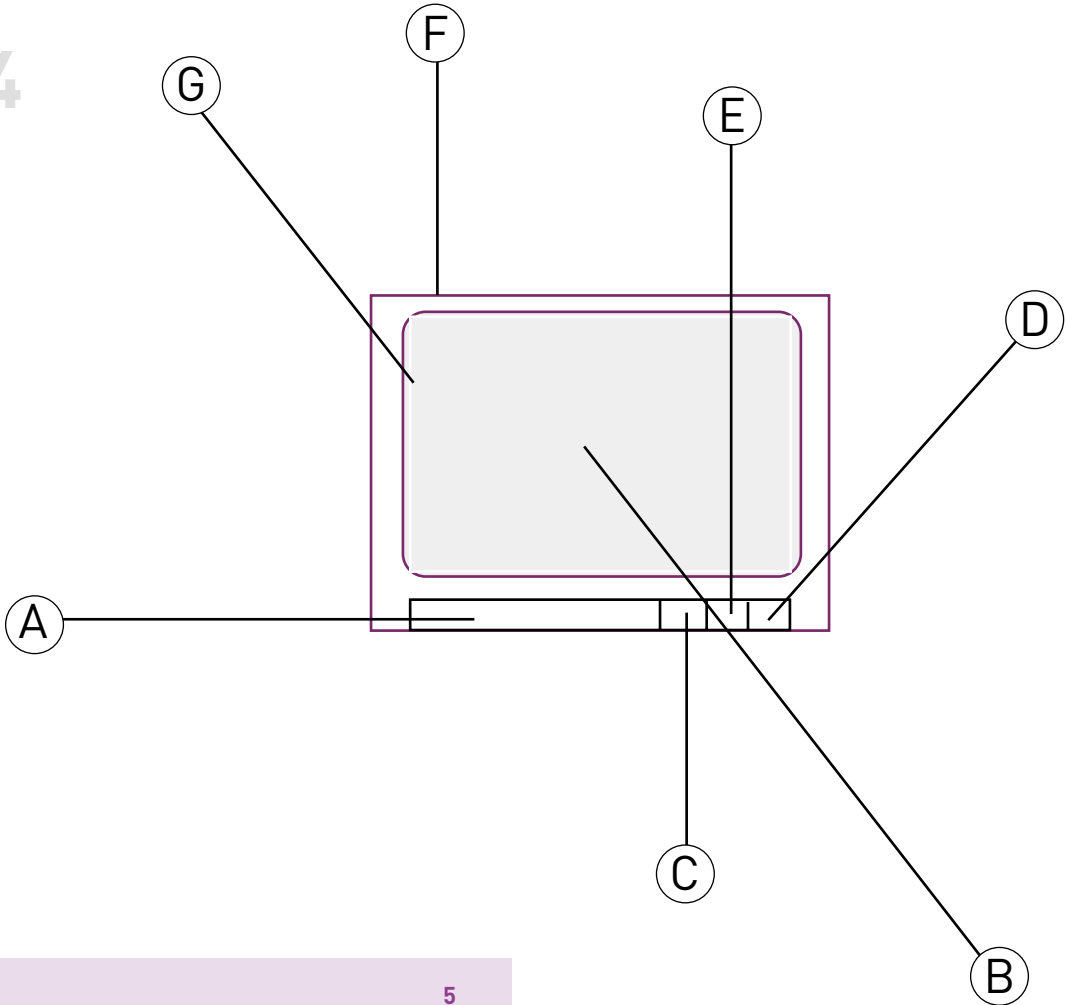


CORPORATE GOVERNANCE



ANNUAL REPORT 2004

ANTENA 3 DE TELEVISIÓN, S.A.



A	OWNERSHIP STRUCTURE	5
B	STRUCTURE OF THE COMPANY'S ADMINISTRATION	10
C	ASSOCIATED OPERATIONS	29
D	RISK CONTROL SYSTEM	31
E	GENERAL MEETING OF SHAREHOLDERS	35
F	DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS	38
G	OTHER INFORMATION OF INTEREST	38



The attached Annual Corporate Governance Report is intended to set out all of the data, policies and standards related to the ANTENA 3 GROUP's commitment to transparency and Good Governance, as well as complying as a listed company with the statutory legal requirements and the regulations of the Spanish Securities Exchange Commission (CNMV). With this aim in mind, the report sets out a full and reasoned explanation of the government structures and practices in place in the GROUP, thus making it possible to understand the background of the decisions taken at the same time as it reveals important and decisive aspects of corporate governance, its structure, the systems in place to identify and measure risks and the mechanisms for their control. The ultimate recipients of this report are the financial market, investors and analysts, who can thus call on this important tool in addition to the purely economic and financial data in order to form a true image of the Company and draw their own independent and well-founded conclusions on its economic activity.

Because of its significance, the information to be reflected in the Report has been meticulously detailed in the statutory instruments regulating its organization. This supervisory process of homogenization has concluded with the CNMV creating a software tool expressly designed for the drafting of this document: the use of this tool is now mandatory and allows effective compliance with the obligation of publishing this Report, as a relevant event, through its submission by electronic means to the CNMV.

The rules also state that the responsibility for drafting this document and its contents lies with the Company's organ of governance, in other words, in the case of ANTENA 3 TV, its Board of Directors. In effect, the Board unanimously approved the same in the course of its meeting on January 26th, 2005, with the attendance of all the Company's Directors.

From the moment of its notification to the CNMV, the report has been available for consultation through the Company's web page, www.antena3.com, and it is now incorporated, in an edited format, with the rest of the corporate

information provided to the shareholders on the occasion of the Annual General Meeting to analyze the results of the 2004 financial year.

ANTENA 3 TV has implemented the necessary mechanisms and procedures for all the persons involved in the GROUP's Corporate Governance, whether individually or as part of any decision-making body, to be fully aware of and responsible for, in their respective spheres of operation, the commitment with transparency and the on-going continuous improvement of management practices and good governance when taking decisions, notifying and implementing these. In the same way, ever since it became a listed company, ANTENA 3 TV has implemented several projects for the development and improvement of systems for the identification, assessment and control of risks.

The Report includes the most significant aspects of the actions carried out in the said spheres of activity during 2004, with respect to corporate governance. It also demonstrates the effective compliance by ANTENA 3 TV with the legal requirements on this matter, such as the efforts made to deal with the commitment of its organs of governance by maintaining a fluid and transparent relationship with the markets as the ideal formula to strengthen day by day the confidence it has earned among investors, as well as a support for this management model in an ever more competitive, diversified and plural setting combining operators, technology, bids, opportunities and risks.

The Good Governance practices, together with the policies of commitment to citizens and the projects for corporate responsibility have made a decisive contribution to the greater independence of the Company and to its prestige and renown among the general public, which is of course a constant stimulus for all of us who work here and, in the final analysis, a real competitive advantage for a multimedia communication group.



ANNUAL REPORT ON THE CORPORATE GOVERNANCE OF ANTENA 3 TV

A OWNERSHIP STRUCTURE

A.1. Complete the following table regarding the company's share capital:

Date last modified	Share capital (€)	Number of shares
09-02-1998	166,668,000,00	55,556,000

If there are different types of shares, indicate this in the table below:

Type	Number of shares	Unit face value

A.2. Detail the direct and indirect holders of significant stockholdings in the company on the date the financial year was closed, excluding Directors:

Name or corporate name of the shareholder	Number of direct shares	Number of indirect shares (*)	% of total share capital
BANCO SANTANDER CENTRAL HISPANO, S.A.	281,465	5,274,178	10.000
KORT GEDING, S.L.	18,620,999	0	33.518
RTL GROUP COMMUNICATIONS, S.L.	9,593,085	0	17.267

(*) Through:

Name or corporate name of the direct holder of the stockholding	Number of direct shares	% of share capital
MACAME, S.A	5,274,178	9.493
Total:	5,274,178	

Indicate the most significant movements in the shareholder structure that have occurred during the financial year:

Name or corporate name of the shareholder	Transaction date	Description of the transaction

A.3. Complete the following tables with the details of the members of the company's Board of Directors holding shares in the company:

Name or corporate name of the Director	Date of first appointment	Date of last appointment	Number of direct shares	Number of(*) indirect shares	% of total share capital
PEDRO ANTONIO MARTÍN MARÍN	29-08-2003	29-08-2003	250	0	0.000
JOAN DAVID GRIMÀ TERRÉ	09-03-1994	24-06-2002	1,000	0	0.002
JOSÉ LUIS LÓPEZ DE GARAYO GALLARDO	29-10-2003	29-10-2003	30	0	0.000
JOSÉ MIGUEL ABAD SILVESTRE	23-11-2004	23-11-2004	100	0	0.000
PEDRO RAMÓN Y CAJAL AGÜERAS	29-08-2003	29-08-2003	9	72	0.000
JOSÉ MANUEL LARA BOSCH	16-06-2003	16-06-2003	0	158	0.000

(*) Through:

Name or corporate name of the direct holder of the stockholding	Number of direct shares
DESPACHO DE ASISTENCIA Y SERVICIOS LEGALES, S.A.	72
LABOGAR, S.A.	158
Total:	230

% of total share capital in the possession of the Board of Directors	0.002
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Complete the following tables with the details of the members of the company's Board of Directors holding rights over company shares:

Name or corporate name of the director	Number of direct option rights	Number of indirect option rights	Equivalent number of shares	% of total share capital

A.4. Indicate the family, commercial, contractual or corporate ties, if any, that exist between the holders of significant stockholdings, insofar as these are known to the company, unless they are of scant relevance or are derived from the ordinary run of commercial business:

Related names or corporate names	Type of relationship	Brief description

A.5. Indicate the commercial, contractual or corporate ties, if any, that exist between the holders of significant stockholdings and the company, unless they are of scant relevance or are derived from the ordinary run of commercial business:

Related names or corporate names	Type of relationship	Brief description

A.6. Indicate any shareholder agreements entered into between shareholders that have been notified to the company:

Shareholders taking part in the agreement	% of the share capital affected	Brief description of the agreement
BANCO SANTANDER CENTRAL HISPANO, S.A.- KORT GEDING, S.L.	43.518	SHAREHOLDER STABILITY, PRESERENTIAL ACQUISITION OF THE SHARES BELONGING TO THE BANCO SANTANDER CENTRAL HISPANO, TAG-ALONG RIGHT FOR THE BANK IF KORT GEDING WERE TO SELL A PERCENTAGE OF AT LEAST 5% OF THE CAPITAL AND THE COMPOSITION AND POWERS OF THE COMPANY'S GOVERNING BODIES
KORT GEDING, S.L. - RTL GROUP COMMUNICATIONS, S.L.U	50.785	SHAREHOLDER STABILITY, AND RECIPROCAL RIGHTS FOR THE ACQUISITION OF STOCKHOLDINGS, COMMITMENT FOR NO CONTROL OR CONTROL BY A THIRD PARTY OVER A3TV, AGREEMENT AND THE VARIABLE REMUNERATION AND LOYALTY PROGRAMME FOR SENIOR MANAGERS

Indicate any shares affected by the concerted action of shareholders in the company that have been notified to the same:

Parties to the concerted action	% of the share capital affected	Brief description of the concerted action

An express indication must be given if there has been any alteration or interruption of the said shareholder agreements or concerted actions in the course of the financial year.

A.7. Indicate if there is any individual or body corporate exercising or capable of exercising control over the company in accordance with section 4 of the Spanish Securities Market Act (Ley del Mercado de Valores):

Name or corporate name

Observations

A.8. Complete the tables below regarding the company's treasury stock:

As of the close of the financial year:

Number of direct shares	Number of indirect shares (*)	% of total share capital
481,502	0	0.867

(*) Through:

Name or corporate name of the direct holder of the stockholding	Number of direct shares
Total:	

Detail any significant variations, in accordance with the provisions of Royal Decree 377/1991, carried out during the financial year:

Date	Number of direct shares	Number of indirect shares	% of total share capital
Results obtained in the financial year through treasury stock transactions (in thousands of euros)			
			0

A.9. Detail the conditions and the term(s) for any authorization(s) given by the General meeting to the Board of Directors to carry out acquisitions or transmissions of treasury shares as described in part A.8.

CONDITIONS

- 1) The face value of the shares acquired, together with any already owned by A3TV and its subsidiaries, must not exceed 5% of the share capital.
- 2) A restricted availability reserve fund must be created in the company's liabilities equivalent to the amount of the treasury stock assigned to the assets. The said reserve fund must be maintained until such time as the shares are redeemed or disposed of.
- 3) The shares acquired must be fully disbursed.
- 4) The acquisition price must not be less than the face value nor more than 5% greater than the listed price of treasury stock acquired on an official secondary market at the moment of the transaction, with the acquisition transactions conforming, in addition, to the normal customs and practice of the securities markets.

The Board is expressly authorized to allocate the shares acquired by the company or its subsidiaries through the exercise of this authorization, in their entirety or in part, for their delivery to the employees or administrators of A3TV or of the companies in its Group, when there is an acknowledged right, either directly or as a result of having exercised option rights that the same may hold under duly approved remuneration systems.

The Board of Directors is empowered, in the widest possible terms, to use the authorization and to exercise and develop the same completely, with the power to delegate these in favour of the Executive Committee, the Managing Director or any other person that the Board may expressly empower for this purpose, with such wide-ranging powers as may be considered pertinent.

TERM

Eighteen months to be counted from the date the General Meeting took place, namely May 12th, 2004.

- A.10. Indicate the restrictions under the legislation or the Articles of Association, if any, on the exercise of voting rights, as well as any legal restrictions on the acquisition or transmission of company stockholdings:

There is no restriction under legislation or the Articles of Association on the exercise of voting rights corresponding to company shares, nor are there any statutory restrictions on the acquisition or transmission of company stockholdings, except for the special cases stipulated in the Spanish Private Television Act (Ley de Televisión Privada).

B STRUCTURE OF THE COMPANY'S ADMINISTRATION

B.1. Board of Directors

- B.1.1. Detail the maximum and minimum number of directors foreseen in the Articles of Association:

Maximum number of directors	15
Minimum number of directors	5

- B.1.2. Complete the table below with the members of the Board:

Name or corporate name of the Director	Represented by	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
JOSÉ MANUEL LARA BOSCH		PRESIDENT	16-06-2003	16-06-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
MAURIZIO CARLOTTI		MANAGING DIRECTOR	16-06-2003	16-06-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
NICOLÁS ABEL BELLET DE TAVERNOST		DIRECTOR	29-10-2003	29-10-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
JOSÉ CREUHERAS MARGENAT		DIRECTOR	16-06-2003	16-06-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
JOSÉ LUIS DÍAZ FERNÁNDEZ		DIRECTOR	09-02-1998	24-04-2003	GENERAL MEETING
MARCO DRAGO		DIRECTOR	16-06-2003	16-06-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
JOAN DAVID GRIMÀ TERRÉ		DIRECTOR	09-03-1994	24-06-2002	GENERAL MEETING
JOSÉ LUIS LÓPEZ DE GARAYO GALLARDO		DIRECTOR	29-10-2003	29-10-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
PEDRO ANTONIO MARTÍN MARÍN		DIRECTOR	29-08-2003	29-08-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
THOMAS RABE		DIRECTOR	29-10-2003	29-10-2003	CO-OPTION RATIFIED AT A GENERAL MEETING

PEDRO RAMÓN Y CAJAL AGÜERAS	DIRECTOR	29-08-2003	29-08-2003	CO-OPTION RATIFIED AT A GENERAL MEETING
JOSÉ MIGUEL ABAD SILVESTRE	DIRECTOR	23-11-2004	23-11-2004	CO-OPTION RATIFIED AT A GENERAL MEETING
Total Number of Directors				12

Indicate any departures of Directors from the Board during the period:

Name or corporate name of Director	Date of departure
RAMÓN MAS SUMALLA	23-11-2004

B.1.3. Complete the tables below regarding the members of the Board and the status of each:

EXECUTIVE DIRECTORS

Name or corporate name of the Director	Committee proposing his/her appointment	Position within the company's structure
MAURIZIO CARLOTTI		MANAGING DIRECTOR

EXTERNAL DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDERS

Name or corporate name of the Director	Committee proposing his/her appointment	Name or corporate name of the significant shareholder he/she represents or proposing his/her appointment
JOSÉ MANUEL LARA BOSCH		KORT GEDING, S.L.
NICOLÁS ABEL BELLET DE TAVERNOST		RTL GROUP COMMUNICATIONS, S.L.
JOSÉ CREUHERAS MARGENAT		KORT GEDING, S.L.
JOSÉ LUIS DÍAZ FERNÁNDEZ		BANCO SANTANDER CENTRAL HISPANO, S.A.
MARCO DRAGO		KORT GEDING, S.L.
JOAN DAVID GRIMÀ TERRÉ		BANCO SANTANDER CENTRAL HISPANO, S.A.
THOMAS RABE		RTL GROUP COMMUNICATIONS, S.L.
JOSÉ MIGUEL ABAD SILVESTRE		KORT GEDING S.L.

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of the Director	Committee proposing his/her appointment	Profile
JOSÉ LUIS LÓPEZ DE GARAYO GALLARDO		NOTARY PUBLIC
PEDRO ANTONIO MARTÍN MARÍN		PRACTISING LAWYER, FORMERLY PRESIDENT OF HISPASAT AND SECRETARY OF STATE FOR COMMUNICATIONS
PEDRO RAMÓN Y CAJAL AGÜERAS		PARTNER IN THE RAMON Y CAJAL LAW OFFICE, STATE SOLICITOR ON LEAVE OF ABSENCE

OTHER EXTERNAL DIRECTORS

Name or corporate name of the Director	Committee proposing his/her appointment

Detail the reasons that they cannot be considered representatives of significant shareholders nor independent:

Indicate the variations that may have occurred, if any, during the period in the classification of each Director:

Name or corporate name of the Director	Date of the Change	Previous Status	Current Status

B.1.4. Indicate whether the classification of the Directors made under the preceding section corresponds to the distribution foreseen in the regulations for the Board:

The regulations of the Board of Directors establish that the president is considered to be an executive director; however, at the present time, the president has not been granted any permanent delegation of powers and does not act as an executive director.

B.1.5. Indicate the powers delegated to the Managing Director(s), if any:

Name or corporate name of the Director	Brief description
MAURIZIO CARLOTTI	ALL OF THE POWERS OF THE BOARD OF DIRECTORS THAT MAY BE DELEGATED

B.1.6. Identify the members of the Board, if any, holding positions as directors or senior managers in other companies forming part of the same Group as the listed company:

Name or corporate name of the Director	Corporate name of the Group Company	Position
MAURIZIO CARLOTTI	PUBLICIDAD 3, S.A.U.	JOIN AND SEVERAL DIRECTOR
MAURIZIO CARLOTTI	ATRES ADVERTISING S.L.U.	REPRESENTATIVE OF THE SOLE DIRECTOR, NAMELY ANTENA 3 DE TELEVISIÓN, S.A.

B.1.7. Detail the Directors of the company, if any, who are members of the Board of Directors of other corporations listed on official securities markets in Spain (other than those in the same Group) and notified to the company:

Name or corporate name of the Director	Listed Body	Position
JOSÉ MANUEL LARA BOSCH	BANCO SABADELL S.A.	DIRECTOR
PEDRO RAMÓN Y CAJAL AGÜERAS	INDRA SISTEMAS, S.A.	DIRECTOR
JOSÉ MANUEL LARA BOSCH	COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.	DIRECTOR
JOAN DAVID GRIMÀ TERRÉ	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	DIRECTOR

B.1.8. Complete the tables below with respect to the aggregate remuneration of the Directors accruing during the financial year:

a) In the company referred to in the present report:

Concept of the remuneration	Figures in thousands of euros
Fixed remuneration	1,412
Variable remuneration	0
Per diem allowances	977
Payments under the Articles of Association	0
Share Options and/or other financial instruments	0
Others	0
Total:	2,389

Other Benefits	Figures in thousands of euros
Advenced	0
Credits granted	0
Pension Plans and Funds: Contributions	0
Pension Plans and Funds: Obligations contracted	0
Life insurance premiums	3
Sureties established by the company in favour of the Directors	0

b) For the company's directors' membership of other Boards of Directors and/or the senior management of Group companies:

Concept of the remuneration	Figures in thousands of euros
Fixed remuneration	0
Variable remuneration	0
Per diem allowances	0
Payments under the Articles of Association	0
Share options and/or other financial instruments	0
Others	0
Total:	0

Other Benefits	Figures in thousands of euros
Advenced	0
Credits granted	0
Pension Plans and Funds: Contributions	0
Pension Plans and Funds: Obligations contracted	0
Life insurance premiums	0
Sureties established by the company in favour of the Directors	0

c) Total remuneration by type of Director:

Types of Directors	By company	By Group
Executive Directors	1,214	0
External Directors rep. significant shareholders	1,001	0
Independent External Directors	177	0
Other External Directors	0	0
Total:	2,392	0

d) With respect to the profit attributed to the controlling company:

Total remunerations to Directors (in thousands of euros)	2,392
Total remunerations to Directors/ profit attributed to the controlling company (expressed as %)	2.270

B.1.9. Identify any members of the senior management who are not also executive directors and indicate total remuneration accruing in their favour during the financial year:

Name or corporate name	Position
IGNACIO AYUSO CANALS	SECRETARY GENERAL
BRAULIO CELESTINO CALLEJA RAMOS	DIRECTOR OF COMMUNICATION CENTRE
GLORIA FERNÁNDEZ LOMANA GARCÍA	DIRECTOR OF NEWS SERVICES
SILVIO GONZÁLEZ MORENO	DIRECTOR GENERAL OF MANAGEMENT
ANTONIO CARLOS MANSO MARCOS	FINANCIAL DIRECTOR
EDUARDO OLANO CODESIDO	DIRECTOR OF ADVERTISING DIVISION
CARMEN RODRÍGUEZ MARTÍN	DIRECTOR OF LEGAL ADVICE CENTRE
GIORGIO SBAMPATO	DIRECTOR OF THE DEVELOPMENT AND NEW PROJECTS DIVISION
FRANCISCO JAVIER BARDAJÍ HERNANDO	DIRECTOR OF TV CONTENTS
Total remunerations of seniors management (in thousands of euros)	2,379

B.1.10. Identify in aggregate if there are any guarantee or golden handshake clauses for situations of dismissal or changes in control in favour of the members of the senior management, including the executive directors, of the company or companies in the same Group. Indicate whether these contracts have to be notified and/or approved by the organ of governance of the company or any company in the same Group:

Number of beneficiaries	2	
	Board of Directors	General Meeting
Organ authorizing the clauses	X	
	YES	NO
Has the General Meeting been informed of the clauses?		X

B.1.11. Indicate the process for establishing the remuneration of the members of the Board of Directors and the relevant clauses of the Articles of Association in this regard.

Section 34 of the Articles of Association establishes that remuneration of the Directors will consist in per diem allowances for attending the sessions of the Board of Directors, at an amount to be decided by the General Meeting of Shareholders for each year or valid for such financial years as the General Meeting itself may stipulate, with the possibility of establishing different allowances for the different types of directors.

The same criterion applies for the remuneration of the directors forming part of the various committees established by the Board.

The section adds that the remuneration indicated is compatible with the other professional or employment-related payments corresponding to the directors for any executive or consultancy functions carried out on behalf of the company.

The Extraordinary General Meeting of Shareholders held on August 29th, 2003 resolved that the gross per diem allowance for attending the Board of Directors would be 3,000 euros per meeting for each person attending and 3,600 euros for the Executive Committee. The same allowance of 3,000 euros is applied to the other two committees, the Audit and Control Committee and the Appointments and Remunerations Committee.

The remuneration of the directors rendering additional professional services other than those inherent to the exercise of their posts is determined by the Appointments and Remunerations Committee which subsequently submits the same to the Board of Directors for approval.

On the other hand, the Annual General Meeting of Shareholders held on May 12th, 2004 adopted the resolution transcribed below in its entirety:

The economic payments received by Directors from the Company, for any reason, shall have the following limits:

1. The sum of: a) the per diem allowances that the Directors receive in the course of the financial year, in accordance with the terms foreseen in the first paragraph of section 34 of the Articles of Association and agreed from time to time by the General Meeting, plus b) the amounts received for professional, commercial or employment relationships corresponding to the members of the Board of Directors pursuant to the provisions of the second paragraph of section 34 of the Articles of Association, regardless of whether or not they have delegated powers, and because of any functions they carry out in the company (whether in the general management, other management, executive, advisory, consultancy or any other service, but not those of the collective overseeing and decision-making associated with their capacity as Directors) may not exceed the amount of THREE MILLION EUROS (€ 3,000,000) in aggregate for all the Directors and in the course of each financial year.

In the exceptional case where the number of meetings of the Board or its Committees held in a particular financial year, plus the concepts indicated in sub-section 1.b) above, would lead to the above maximum figure being reached, the remaining sessions of the Board or its Committees held during the said financial year shall not generate the right to receive per diem allowances.

2. In addition, should the contracts regulating the relationships referred to in sub-section 1.b) above contain clauses or agreements that, in the case of early or unilateral termination by the Company, oblige the latter to effect payments to the other party any compensations quantified in the contract itself, the total amount of such compensations may not exceed, for all of the said contracts in force from time to time taken together, the amount of THREE MILLION EUROS (€ 3,000,000). Their eventual payment, where appropriate, will not be included in the calculation for the purposes of the limit set in sub-section 1 above.

3. All those payments, if any, arising out of incentives or variable remuneration plans expressly approved by resolution of the General Meeting will be deemed excluded from the scope of the present agreement.

- B.1.12. Indicate the identity of the members of the Board, if any, who are also members of the Board of Directors or senior managers of companies holding significant stockholdings in the listed company and/or in entities included in the same Group:

Name or corporate name of the Director	Name or corporate name of the significant shareholder	Position
JOSÉ CREUHERAS MARGENAT	KORT GEDING, S.L.	JOIN AND SEVERAL DIRECTOR
JOAN DAVID GRIMÀ TERRÉ	BANCO SANTANDER CENTRAL HISPANO, S.A.	DIRECTOR GENERAL
MARCO DRAGO	KORT GEDING, S.L.	JOIN AND SEVERAL DIRECTOR

Detail the various relevant relationships, if any, of those mentioned in the preceding heading, linking members of the Board of Directors to the significant shareholders and/or entities included in the same Group:

Name or corporate name of the Director	Name or corporate name of the significant shareholder	Descripción de la relación

- B.1.13. Indicate the amendments, if any, made in the regulations for the Board during the financial year.

- B.1.14. Indicate the procedures for the appointment, re-election, evaluation and removal of directors. Detail the competent bodies, the steps to be taken and the criteria to be applied in each of the procedures.

The appointment and separation of directors is the responsibility of the general meeting of shareholders, except in the case of vacancies covered by the system of co-opting, in which case it shall correspond to the Board of Directors.

Proposals for the appointment of directors submitted by the Board of Directors to the general meeting for its consideration as well as the appointment resolutions adopted by the said body by virtue of the co-opting powers legally attributed to it must respect the provisions contained in the Regulations for the Board and must be preceded by the corresponding report from the Appointments and Remunerations Committee, which shall not be binding. Nonetheless, whenever the Board of Directors goes away from the Committee's proposal, such decisions must be duly reasoned, with the arguments being reflected in the minutes.

In the case of external directors, these must be elected from among individuals of acknowledged solvency, competency and experience, who are able to devote a sufficient part of their time and abilities to the Company, taking extreme care in connection with the election of those persons destined to occupy the posts of independent directors.

For the posts of independent directors, the Board of Directors may not propose or designate any person who has, or in the previous two years has had, any stable relationship of a certain relevance with the management of the company or are linked by family, professional or commercial ties to any of the executive directors or other senior managers of the company; they must also not have any stable link with the directors representing significant shareholders or the institutions or business Groups the latter represent.

In particular, the following individuals may not be proposed or designated as independent directors:

- 1.Those persons who are carrying out, or have carried out in the preceding two years, executive posts of the highest level in the company, or in any of the company's subsidiaries, or those persons carrying out executive posts of the highest level in the bodies or Groups holding significant stockholdings in the capital of the first.
- 2.Those persons who, directly or indirectly in the preceding two years, have made or received payments from the company or from any of its subsidiaries, or persons who are making or receiving payments from the bodies or Groups holding significant stockholdings in the capital of the first, such as to compromise their independence.
- 3.Those persons who have or have had other relationships with the Company, or with any of its subsidiaries, or with bodies or Groups holding significant stockholdings in the capital of the first, such as may reduce their independence, in the opinion of the Appointments and Remunerations Committee.
- 4.The relatives (to the fourth degree of relation) of anyone who is or has been an Executive Director or member of the senior management of the company in the preceding two years.

Re-election of directors

Proposals for the re-election of directors that the Board of Directors decides to submit to the general meeting must be subject to a formal process for their preparation including a non-binding report from the Appointments and Remunerations Committee assessing the quality of the work and dedication to the post shown by the directors proposed during their term of office.

B.1.15. Indicate the cases in which the directors are obliged to resign.

Directors must place their positions at the disposal of Board of Directors and submit the corresponding resignation in the following cases:

- 1.When they cease to hold the executive positions to which their appointment as Director was linked, or when the reasons for their appointment disappear.
- 2.When they are affected by any of the situations of incompatibility or prohibition foreseen in the legislation.
- 3.When they have been severely admonished by the Appointments and Remunerations Committee or by the Audit and Control Committee for having failed to comply with any of their obligations as directors.

Outwith these cases, the Board may not propose the removal of the independent external directors nor those representing significant shareholders prior to the conclusion of the period for which they were appointed, unless there are exceptional and justified grounds which must be approved by the Board following a non-binding report by the Appointments and Remunerations Committee.

B.1.16. Explain whether the functions of the company's chief executive coincide with the position of President of the Board. Where appropriate, indicate the measures adopted to limit the risks of accumulation of powers in a single individual:

YES NO

Measures to limit risks

B.1.17. Are strengthened majorities, other than those indicated in the legislation, required in any type of decision?:

YES NO

Indicate how resolutions are adopted in the Board of Directors, indicating at least the minimum quorum for attendance and the type of majority for adopting resolutions:

Adoption of resolutions

Description of the resolution	Quorum	Type of Majority
Ordinary resolutions	Half plus one of the members of the board, present in person or by proxy: if the number of directors were odd, the number of directors present in person or by proxy must be greater than those absent	ordinary

B.1.18. Explain whether there are any specific requirements, other than those affecting directors, in order to be appointed president.

YES NO

Description of the requirements

B.1.19. Indicate whether the president has casting vote:

YES NO

Subjects in which there is a casting vote

B.1.20. Indicate whether the Articles of Association or regulations of the Board establish any limit on the age of directors:

YES NO

Age limit of the president

Age limit of the managing director

Age limit of directors

B.1.21. Indicate whether the Articles of Association or regulations of the Board establish a limited mandate for independent directors:

YES NO

Maximum number of years in office

0

B.1.22. Indicate whether there are formal processes for the delegation of votes within the Board of Directors. If so, give details briefly.

Delegations may be made by letter or by any other means that, in the President's opinion, ensures the certainty and validity of the powers of representation. As far as possible, the powers of representation granted must include the appropriate instructions.

B.1.23. Indicate the number of meetings held by the Board of Directors during the financial year. In addition, indicate the number of times the Board has been convened without the President attending, if any:

Number of board meetings

14

Number of boards meetings without the attendance of the President

0

Indicate the number of meetings held by the various committees of the Board during the financial year:

Number of meetings of the Executive or Standing Committee

18

Number of meetings of the Audit Committee

9

Number of meetings of the Appointments and Remunerations Committee

2

Number of meetings of the Investment and Strategy Committee

0

Number of meetings of the Committee

0

B.1.24. Indicate whether the individual and consolidated annual accounts presented to the Board for approval are previously certified:

YES NO

Where appropriate, identify the person(s) certifying the Company's individual and consolidated annual accounts, for adoption by the Board:

Name	Position

- B.1.25. Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated annual accounts adopted by the Board from being submitted to the General Meeting with qualifications in the audit report.

The Financial Statements, their breakdowns and additional information included in the individual and consolidated Annual Accounts are prepared by the office of the Company's Financial Director, who submits them for review to the Auditors in accordance with a work plan including the collaboration of the Internal Audit Office. The Audit and Control Committee is informed of all this and co-ordinates and oversees the entire process for preparing the financial information and the checks on the same.

In order to carry out their work, the External Auditors may call on the assistance of the offices of the Financial Director and the Audit Office, with the reviews being carried out in several stages in the course of the financial year in order to anticipate the information needs and to complete the various tests carried out by the auditors, in accordance with the plan mentioned above, within the calendars for the close and presentation of accounts.

Both the Internal Audit Office and the External Auditors report to the Audit and Control Committee on the progress and fulfilment of their plans, as well as the different conclusions obtained in the course of the whole financial year. This allows anticipation of the resolution of possible issues that may have an impact on the Auditors' Report and so avoid any possible qualifications.

Prior to their preparation, the Annual Accounts are submitted to the Audit and Control Committee for review, and this in turn proposes the definitive contents thereof to the Board of Directors for adoption.

- B.1.26. Detail the measures adopted so that the information supplied to the securities markets is transmitted fairly and symmetrically.

The Secretariat to the Board of Directors (the Deputy Secretary and the Secretary), in the light of significant circumstances, decisions, events or transactions, reviews the need to effect notifications or communications to the market within the requirements and obligations foreseen in the current legislation in this regard. Such communications are always made through the channels and within the deadlines foreseen in such regulations.

On the other hand, the Audit and Control Committee is told, prior to any public announcement, of the information to be given regarding quarterly and half-yearly results. This information and any explanatory notes attached thereto regarding the evolution of the most relevant financial magnitudes are presented to the Committee by the office of the Financial Director for review and approval. At some of the meetings where the said information was presented, depending on the existence of transactions carried out in the corresponding quarter that may be of relevance, in the opinion of the Committee, for their impact on the financial information, the External Auditors have expressed their opinion about the correct treatment and indication of such transactions.

On the other hand, in order to improve quality and access to information, the company's web site provides all the information notified to the Spanish National Securities Commission as well as other financial, management and business information that is useful to investors.

The Investors Relations Area is in charge of carrying out the communication programmes vis-à-vis national and international markets, explaining and making them aware of the relevant information concerning the strategy, organization, operations and business as maybe necessary for the formation of expectations on future development and so contribute to an appropriate formation and setting of the prices for the securities issued by the Company.

In 2004, highly significant activity was carried out to enhance the policy of transparency in the communication and information aimed at investors and analysts. This included, among other actions, numerous presentations and conference calls with analysts, road shows at the main financial centres and the holding of the "Analysts' Day", with the attendance of over 45 analysts from all over the world, to whom the managers of the Company's main areas presented their operations and the "performance" of their areas on the first anniversary of the start of listing of the Company's shares.

B.1.27. Is the Secretary to the Board a Director?:

YES NO

B.1.28. Indicate the mechanisms, if any, established by the company to preserve the independence of the auditors, the financial analysts, the merchant banks and the rating agencies.

The Audit and Control Committee is responsible for the assessment of the audit services as well as to monitor the independence of the auditors. In this regard section 33.5 of the Articles of Association establish that one of the competencies of the Audit and Control Committee is to receive information from the Auditors about those issues that may imperil the latter's independence, and any other issued related with the process of carrying out the audit of accounts, as well as to receive information and maintain with the Auditors the communications foreseen in the legislation on account auditing and in technical auditing standards.

On the other hand, the "Internal code of conduct in matters regarding the securities markets" describes, among other things, the actions to be taken in each case by the personnel internal affected by the said regulations in order to safeguard the independence of the merchant banks and the financial analysts in connection with personal or confidential transactions that might affect the Group's value on the markets.

Furthermore, the following additional mechanisms have been established so as to ensure the efficiency and transparency of our relations with market agents:

- All information considered relevant is notified simultaneously to the market by means of the publication of the pertinent relevant event. In this sense, 12 Relevant Events have been published during the 2004 financial year.
- Adequate level of internal review and control of the quality of the information provided to the markets
- The information provided at the meetings with analysts and investors sets out the pertinent clauses to safeguard the relevant information and the company's position in connection with any decisions that may be adopted by the market agents on the basis of the said information.

B.1.29. Indicate whether the auditing firm carries out other tasks for the company and/or its Group other than those of auditing and, if so, declare the amount of the fees received for these other tasks and the percentage that these represent over the fees invoiced to the company and/or its Group.

YES NO

	Company	Group	Total
Amount of other tasks apart from those of auditing (thousands of euros)	19	0	19
Amount of other tasks apart from those of auditing / Total amount invoiced by the auditing firm(%)	7.600	0.000	7.600

B.1.30. Indicate the number of years that the current auditing firm has been carrying out uninterruptedly the audit of the annual accounts of the company and/or its Group. Furthermore, indicate the percentage represented by the number of years audited by the current auditing firm over the total number of years in which the annual accounts have been audited:

	Company	Group
Number of years without interruption	8	8

	Company	Group
Nº of years by the current auditing firm/ Nº of years by the company has been audited(%)	53.000	53.000

B.1.31. Indicate the stockholdings of the members of the Company's Board of Directors in the share capital of entities with the same, analogous or complementary type of activity as that constituting the corporate object of the company or its Group, and which have been notified to the company. Furthermore, indicate the posts or functions they hold in the said companies:

Name or corporate name of the Director	Name of the company concerned	% stockholding	Post or function
MAURIZIO CARLOTTI	MEDIASET	0.000	
PEDRO ANTONIO MARTÍN MARÍN	GRUPO RECOLETOS, S.A.	0.000	
THOMAS RABE	RTL GROUP, S.A. AND UFA FILM UND FERNSEH GMBV	0.000	FINANCIAL DIRECTOR AND DIRECTOR GENERAL
NICOLAS ABEL BELLET DE TAVERNOST	METROPOLE TELEVISIÓN, S.A. - M6	0.000	PRESIDENT
JOAN DAVID GRIMÀ TERRÉ	AUNA OPERADORES DE TELECOMUNICACIONES	0.000	MANAGING DIRECTOR

B.1.32. Indicate and, where necessary, give details of any existing procedure for the directors to be able to obtain external advice:

YES NO

Details of the procedure

B.1.33. Indicate and, where necessary, give details of any existing procedure for the directors to be able to obtain the necessary information to prepare the meetings of the governing organs with sufficient time:

YES NO

Details of the procedure

B.1.34. Indicate if there is any liability insurance in favour of the company's directors.

YES NO

B.2. Committees of the Board of Directors:

B.2.1. List the governing organs:

Name of organ	N° of members	Functions
STANDING COMMITTEE	5	EXERCISE OF ALL THE POWERS OF THE BOARD OF DIRECTORS THAT CAN BE DELEGATED
AUDIT AND CONTROL COMMITTEE	5	1.) REPORT TO THE GENERAL MEETING ON THE ISSUES WITHIN ITS SCOPE OF COMPETENCE 2.) PROPOSE THE AUDITORS AND THE PROPOSED TERMS OF HIRING 3.) SUPERVISE THE INTERNAL AUDIT SERVICES 4.) STUDY THE PROCESSES FOR FINANCIAL INFORMATION AND THE INTERNAL CONTROL SYSTEM 5.) MAINTAIN RELATIONS WITH THE AUDITORS 6.) OVERSEE THE COMPANY'S ANNUAL ACCOUNTS AND THOSE OF THE GROUP 7.) OBTAIN FROM THE MANAGING DIRECTOR THE INFORMATION NECESSARY FOR THE BETTER OPERATION OF THE COMMITTEE AND 8.) REPORT TO THE BOARD ON THE COMPLIANCE WITH THE INTERNAL CODE OF CONDUCT ON MATTERS RELATING TO THE SECURITIES MARKETS

- 1.) DRAFT AND REPORT ON THE CRITERIA TO BE FOLLOWED FOR THE COMPOSITION OF THE BOARD OF DIRECTORS
- 2.) REPORT IN ADVANCE ON ALL THE PROPOSALS OF THE BOARD OF DIRECTORS TO THE GENERAL MEETING FOR THE APPOINTMENT, RE-ELECTION, RATIFICATION OR REMOVAL OF DIRECTORS, INCLUDING IN THE CASES OF CO-OPTION BY THE BOARD OF DIRECTORS ITSELF, AS WELL AS IN CONNECTION WITH THE MEMBERS OF EACH OF THE COMMITTEES OF THE BOARD OF DIRECTORS.
- 3.) PROPOSE TO THE BOARD FOR SUBMISSION TO THE GENERAL MEETING OF SHAREHOLDERS FOR APPROVAL THE FORM AND AMOUNT OF THE REMUNERATIONS CORRESPONDING TO THE DIRECTORS, BOTH AS SUCH AND FOR THE FULFILMENT OF OTHER FUNCTIONS WITHIN THE COMPANY OTHER THAN THOSE OF DIRECTOR.
- 4.) REPORT ON THE APPROVAL OR AMENDMENT OF RULES GOVERNING THE ACTIVITIES OF THE COMPANY'S GOVERNING ORGANS AND, MOST PARTICULARLY, ON THE REGULATIONS FOR THE BOARD OF DIRECTORS AND THE GENERAL MEETINGS.
- 5.) SUPERVISE THE FULFILMENT BY THE DIRECTORS OF THEIR OBLIGATIONS AND, WHERE APPROPRIATE, ISSUE REPORTS ON ANY NON-FULFILMENT OF THESE OBLIGATIONS AS MAY ARISE.
- 6.) INVESTIGATE AND REPORT TO THE BOARD ON THE APPOINTMENTS AND REMUNERATIONS OF DIRECTORS AND SENIOR MANAGERS OF THE GROUP'S COMPANIES.
- 7.) INVESTIGATE AND REPORT TO THE BOARD ON THE APPOINTMENTS AND REMUNERATIONS OF THE COMPANY'S SENIOR MANAGERS.
- 8.) PROPOSE TO THE BOARD OF DIRECTORS THE BASIC CONDITIONS FOR THE HIRING OF THE SENIOR MANAGERS AND INVESTIGATE AND REPORT TO THE BOARD ON THE EFFECTIVE APPLICATION OF THE SAID CONDITIONS.
- 9.) PROPOSE TO THE BOARD OF DIRECTORS THE GENERAL POLICY ON INCENTIVES AND VARIABLE REMUNERATION FOR THE ACHIEVEMENT OF GOALS APPLICABLE TO THE SENIOR MANAGEMENT OF THE COMPANY AND ITS SUBSIDIARIES.
- 10.) RAISE WITH THE MANAGING DIRECTOR, EVERY QUARTER, ANY ISSUES OF RELEVANCE FOR THE MORE EFFECTIVE DEVELOPMENT OF THE COMMITTEE'S FUNCTIONS

B.2.2. Detail all of the committees of the Board of Directors and their members:

EXECUTIVE OR STANDING COMMITTEE

Name	Position
JOSÉ MANUEL LARA BOSCH	PRESIDENT
MAURIZIO CARLOTTI	MEMBER
NICOLÁS ABEL BELLET DE TAVERNOST	MEMBER
MARCO DRAGO	MEMBER
JOAN DAVID GRIMÀ TERRÉ	MEMBER
PABLO BIEGER MORALES	NON-VOTING SECRETARY
CARMEN RODRÍGUEZ MARTÍN	NON-VOTING SECRETARY

AUDIT COMMITTEE

Name	Position
THOMAS RABE	PRESIDENT
PEDRO RAMÓN Y CAJAL AGÜERAS	MEMBER
JOAN DAVID GRIMÀ TERRÉ	MEMBER
JOSE LUIS LÓPEZ DE GARAYO GALLARDO	MEMBER
JOSÉ MIGUEL ABAD SILVESTRE	MEMBER
CARMEN RODRÍGUEZ MARTÍN	NON-VOTING SECRETARY

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Position
JOAN DAVID GRIMÀ TERRÉ	PRESIDENT
NICOLÁS ABEL BELLET DE TAVERNOST	MEMBER
JOSÉ CREUHERAS MARGENAT	MEMBER
PEDRO ANTONIO MARTÍN MARÍN	MEMBER
JOSÉ MIGUEL ABAD SILVESTRE	MEMBER
CARMEN RODRÍGUEZ MARTÍN	NON-VOTING SECRETARY

STRATEGY AND INVESTMENTS COMMITTEE

Name	Position

B.2.3. Give a description of the rules for the organization and operation, as well as the responsibilities attributed to each of the Board's committees.

STANDING COMMITTEE

This Committee exercises the powers delegated to it by the Board of Directors with the votes in favour of two thirds of the directors. It comprises between 3 and 9 members and in all cases the President and the Managing Director.

The President and Secretary of the Standing Committee will be those of the Board unless this organ decides otherwise.

It currently meets once a fortnight. It adopts decisions by a majority of its members and the President has a casting vote in the event of a tie.

The appointment and removal of the members of this committee require at least the votes in favour of two thirds of the directors.

AUDIT AND CONTROL COMMITTEE

This is formed by a minimum of three and a maximum of five directors. It elects its President for a maximum term of 4 years; the president may be re-elected for only one second term after one year has elapsed since leaving this position.

The Secretary will be the secretary to the Board or one of its Deputy Secretaries.

To be validly called to order the number of directors present or represented must be greater than the number of those absent.

Resolutions are adopted by majority and the president has a casting vote.

Its competencies are:

1. Report to the General Meeting on the issues within its scope of competence
2. Make proposals to the General Meeting on all matters to do with the appointment of auditors and the terms of their hiring
3. Supervise the internal audit services
4. Study the processes for financial information and the internal control systems
5. Maintain relations with the auditors
6. Obtain from the managing director the information necessary for the better operation of the committee.

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Formed by a minimum of 3 and a maximum of 5 directors, following the proportions of the Board.

It designates its own president for a maximum of 4 years and this person may only be re-elected after one year has elapsed since leaving this position. Its Secretary is the Secretary to the Board or one of its Deputy Secretaries.

To be validly called to order the number of directors present or represented must be greater than the number of those absent. The president has a casting vote.

Its competencies are:

1. Draft and report on the criteria to be followed for the composition of the Board of Directors.
2. Report in advance on the members of the Board and the committees.
3. Propose the form and amount of the remunerations for directors, both as such and for the fulfilment of other functions.
4. Report on the rules governing the governing organs and, most particularly, on the regulations for the board of directors and the general meetings.
5. Supervise the fulfilment by the directors of their obligations.
6. Investigate and report to the board on the appointments and remunerations of directors and senior managers of the company.
7. Investigate and report to the board on the appointments and remunerations of the senior managers.
8. Propose to the Board of Directors the basic conditions for hiring senior managers and monitor their fulfilment.
9. Propose to the Board of Directors the policy on incentives and variable remuneration for the achievement of goals.
10. Raise with the managing director any issues considered necessary for the development of its activities.
11. Draw up and register the situations of the directors and senior managers of the company and its Group.
12. Report on the fulfilment of the Board's Regulations on those matters within its specific scope of competence.

B.2.4. Indicate the powers, if any, of each of the committees for advice, consultation and delegation:

Name of the Committee	Brief description

B.2.5. Indicate the existence of regulations, if any, for the Committees created by the Board, the place where these are available for consultation and any amendments that have been made in the same during the financial year. In addition, an indication will be made of any annual report voluntarily drafted on the activities of each committee.

B.2.6. Where there is an Executive Committee, explain the degree of delegation and autonomy available to it, in the exercise of its functions, for the adoption of resolutions on the administration and management of the company.

Formally, this Committee has been delegated all of the powers of the Board of Directors that may legally be delegated. In general practice, the Committee does not adopt resolutions by itself but submits its proposals to the Board of Directors.

B.2.7. Indicate whether the composition of the Executive Committee reflects the stockholding on the Board of the different directors on the basis of their classification:

YES NO

 If not, explain the composition of the Executive Committee

B.2.8. Where there is an Appointments Committee, indicate whether all of its members are external directors:

YES NO

C ASSOCIATED OPERATIONS

C.1. Detail any relevant operations that imply a transfer of resources or obligations between the company or institutions in the same Group and the company's significant shareholders:

Name of corporate name of the significant shareholder	Name or corporate name of the company or entity in the same Group	Nature of the operation	Type of relationship	Amount (thousands of euros)
RTL GROUP COMMUNICATIONS, S.L.U.	SPORTFIVE GMBH	Contractual	PURCHASE OF FOOTBALL BROADCASTING RIGHTS	2,526
RTL GROUP COMMUNICATIONS, S.L.U.	GRUNDY PRODUCCIONES	Contractual	PURCHASE OF TV PROGRAMME FORMAT RIGHTS	1,985
KORT GEDING, SL	DEA PLANETA, S.L.	Contractual	PURCHASE OF BROADCASTING RIGHTS FOR FILMS ON TV	1,500
KORT GEDING, S.L.	PLANETA JUNIOR, S.L.	Contractual	PURCHASE OF BROADCASTING RIGHTS FOR TV SERIES	657
BANCO SANTANDER CENTRAL HISPANO, S.A.	SANTANDER CENTRAL HISPANO INVESTMENT	Contractual	AGENT BANK SERVICES FOR A3TV SHARES	195
RTL GROUP COMMUNICATIONS, S.L.U.	RTL TELEVISIÓN GMBH	Contractual	PURCHASE OF BROADCASTING RIGHTS FOR FORMAT AND MADE FOR TV FILMS	89
KORT GEDING, S.L.	PRODIGIUS AUDIOVISUAL, S.L.	Contractual	PRE-PRODUCTION TV MOVIE	70
KORT GEDING, S.L.	AUDIOVISUAL ESPAÑOLA, S.A.	Commercial	ADVERTISING INSERTIONS	50
RTL GROUP COMMUNICATIONS, S.L.U.	GRUNDY PRODUCCIONES	Contractual	SCRIPTS OF TV PROGRAMMES	48
RTL GROUP COMMUNICATIONS, S.L.U.	CLT UFA S.A.	Contractual	ADVERTISING MANAGEMENT	6
KORT GEDING, SL	DEA MULTICOM, S.A.	Contractual	ACQUISITION OF COMPUTING EQUIPMENT	6

RTL GROUP COMMUNICATIONS, S.L.U	SPORTFIVE GMBH	Contractual	PURCHASE OF FOOTBALL BROADCASTING RIGHTS	200
BANCO SANTANDER CENTRAL HISPANO, S.A	SANTANDER CENTRAL HISPANO INVESTMENT	Contractual	MONITORING OF SHAREHOLDERS IN A3TV	22
KORT GEDING, S.L.	PLANETA DIRECTO, S.L.	Commercial	SALE OF ADVERTISING AND MERCHANDISING	1,334
KORT GEDING, S.L.	DEA PLANETA, S.L.	Commercial	SALE OF ADVERTISING ON TV	157
RTL GROUP COMMUNICATIONS, S.L.U	METROPOLE PRODUCTION, S.A	Contractual	SALE OF BROADCASTING RIGHTS FOR TV PROGRAMMES	156
KORT GEDING, S.L.	AUDIOVISUAL ESPAÑOLA, S.L.	Commercial	SALE OF ADVERTISING ON TV	50
RTL GROUP COMMUNICATIONS, S.L.U	RTL TELEVISIÓN GMBH	Contractual	SALE OF TV PRODUCTION AND OPERATION SERVICES	5
KORT GEDING, S.L.	PARQUES REUNIDOS, S.A.	Commercial	SALE OF ADVERTISING ON RADIO	10
KORT GEDING, S.L.	DEA PLANETA, S.L.	Commercial	SALE OF ADVERTISING ON RADIO	1
KORT GEDING, S.L.	UNIÓN IBÉRICA DE RADIO, S.A.	Commercial	SALE OF RADIO PROGRAMMES	1
BANCO SANTANDER CENTRAL HISPANO, S.A.	BANCO SANTANDER CENTRAL HISPANO, S.A	Contractual	CREDIT LINE	6,000
BANCO SANTANDER CENTRAL HISPANO, S.A	BANCO SANTANDER CENTRAL HISPANO, S.A.	Contractual	CONFIRMING LINE	5,000
BANCO SANTANDER CENTRAL HISPANO, S.A	BANCO SANTANDER CENTRAL HISPANO, S.A.	Contractual	STOCKHOLDING IN SYNDICATED LOAN	7,971

C.2. Detail any relevant operations that imply a transfer of resources or obligations between the company or institutions in the same Group and the company's directors or managers:

Name or corporate name of the directors or managers	Name or corporate name of the company or entity in the same Group	Nature of the operation	Type of relationship	Amount (thousands of euros)
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C.3. Detail any relevant operations carried out by the company with other companies in the same Group, providing that these are not eliminated in the process of drawing up the consolidated financial statements and do not form part of the company's normal business activities in terms of their purpose and conditions:

Corporate name of the entity in the same Group	Brief description of the operation	Amount (thousands of euros)
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C.4. Identify any situation of conflicts of interest, if any, affecting the company's directors, as per the provisions of section 127 ter of the Spanish Public Corporations Act (LSA).

C.5. Detail the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its Group, and its directors, managers or significant shareholders.

The mechanisms established by the Group to detect, determine and resolve possible conflicts of interest with its directors, managers or significant shareholders can be classified into two types:

- General measures: those mechanisms implemented by the Group to ensure that operations related with the business are conducted at market prices. The most relevant are: segregation of functions, adequate level of delegation for the approval of operations, given by the Deputy Area Director or the Director General of Management depending on the amount. As a general procedure, at least three bids are requested from different suppliers for each service contracted (other than those related with programming) or purchase effected.
- Specific measures: those mechanisms implemented within the Group in addition to those mentioned above, carried out by the office of the Financial Director and the Legal Advice Office so as to keep the Audit and Control Committee regularly informed prior to the definitive approval of any type of operation conducted with individuals or bodies corporate associated with the Group. These are deemed to include direct shareholders or companies linked to these, Group directors and managers.

D RISK CONTROL SYSTEM

D.1. General description of the risk policy of the company and/or its Group, detailing and assessing the risks covered by the system, together with the justification of the adequacy of these systems to the profile of each type of risk.

During the 2004 financial year, the Antena 3 Group has implemented an internal project aimed at redefining and updating the Group's map of risks in the current context of the operations and business being conducted. The five functions assigned to the specific risk map in the Antena 3 Group are as follows:

- To update the existing control mechanisms and continuously measure the degree of their efficacy.
- To ensure that the Antena 3 Group complies with existing regulations.
- To act as an effective decision-making tool for the Senior Management.
- To act as a medium for intercommunicating the business areas of the different companies in the Group, the policies and procedures as well as to assess and monitor the degree of fulfilment of the same.
- To ensure consistency in the definition and identification of risks in all of the companies in the Antena 3 Group as well as their relative importance within the organization.

To this end the risks have been identified and classified depending on their causal agent(s):

a) Risks of the setting

Understood as those risks deriving from external factors that may lead to changes in the Company's strategy and goals. In this sense, the following risks have been identified: those related with changes in the regulations, in the competition, in the relations with shareholders, financial markets and others.

The Antena 3 Group has an area devoted to the analysis of these risks and their impact on strategy, proposing actions and mechanisms to measure the potential impact of each one and the reaction to the same.

b) Risks associated with business processes

These have been classified in turn into the following categories:

b.1 Operating risks:

These are the risks derived from the company's own activity, and the most outstanding are those referring to the commercial policy, the production of programmes, the purchase of broadcasting rights and the acquisition of goods and contracting of services.

- Revenue from the sale of advertising space and commercial policy: the Company has relevant and reliable information available to analyze the changes in demand in the sector and anticipate these through the development of integral communication plans for its clients allowing the broadcasting of advertising in both conventional and more innovative formats.

Constant analyses are carried out into the setting and the audio-visual sector, including information on the competition, legal aspects, economic trends, demographic or socio-cultural changes, changes in the consumption habits of television viewers, audience ratings, etc. so as to allow the definition of a commercial strategy in constant interconnection with the market and with the programming goals and the contents included on the broadcasting schedules.

On the other hand, with regard to the processes for negotiation, loading of the advertising purchases on the systems, verification of the broadcasting, assessment of the advertising slots and their billing and collection, all of the control procedures have been established to prevent any loss of revenue and to ensure compliance with the policies and standards of the commercial area.

- Programme production: each and every one of the production projects are analyzed, approved and developed in accordance with a programming strategy based on an exhaustive analysis of the expectations, audience targets and commercial returns.

In order to minimize the negative impact derived from a possible unsatisfactory functioning of the programmes in terms of audience and commercial results, consubstantial with the programming activity, pilot programmes are made and the expectations of viewers and advertisers are studied in order to adjust the final product as far as possible to these needs. Similarly, standards are established for the terms and conditions to be followed by those responsible for contracting so as to prevent unforeseen contingencies and losses arising.

- Purchase of broadcasting rights: the acquisitions of broadcasting rights, generally extending over periods of several years, are carried out after the mandatory studies into the general trends and specific programming forecasts, suitability of the products, broadcasting capacity, pricing trends and authorized budgets.

For all of these, there are specific regulations in place and adequate segregation of functions in the negotiation, approval of acquisitions and framework agreements with distributors and the management of this type of product.

- Risks related with health and safety in the workplace: the Company has a service in place for the prevention of employment-related risks dealing with both risks deriving from the installations and from the different job profiles.

The prevention service reports to the Office for Prevention and Medical Services, in charge of defining the employment-related risks, classified by job profile, and establishing the necessary control measures to mitigate them. Furthermore, it also conducts regular assessments to determine whether the control measures defined by the Area are observed.

b.2 Technological / information processing risks:

Within the technological risks, those of the greatest relevance are those affecting both data processing systems (since the various activities of Antena 3 de Televisión, S.A. are highly dependent on computer systems) and those concerned with the broadcasting of the signal (ensuring that the technical conditions of the signal meet the parameters established in the technical standard applicable to the transmission medium).

As in the case of other operators of public television services, there is a contract in place with Retevisión I, S.A. for the services of carrying, supporting and disseminating the television signal. Any failure in these services might negatively affect the company's activities. Nonetheless, and regardless of the guarantees contained in the contract for the provision of services, no lasting incidents have been noted with a significantly negative impact through all the years of this relationship.

With regard to the data processing risks, strict physical and logical security measures have been implemented, as well as contingency plans for unforeseen events of different origin and nature, all within the framework of the Company's Computer Security Model. There is a computer security department in charge of defining the procedures that must be applied and conducting from time to time various security audits in order to verify the compliance with the said Model.

Furthermore, security measures have been implemented on the technical resources transmitting the signal so that it meets the parameters stipulated. For this reason, there are redundant systems and preventive testing of all systems are performed monthly. In the same way, there are maintenance contracts in place for all the equipment needed to effect transmission, as well as for the rest of the production equipment and data processing systems.

b.3 Financial risks:

The Group's main financial risk is a change in the exchange rate, as a considerable percentage of the purchases of broadcasting rights are made in US dollars.

The management of the exchange rate risk is done by the Treasury Department of Antena 3. Depending on the payment calendar drawn up with the information provided by the different areas involved, the corresponding hedging arrangements are made for the future purchase of currencies or using derivatives transactions leading to closed-risk scenarios.

b.4 Integrity risks

Antena 3 has sufficient and effective control procedures in place to minimize the likelihood of any fraud, illegal actions and unauthorized uses of assets occurring and so avoid the quantitative and qualitative effect that this might have on the resources, reputation and brand image of the Group.

c) Information-related risks in the taking of decisions

These risks may be classified as operational, financial and strategic depending on the impact of having only incomplete, distorted or erroneous information available when taking decisions related with these aspects.

The Antena 3 Group has mechanisms in place to measure the most relevant business indicators and magnitudes, in order to take decisions promptly and efficiently on all the business processes and on the quantifiable aspects related with its strategy and with its financial structure and capacity.

The Group's policy is to take out insurance policies to provide sufficient cover for the possible risks affecting the various assets. Similarly, risks associated with transport, third-party liability in various areas, life, accident and health issues are covered by the pertinent insurance.

The identification and classification of the Group's risks as well as the analysis of the processes inherent to the same are carried out by all of the areas engaged in business processes and are supported by the Group, under the co-ordination of the Internal Audit Office and Process Control Office and with the supervision of the Audit and Control Committee on the progress of this project, as well as on the conclusions obtained.

In this sense the Audit and Control Committee is in charge of supervising the internal audit services and investigating the processes for financial information and the internal control systems.

D.2. Indicate the control systems established to assess, mitigate or reduce the main risks of the company and its Group.

The Group's main procedures for the identification and control of risks have been described in each of the sections into which they have been classified.

D.3. Where any of the risks affecting the company and/or its Group have materialized, indicate the circumstances motivating the same and whether the control systems established have operated correctly.

D.4. Indicate if there is any committee or other organ of governance in charge of establishing and supervising these control mechanisms and detail their functions.

The Internal Audit Office, with the supervision of the Audit and Control Committee.

D.5. Identification and description of the compliance processes for the different regulations affecting the company and/or its Group.

E GENERAL MEETING OF SHAREHOLDERS

- E.1. List the quorums for calling the general meetings to order established in the Articles of Association. Describe how these differ from the regime of minimums foreseen in the Spanish Public Corporations Act (Ley de Sociedades Anónimas or LSA).

The quorum calling the meetings to order are those established in the legislation.

The ordinary or extraordinary general meetings require a quorum at the first call of 25% of the capital entitled to vote. At the second call, the meeting will be valid regardless of the amount of share capital participating.

In special cases, the minimum quorum at the first call is 50% of the share capital entitled to vote; at the second call, it is sufficient to have twenty-five per cent. Nonetheless, if shareholders representing less than fifty per cent of the share capital entitled to vote participate, the resolutions shall require the votes in favour of two thirds of the share capital present or represented at the general meeting.

- E.2. Explain the regime for adopting corporate resolutions. Describe how this differs from the regime foreseen in the LSA.

The resolutions of the general meetings are adopted by majority vote and there is no difference with the provisions established in the Act.

- E.3. List any rights of shareholders with respect to general meetings that differ from those stipulated in the LSA.

Shareholders have the same rights as are recognized in the LSA.

- E.4. Indicate the measures adopted, if any, to encourage the participation of shareholders at general meetings.

All shareholders entitled to attend are sent a letter notifying them of the dates and agenda of the general meetings to be held. This letter is accompanied by the admission card for the general meeting or the document for appointing a proxy.

Shareholders may also lodge their questions, opinions and suggestions through the web site.

- E.5. Indicate whether the position of president of the general meeting coincides with the position of president of the Board of Directors. If so, detail the measures adopted to ensure the independence and proper functioning of the general meeting:

YES NO

Detail the measures

The application of the provisions stipulated in the regulations for the general meeting guarantee the independence and proper operation of the general meeting. In addition the company's web site acts as the channel for providing information to the shareholders.

E.6. Indicate the amendments introduced during the financial year, if any, in the regulations for the general meeting.

E.7. Indicate the details of the attendance at the general meetings held during the financial year to which the present report refers:

Attendance details

Date of the General Meeting	% of physical presence	% by proxy	% votes cast remotely	Total %
May 12th, 2004	61.580	13.537	0.000	75

E.8. Indicate briefly the resolutions adopted at the general meetings held during the financial year to which the present report refers and the percentage of votes with which each resolution was adopted.

Annual General Meeting held on May 12th, 2004

RESOLUTIONS ADOPTED

1. Approval of the annual accounts and the management report for the company and its consolidated Group corresponding to the financial year closed on December 31st, 2003, as well as approval of the company's management during the said financial year, which reflected a loss of 208,351,000 euros.

The resolution was adopted with the votes in favour of 99.78% of the share capital present or duly represented.

2. Adoption of the measures necessary to redress the funds of the subsidiary UNIPREX, S.A.U.: reduction of its share capital to 0 euros; capital increase and granting of a participatory loan.

The resolution was adopted with the votes in favour of 99.52% of the share capital present or duly represented.

3. Ratification of the directors appointed by the Board of Directors by co-opting since the previous General Meeting, namely: Mr. Nicolas Abel Bellet de Tavernost, Mr. Tomas Rabe and Mr. José Luis López de Garayo Gallardo.

The resolution was adopted with the votes in favour of 99.72% of the share capital present or duly represented.

4. Establishment of maximum aggregate economic amount annually received by the directors from the company for any concept, generally established as three million euros per financial year in aggregate for all the directors; the same limit to meet any possible compensation contractually stipulated for contracts with directors which are terminated in advance at the request of the company. Any possible amounts derived from incentive plans or variable remuneration agreements expressly approved by a resolution of the General Meeting are excluded from this limit.

The resolution was adopted with the votes in favour of 99.50% of the share capital present or duly represented.

5. Three-year plan for variable remuneration and loyalty bonus of the managers in the Antena 3 Group.

The resolution was adopted with the votes in favour of 99.52% of the share capital present or duly represented.

6. Authorization for the consequential acquisition of treasury stock and authorization to apply the portfolio of treasury stock to provide the pertinent remuneration under the three-year and loyalty bonus plan.

The resolution was adopted with the votes in favour of 99.83% of the share capital present or duly represented.

7. Designation of auditors for Antena 3 de Televisión, S.A. and its consolidated Group of companies: the firm of Deloitte & Touche España S.L. was re-elected for the 2004 financial year.

The resolution was adopted with the votes in favour of 99.79% of the share capital present or duly represented.

8. Delegation of powers on the Managing Director, the Secretary and the Deputy Secretary so that any of them may formalize the resolutions adopted by the meeting.

The resolution was adopted with the votes in favour of 99.90% of the share capital present or duly represented.

E.9. Indicate the number of shares, if any, necessary to attend the General Meetings and whether there is any restriction in this respect in the Articles of Association.

The General Meetings may be attended by the holders of shares representing at least a face value of 300 euros entered in their name on the corresponding register of annotations five days prior to the date the meeting is to be held.

There is no other requirement in the Articles of Association regarding attendance at general meetings.

E.10. Indicate and justify the policies followed by the company regarding the designation of proxies at general meetings.

Shareholders entitled to attend the general meeting are sent a card for them to designate their proxy at the same. The notice of meeting contains the instructions for all shareholders to be able to designate their proxies.

E.11. Indicate whether the company is aware of the policy of institutional investors regarding their participation in the company's decisions:

YES NO

Describe the policy

E.12. Indicate the URL and how to access to the corporate governance contents on the web site.

The URL is: antena3tv.com. This web page contains a section called "Information for Shareholders and Investors" and another called "Corporate Area".

F DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with existing corporate governance recommendations or, where appropriate, the refusal to assume the said recommendations.

Should the company not comply with any of them, explain the recommendations, standards, practices or criteria applied by the company.

Until such time as the single document referred to in Ministerial Order ECO/3722/2003 dated December 26th us drafted, reference should be made to the recommendations of the Olivencia Report and the Aldama Report for the completion of this section.

The recommendations included in the Olivencia Report are part of the Regulations for the Board, with the sole exception of the maximum age limit for holding the position of Director. Nonetheless, only one of the members of the Board is over the age of 75, the age established there as the maximum reference.

The recommendations of the Aldama Report were also considered when drafting the texts currently in force on the company's self-regulation, with inclusion of: Articles of Association, Regulations for the Board, Regulations for the General Meetings of Shareholders and Internal code of conduct on matters relating to the securities markets.

G OTHER INFORMATION OF INTEREST

If it is felt that there is any relevant principle or aspect regarding the corporate governance practices applied by the company that has not been referred to in the present Report, mention this below and explain its content.

This section may be used to include any other information, clarification or nuance related with the preceding sections of the report, insofar as these are relevant and not reiterative.

Specifically, indicate whether the company is subject to any legislation other than that of Spain with respect to corporate governance and, if so, include such information as it may be obliged to supply that is different from that required in the present report.

As notified to the Spanish National Securities Commission (CNMV) on May 12th, 2004, the Annual General Meeting of the Company's shareholders, held on that same date, approved a three-year variable remuneration plan and loyalty bonus for the managers of the Antena 3 Group. Pursuant to this decision by the General Meeting, after having heard the opinion of the Appointments and Remunerations Committee and after the duly empowered organs of governance had adopted the pertinent resolutions, a first application of the plan has been executed in this financial year, notified to the CNMV on January 4th, 2005; this application addressed two groups of directors and managers, in separate Groups for each of which homogeneous conditions were established.

The significant aspects of the execution of this plan as of December 31st, 2004, are as follows:

1. Beneficiaries of the plan: A total of 33 beneficiaries, all belonging to the two categories established in the plan, namely: managers and professionals linked to the Antena 3 Group by means of an employment relation or a contract for service provision (regardless of whether or not they are directors). As of December 31st, 2004, the beneficiaries in Antena 3 de Televisión, S.A. number 29 in total.
2. Overall amount of the plan: the execution of the plan at the close of the 2004 financial year amounts to 87.6% of the maximum possible incentive approved by the General Meeting, a percentage derived from the sum of:
 - a. 1.752% of the product of multiplying by 11.6 the difference between 120 million euros and the consolidated EBITDA of the Antena 3 Group as of December 31st, 2006, in accordance with the prepared and audited accounts. The maximum approved by the General Meeting for this concept is 2%.
 - b. 0.876% of the difference between 1,392 million euros and the mean value of the company on the stock market during the month of December, 2006, with a maximum of 2,000 million euros. The maximum approved by the General Meeting for this concept is 1%.
3. Types of application of the plan to the different groups:
 - a. Lasting until July 10th, 2009: the group with mixed variable remuneration including the payment of 30% of the total in cash and the remaining 70% in Company shares, or also in cash for certain beneficiaries. This group comprises a total of 14 beneficiaries, of whom 11 are in Antena 3 de Televisión, S.A., and the amount allocated comes to 76% of the aforesaid 87.6%.
 - b. Lasting until July 10th, 2007: the group with variable remuneration only in cash. This group comprises a total of 19 beneficiaries, 18 of whom are in Antena 3 de Televisión, S.A., and the amount allocated is 11.6% of the aforesaid 87.6%.

The entire amount of the liabilities accrued so far and derived from the best estimates of the cost of this plan add up to a total of 8.579 million euros

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on January 26th, 2004.

Indicate any Directors who have voted against or have abstained in connection with the approval of the present Report.

