

# Antena 3 de Televisión, S.A.

Financial Statements and  
Directors' Report for 2010,  
together with Auditors' Report

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.*

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.*

## AUDITORS' REPORT ON FINANCIAL STATEMENTS

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

We have audited the financial statements of Antena 3 de Televisión, S.A., which comprise the balance sheet at 31 December 2010 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The directors are responsible for the preparation of the Company's financial statements in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the accompanying financial statements) and, in particular, with the accounting principles and rules contained therein. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying financial statements for 2010 present fairly, in all material respects, the equity and financial position of Antena 3 de Televisión, S.A. at 31 December 2010, and the results of its operations and its cash flows for the year then ended, in conformity with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein.

The accompanying directors' report for 2010 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2010. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.

Registered in ROAC under no. S0692



Jesús Mota Robledo

23 February 2011

# **Antena 3 de Televisión, S.A.**

Auditors' Report

Financial Statements for the year ended 31  
December 2010

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# **Antena 3 de Televisión, S.A.**

Financial Statements for the year ended 31  
December 2010

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

## ANTENA 3 DE TELEVISIÓN, S.A.

### BALANCE SHEETS AT 31 DECEMBER 2010 AND 2009

(Thousands of euros)

ASSETS	Notes	2010	2009	EQUITY AND LIABILITIES	Notes	2010	2009
<b>NON-CURRENT ASSETS</b>		<b>456,881</b>	<b>461,347</b>	<b>EQUITY</b>		<b>269,031</b>	<b>247,186</b>
<b>Intangible assets</b>	<b>5</b>	<b>5,115</b>	<b>4,696</b>	<b>SHAREHOLDERS' EQUITY-</b>	<b>12</b>		
Computer software		5,115	4,696	<b>Share capital</b>		<b>158,335</b>	<b>158,335</b>
<b>Property, plant and equipment</b>	<b>6</b>	<b>46,797</b>	<b>46,166</b>	Registered share capital		158,335	158,335
Land and buildings		29,660	31,193	<b>Reserves</b>		<b>140,955</b>	<b>140,955</b>
Plant and other items of property, plant and equipment		16,894	14,485	Legal and bylaw reserves		40,281	40,281
Property, plant and equipment in the course of construction		243	489	Other reserves		100,674	100,674
<b>Non-current investments in Group companies and associates</b>	<b>8.3 &amp; 19</b>	<b>370,944</b>	<b>371,649</b>	<b>Treasury shares</b>		<b>(78,650)</b>	<b>(78,650)</b>
Equity instruments		8,930	15,037	<b>Prior years' losses</b>		<b>(4,210)</b>	<b>(5,911)</b>
Loans to companies		362,014	356,612	<b>Profit for the year</b>		<b>91,818</b>	<b>47,829</b>
<b>Non-current financial assets</b>	<b>8.1 &amp; 10</b>	<b>184</b>	<b>183</b>	<b>Interim dividend</b>		<b>(40,111)</b>	<b>(16,045)</b>
Other financial assets		184	183	<b>VALUATION ADJUSTMENTS-</b>			
<b>Deferred tax assets</b>	<b>16</b>	<b>33,841</b>	<b>38,653</b>	<b>Hedges</b>		<b>894</b>	<b>673</b>
<b>CURRENT ASSETS</b>		<b>351,439</b>	<b>379,930</b>	<b>NON-CURRENT LIABILITIES</b>		<b>401</b>	<b>14,643</b>
<b>Inventories</b>	<b>11</b>	<b>165,835</b>	<b>184,160</b>	<b>Non-current payables</b>	<b>14.1</b>	<b>401</b>	<b>14,643</b>
Programme rights		141,415	156,282	Bank borrowings		-	12,766
Raw and other materials		2,167	2,385	Derivatives	<b>10</b>	116	159
Advances to suppliers		22,253	25,494	Other financial liabilities		285	1,718
<b>Trade and other receivables</b>		<b>156,578</b>	<b>160,499</b>	<b>CURRENT LIABILITIES</b>		<b>538,888</b>	<b>579,448</b>
Trade receivables for sales and services		3,098	147,557	<b>Short-term provisions</b>	<b>13</b>	<b>61,309</b>	<b>84,679</b>
Receivable from Group companies and associates	<b>19</b>	150,138	7,125	<b>Bank borrowings</b>	<b>14.2</b>	<b>100,145</b>	<b>167,467</b>
Sundry accounts receivable		3,253	1,791	<b>Financial derivatives</b>	<b>10</b>	<b>328</b>	<b>979</b>
Employee receivables		88	201	<b>Current payables to Group companies and associates</b>	<b>19</b>	<b>159,565</b>	<b>119,831</b>
Current tax assets	<b>16</b>	1	3,825	<b>Trade and other payables</b>		<b>217,219</b>	<b>205,891</b>
<b>Current investments in Group companies and associates</b>	<b>19.2</b>	<b>27,391</b>	<b>32,726</b>	Payable to suppliers		191,038	169,057
Loans to companies		27,391	32,726	Payable to suppliers - Group companies and associates	<b>19.2</b>	8,846	18,671
<b>Current financial assets</b>	<b>8.2</b>	<b>841</b>	<b>324</b>	Sundry accounts payable		155	155
Derivatives	<b>10</b>	807	290	Remuneration payable		7,589	9,639
Other financial assets		34	34	Other accounts payable to public authorities	<b>16</b>	8,856	6,947
<b>Current prepayments and accrued income</b>		<b>-</b>	<b>147</b>	Customer advances		735	1,422
<b>Cash and cash equivalents</b>		<b>794</b>	<b>2,074</b>	<b>Current accruals and deferred income</b>		<b>322</b>	<b>601</b>
Cash		794	2,074				
<b>TOTAL ASSETS</b>		<b>808,320</b>	<b>841,277</b>	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>808,320</b>	<b>841,277</b>

The accompanying Notes 1 to 22 are an integral part of the balance sheets at 31 December 2010 and 2009.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

## ANTENA 3 DE TELEVISIÓN, S.A.

### INCOME STATEMENTS FOR 2010 AND 2009

(Thousands of euros)

	Notes	2010	2009
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	<b>18.1</b>	<b>630,808</b>	<b>555,303</b>
Advertising revenue		630,808	555,303
<b>Procurements</b>	<b>18.2</b>	<b>(293,081)</b>	<b>(302,917)</b>
Programme amortisation and other		(457,882)	(447,420)
Cost of raw materials and other consumables used		(3,288)	(2,498)
Inventories		168,089	147,001
<b>Other operating income</b>		<b>26,471</b>	<b>49,047</b>
Non-core and other current operating income/Other services		26,471	49,047
<b>Staff costs</b>		<b>(78,875)</b>	<b>(84,545)</b>
Wages, salaries and similar expenses		(67,809)	(71,126)
Employee benefit costs	<b>18.3</b>	(11,066)	(13,419)
<b>Other operating expenses</b>	<b>18.4</b>	<b>(151,993)</b>	<b>(152,651)</b>
Outside services		(154,939)	(147,695)
Taxes other than income tax		(993)	(849)
Losses on, impairment of and change in allowances for trade receivables		3,939	(4,107)
<b>Depreciation and amortisation charge</b>	<b>5 &amp; 6</b>	<b>(11,139)</b>	<b>(12,080)</b>
<b>Excessive provisions</b>		<b>900</b>	<b>4,569</b>
<b>Impairment and gains or losses on disposals of non-current assets</b>	<b>6</b>	<b>(34)</b>	<b>132</b>
Gains or losses on disposals and other		(34)	132
<b>PROFIT FROM OPERATIONS</b>		<b>123,057</b>	<b>56,858</b>
<b>Finance income</b>		<b>17,893</b>	<b>4,729</b>
From investments in equity instruments	<b>8.3</b>	<b>15,595</b>	<b>1,740</b>
- Group companies and associates		15,595	1,740
From marketable securities and other financial instruments	<b>18.5</b>	<b>2,298</b>	<b>2,989</b>
- Group companies and associates		2,116	2,199
- Third parties		182	790
<b>Finance costs</b>	<b>18.5</b>	<b>(4,640)</b>	<b>(11,143)</b>
On debts to Group companies and associates		(292)	(1,012)
On debts to third parties		(4,348)	(10,131)
<b>Changes in fair value of financial instruments</b>		<b>933</b>	<b>(633)</b>
Held-for-trading financial assets/liabilities and other		933	(633)
<b>Exchange differences</b>	<b>17</b>	<b>(1,112)</b>	<b>(397)</b>
<b>Impairment and gains or losses on disposals of financial instruments</b>	<b>8.3</b>	<b>(21,318)</b>	<b>249</b>
Impairment and other losses		(21,318)	249
<b>FINANCIAL LOSS</b>		<b>(8,244)</b>	<b>(7,195)</b>
<b>PROFIT BEFORE TAX</b>		<b>114,813</b>	<b>49,663</b>
Income tax	<b>16</b>	(22,995)	(1,834)
<b>PROFIT FOR THE YEAR</b>		<b>91,818</b>	<b>47,829</b>

The accompanying Notes 1 to 22 are an integral part of the income statements for 2010 and 2009.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

## ANTENA 3 DE TELEVISIÓN, S.A.

### STATEMENTS OF CHANGES IN EQUITY FOR 2010 AND 2009

#### A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Thousands of euros)

	2010	2009
<b>PROFIT PER INCOME STATEMENT (I)</b>	<b>91,818</b>	<b>47,829</b>
<b>Income and expense recognised directly in equity:</b>		
- Arising from cash flow hedges	(620)	2,751
- Tax effect	186	(825)
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)</b>	<b>(434)</b>	<b>1,926</b>
<b>Transfers to profit or loss:</b>		
- Arising from cash flow hedges	935	4,787
- Tax effect	(280)	(1,293)
<b>TOTAL TRANSFERS TO PROFIT OR LOSS (III)</b>	<b>655</b>	<b>3,494</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)</b>	<b>92,039</b>	<b>53,249</b>

The accompanying Notes 1 to 22 are an integral part of the statements of recognised income and expense for 2010 and 2009.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

## ANTENA 3 DE TELEVISIÓN, S.A.

### STATEMENTS OF CHANGES IN EQUITY FOR 2010 AND 2009

#### B) STATEMENTS OF CHANGES IN TOTAL EQUITY

(Thousands of euros)

	Share capital	Reserves	Interim dividend	Treasury shares	Profit for the year	Valuation adjustments	Total equity
<b>BEGINNING BALANCE AT 01/01/09</b>	<b>158,335</b>	<b>133,421</b>	<b>(66,219)</b>	<b>(67,692)</b>	<b>91,940</b>	<b>(4,747)</b>	<b>245,039</b>
<b>Total recognised income/(expense)</b>	-	-	-	-	47,829	5,420	53,249
<b>Transactions with shareholders</b>							
Dividends paid	-	-	-	-	(24,099)	-	(24,099)
Treasury share transactions (net)	-	-	-	(10,958)	-	-	(10,958)
Other transactions with shareholders	-	-	(16,045)	-	-	-	(16,045)
<b>Other changes in equity</b>							
Transfers between equity items	-	1,623	66,219	-	(67,842)	-	-
<b>ENDING BALANCE AT 31/12/09</b>	<b>158,335</b>	<b>135,044</b>	<b>(16,045)</b>	<b>(78,650)</b>	<b>47,829</b>	<b>673</b>	<b>247,186</b>
<b>Total recognised income/(expense)</b>	-	-	-	-	91,818	221	92,039
<b>Transactions with shareholders</b>							
Dividends paid	-	-	(40,111)	-	-	-	(40,111)
Treasury share transactions (net)	-	-	-	-	-	-	-
Other transactions with shareholders	-	-	-	-	-	-	-
<b>Other changes in equity</b>							
Transfers between equity items	-	1,701	16,045	-	(47,829)	-	(30,083)
<b>ENDING BALANCE AT 31/12/10</b>	<b>158,335</b>	<b>136,745</b>	<b>(40,111)</b>	<b>(78,650)</b>	<b>91,818</b>	<b>894</b>	<b>269,031</b>

The accompanying Notes 1 to 22 are an integral part of the statements of changes in total equity for 2010 and 2009.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

## ANTENA 3 DE TELEVISIÓN, S.A.

### CASH FLOW STATEMENTS FOR 2010 AND 2009

(Thousands of euros)

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES (I)</b>	<b>141,699</b>	<b>7,339</b>
Profit for the year before tax	114,813	49,663
<b>Adjustments for:</b>	<b>15,999</b>	<b>33,219</b>
- Depreciation and amortisation charge	11,139	12,080
- Impairment losses	21,318	(132)
- Changes in provisions	(3,366)	14,077
- Gains/Losses on derecognition and disposal of non-current assets	(19)	-
- Gains/Losses on derecognition and disposal of financial instruments	-	(250)
- Finance income	(17,894)	(4,729)
- Finance costs	4,640	11,143
- Exchange differences	1,112	397
- Changes in fair value of financial instruments	(933)	633
<b>Changes in working capital</b>	<b>5,639</b>	<b>(16,169)</b>
- Inventories	16,996	32,670
- Trade and other receivables	12,401	(18,093)
- Trade and other payables	12,336	(24,181)
- Other current assets and liabilities	(36,094)	(6,565)
<b>Other cash flows from operating activities</b>	<b>5,249</b>	<b>(59,374)</b>
- Interest paid	(3,713)	(68,161)
- Dividends received	15,595	1,740
- Income tax recovered (paid)	(6,632)	7,047
<b>CASH FLOWS FROM INVESTING ACTIVITIES (II)</b>	<b>(15,829)</b>	<b>1,866</b>
<b>Payments due to investment</b>	<b>(15,829)</b>	<b>(5,663)</b>
- Group companies and associates	(3,506)	(46)
- Property, plant and equipment and intangible assets	(12,323)	(5,617)
<b>Proceeds from disposal</b>	-	<b>7,529</b>
- Group companies and associates	-	6,204
- Other financial assets	-	1,325
<b>CASH FLOWS FROM FINANCING ACTIVITIES (III)</b>	<b>(127,148)</b>	<b>(8,827)</b>
<b>Proceeds and payments relating to equity instruments</b>	-	<b>(10,958)</b>
- Purchase of treasury shares	-	(10,958)
<b>Proceeds and payments relating to financial liability instruments</b>	<b>(56,953)</b>	<b>42,275</b>
- Proceeds from issue of bank borrowings	-	38,675
- Repayment of bank borrowings	(80,088)	-
- Repayment of borrowings from Group companies and associates	-	(28,040)
- Proceeds from issue of borrowings from Group companies and associates	23,135	31,640
<b>Dividends and returns on other equity instruments paid</b>	<b>(70,195)</b>	<b>(40,144)</b>
- Dividends	(70,195)	(40,144)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)</b>	-	-
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>	<b>(1,280)</b>	<b>378</b>
Cash and cash equivalents at beginning of year	2,074	1,696
Cash and cash equivalents at end of year	794	2,074

The accompanying Notes 1 to 22 are an integral part of the cash flow statements for 2010 and 2009.

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## **Antena 3 de Televisión, S.A.**

Notes to the financial statements for the year ended 31 December 2010

### **1.- Company activities**

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

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

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

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

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

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

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

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

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

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

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

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

The Company is the head of a group of subsidiaries and is obliged under current legislation to prepare consolidated financial statements separately. The consolidated financial statements of the Antena 3 Group for 2010 were formally prepared by its directors at the Board of Directors Meeting held on 23 February 2011. The consolidated financial statements for 2009 were approved by the shareholders at the Annual General Meeting of Antena 3 de Televisión, S.A. on 24 March 2010, and were filed at the Mercantile Registry of Madrid.

## **2.- Basis of presentation of the financial statements**

### **2.1 Regulatory financial reporting framework applicable to the Company**

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

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

### **2.2 Fair presentation**

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2010. These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2009 were approved by the shareholders at the Annual General Meeting held on 24 March 2010.

### **2.3 Non-obligatory accounting principles applied**

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

## **2.4 Key issues in relation to the measurement and estimation of uncertainty**

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

- The assessment of possible impairment losses on certain assets (see Notes 4.4 and 8).
- The useful life of the property, plant and equipment and intangible assets (see Notes 4.1 and 4.2).
- The calculation of provisions (see Notes 4.9 and 13).
- Programme amortisation (see Note 4.5 and 11).

Although these estimates were made on the basis of the best information available at 2010 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

At 31 December 2010, the Company had a working capital deficiency. However, the directors of the Company estimate that the cash flows generated by the business and the financing lines available will enable the Company to meet its short-term liabilities.

## **2.5 Comparative information**

The information relating to 2010 included in these notes to the financial statements is presented for comparison purposes with that relating to 2009.

On 24 September 2010, Royal Decree 1159/2010, of 17 September, was published in the Spanish Official State Gazette (BOE), which made certain amendments to the Spanish National Chart of Accounts approved by Royal Decree 1514/2007.

Pursuant to the transition rules provided for, these amendments were applied prospectively from 1 January 2010 and did not have a material impact. Also, pursuant to these rules, the Company opted to present comparative information without adapting it to the new rules and, therefore, these financial statements are considered to be initial financial statements for the purposes of the principles of uniformity and comparability.

## **2.6 Grouping of items**

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

## **2.7 Changes in accounting policies**

In 2010 there were no significant changes in accounting policies with respect to those applied in 2009.

## **2.8 Correction of errors**

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2009.

## 2.9 Effect of not consolidating

The Company is the majority shareholder of certain companies and has ownership interests equal to or exceeding 20% in the share capital of other companies (see Note 8). The separate financial statements at 31 December 2010 do not reflect the increases in the value of the Company's ownership interests in these companies which would arise from fully consolidating majority ownership interests and accounting for investments in associates using the equity method. Pursuant to current legislation, the Company prepared consolidated financial statements separately in accordance with International Financial Reporting Standards. In 2010, the main aggregates in the consolidated financial statements are as follows: total assets (EUR 783 million), equity (EUR 304 million), revenue (EUR 773 million) and profit for the year (EUR 109 million).

## 3.- Distribution of profit

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

	2010
Interim dividends paid in 2010 (EUR 0.20 per share)	40,111
Dividends (amount to be distributed at EUR 0.25 per share )	50,139
Offset of prior years' losses	1,568
<b>Total</b>	<b>91,818</b>

On 27 October 2010, the Company's Board of Directors approved the distribution out of the Company's profit for 2010 of EUR 0.20 gross per share, giving a total dividend of EUR 40,111 thousand, which was recognised under "Equity – Interim Dividend" in the balance sheet.

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

### LIQUIDITY STATEMENT FOR THE PAYMENT OF THE 2010 INTERIM DIVIDEND

	Thousands of euros
<b>Liquidity at 30 September 2010</b>	<b>289,751</b>
<b>Projected cash until 31 December 2010:</b>	
Current transactions from October to December 2010	16,623
Projected dividend payment	(40,111)
<b>Liquidity forecast at 31 December 2010</b>	<b>266,263</b>

#### 4.- Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2010 and 2009, in accordance with the Spanish National Chart of Accounts, were as follows:

##### 4.1 Intangible assets

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

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

##### 4.2 Property, plant and equipment

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

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

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

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

##### *Impairment of intangible assets and property, plant and equipment*

At the end of each reporting period, or whenever there are indications of impairment in the case of intangible assets and property, plant and equipment, the Company tests the assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

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

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

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

### **4.3 Operating leases**

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

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

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

### **4.4 Financial instruments**

#### **4.4.1 Financial assets**

##### *Classification-*

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

- a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.
- b) Equity investments in Group companies and associates: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence.

##### *Initial recognition -*

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

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

##### *Subsequent measurement -*

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

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

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

In particular, the Company calculates valuation adjustments relating to trade and other receivables, by taking into account the date on which the receivables are due to be settled and the specific equity position of the debtors in question.

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

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

#### **4.4.2 Financial liabilities**

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

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

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

#### 4.4.3 Equity instruments

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

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

#### 4.4.4 Hedges

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

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

In 2010 the Company used the following type of hedge, which is accounted for as described below:

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

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

## 4.5 Inventories

### Programme rights

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

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

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

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

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

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

2. Non-inventoriable in-house productions (programmes produced to be shown only once) are measured using the same methods and procedures as those used to measure inventoriable in-house productions. Programmes produced and not shown are recognised at year-end under "Programme Rights - In-House Productions and Productions in Process" in the balance sheet. The cost of these programmes is recognised as an expense under "Programme Amortisation and Other" in the income statement at the time of the first showing.
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 Company. Payments made to outside production distributors prior to commencement of the term of the right are recorded under "Advances to Suppliers" in the balance sheet. The amortisation of the rights is recognised under "Programme Amortisation and Other" in the income statement on the basis of the number of showings, in accordance with the rates shown below, which are established on the basis of the number of showings contracted:

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

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

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

#### *Consumables and other inventories*

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

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

#### *Provisions*

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

#### *Classification of programmes*

In accordance with the Spanish National Chart of Accounts, programme inventories are classified as current assets on the basis of the normal business cycle and standard practice in the industry in which the Company operates. However, programmes are amortised over several years (see Note 11).

### **4.6 Foreign currency transactions**

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

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

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

### **4.7 Income tax**

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

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

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

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

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

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

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

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

#### **4.8 Revenue and expense recognition**

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

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

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

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

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

#### **4.9 Provisions and contingencies**

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

- a) Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and
- b) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

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

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

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

#### **4.10 Termination benefits**

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

#### **4.11 Environmental assets and liabilities**

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

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

#### **4.12 Transactions with related parties**

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

#### **4.13 Expenses arising from the three-year variable remuneration plan**

The Company charges the amount incurred in the year in connection with implementation of the three-year variable remuneration plan to "Staff Costs" or "Other Operating Expenses" in the income statement, based on the employment relationship or the services provided by the beneficiaries, with a credit to "Other Non-Current Liabilities" and "Other Current liabilities" in the balance sheet.

The three-year variable remuneration and loyalty-building plan for the directors of the Company was settled in full in 2009 and, accordingly, there were no liabilities in connection with obligations of this nature at the end of 2010 and 2009. The expense accrued in this connection in 2009 was EUR 5,507 thousand.

## 5.- Intangible assets

The changes in "Intangible Assets" in the balance sheet in 2010 and 2009 were as follows (in thousands of euros):

Cost	Balance at 01/01/10	Additions	Increase or decrease due to transfer of intangible assets in progress	Disposals or reductions	Balance at 31/12/10
Computer software	26,293	1	2,313	(925)	27,682
Other intangible assets	304	-	-	-	304
<b>Total cost</b>	<b>26,597</b>	<b>1</b>	<b>2,313</b>	<b>(925)</b>	<b>27,986</b>

Accumulated amortisation	Balance at 01/01/10	Additions	Disposals or reductions	Balance at 31/12/10
Computer software	(21,597)	(1,895)	925	(22,567)
Other intangible assets	(304)	-	-	(304)
<b>Total accumulated amortisation</b>	<b>(21,901)</b>	<b>(1,895)</b>	<b>925</b>	<b>(22,871)</b>

Total Intangible assets	Balance at 01/01/10	Balance at 31/12/10
Cost	26,597	27,986
Accumulated amortisation	(21,901)	(22,871)
<b>Total, net</b>	<b>4,696</b>	<b>5,115</b>

Cost	Balance at 01/01/09	Additions	Increase or decrease due to transfer of intangible assets in progress	Disposals or reductions	Balance at 31/12/09
Computer software	22,180	11	4,103	(1)	26,293
Other intangible assets	304	-	-	-	304
<b>Total cost</b>	<b>22,484</b>	<b>11</b>	<b>4,103</b>	<b>(1)</b>	<b>26,597</b>

Accumulated amortisation	Balance at 01/01/09	Additions	Disposals or reductions	Balance at 31/12/09
Computer software	(20,045)	(1,553)	1	(21,597)
Other intangible assets	(304)	-	-	(304)
<b>Total accumulated amortisation</b>	<b>(20,349)</b>	<b>(1,553)</b>	<b>1</b>	<b>(21,901)</b>

Total intangible assets	Balance at 01/01/09	Balance at 31/12/09
Cost	22,484	26,597
Accumulated amortisation	(20,349)	(21,901)
<b>Total, net</b>	<b>2,135</b>	<b>4,696</b>

At the end of 2010 and 2009 the Company had fully amortised intangible assets still in use, the detail being as follows (in thousands of euros):

	Gross carrying amount	
	2010	2009
Computer software	19,024	19,024
Other intangible assets	304	304
<b>Total</b>	<b>19,328</b>	<b>19,328</b>

## 6.- Property, plant and equipment

The changes in 2010 and 2009 in "Property, Plant and Equipment" in the balance sheet and the most significant information affecting this heading were as follows (in thousands of euros):

Cost	Balance at 01/01/10	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/10
Land and buildings	55,046	-	453	(2)	55,497
Plant	98,318	-	8,272	(8,151)	98,439
Machinery	242	-	-	(54)	188
Tools	95	-	-	(2)	93
Furniture	8,512	-	472	(990)	7,994
Computer hardware	24,048	15	1,118	(650)	24,531
Transport equipment	209	-	-	(43)	166
Property, plant and equipment in the course of construction	488	12,383	(12,628)	-	243
<b>Total cost</b>	<b>186,958</b>	<b>12,398</b>	<b>(2,313)</b>	<b>(9,892)</b>	<b>187,151</b>

Accumulated depreciation	Balance at 01/01/10	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/10
Land and buildings	(23,852)	(1,985)	-	-	(25,837)
Plant	(87,467)	(5,043)	1	7,987	(84,522)
Machinery	(241)	-	-	54	(187)
Tools	(88)	(2)	-	2	(88)
Furniture	(7,782)	(206)	(1)	951	(7,038)
Computer hardware	(19,856)	(2,009)	-	647	(21,218)
Transport equipment	(209)	-	-	42	(167)
<b>Total accumulated depreciation</b>	<b>(139,495)</b>	<b>(9,245)</b>	<b>-</b>	<b>9,683</b>	<b>(139,057)</b>

Net impairment losses	Balance at 01/01/10	Additions	Increase or decrease due to transfer	Reversals	Disposals or reductions	Balance at 31/12/10
Plant	(1,297)	-	-	-	-	(1,297)
<b>Total net impairment losses</b>	<b>(1,297)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,297)</b>

Total property, plant and equipment	Balance at 01/01/10	Balance at 31/12/10
Cost	186,958	187,151
Accumulated depreciation	(139,495)	(139,057)
Net impairment losses	(1,297)	(1,297)
<b>Total, net</b>	<b>46,166</b>	<b>46,797</b>

Cost	Balance at 01/01/09	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/09
Land and buildings	54,877	-	169	-	55,046
Plant	103,306	142	1,820	(6,950)	98,318
Machinery	277	-	1	(36)	242
Tools	149	-	-	(54)	95
Furniture	9,167	39	27	(721)	8,512
Computer hardware	23,889	24	1,506	(1,371)	24,048
Transport equipment	499	-	-	(290)	209
Property, plant and equipment in the course of construction	2,000	6,114	(7,626)	-	488
<b>Total cost</b>	<b>194,164</b>	<b>6,319</b>	<b>(4,103)</b>	<b>(9,422)</b>	<b>186,958</b>

Accumulated depreciation	Balance at 01/01/09	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/09
Land and buildings	(21,785)	(2,067)	-	-	(23,852)
Plant	(87,474)	(5,889)	-	5,896	(87,467)
Machinery	(276)	(1)	-	36	(241)
Tools	(138)	(3)	-	53	(88)
Furniture	(8,133)	(346)	-	697	(7,782)
Computer hardware	(18,975)	(2,216)	-	1,335	(19,856)
Transport equipment	(494)	(5)	-	290	(209)
<b>Total accumulated depreciation</b>	<b>(137,275)</b>	<b>(10,527)</b>	<b>-</b>	<b>8,307</b>	<b>(139,495)</b>

Net impairment losses	Balance at 01/01/09	Additions	Increase or decrease due to transfer	Reversals	Disposals or reductions	Balance at 31/12/09
Land and buildings	-	-	-	-	-	-
Plant	(1,297)	-	-	-	-	(1,297)
Computer hardware	-	-	-	-	-	-
<b>Total net impairment losses</b>	<b>(1,297)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,297)</b>

Total property, plant and equipment	Balance at 01/01/09	Balance at 31/12/09
Cost	194,164	186,958
Accumulated depreciation	(137,275)	(139,495)
Net impairment losses	(1,297)	(1,297)
<b>Total, net</b>	<b>55,592</b>	<b>46,166</b>

The Company owns buildings, the value of which, net of depreciation, and that of the land, at the end of 2010 and 2009 were as follows (in thousands of euros):

Property	2010	2009
Land	11,517	11,517
Buildings	18,143	19,676
<b>Total</b>	<b>29,660</b>	<b>31,193</b>

In 2010 the Company derecognised items of property, plant and equipment amounting to EUR 207 thousand (2009: EUR 1,115 thousand), giving rise to a loss of EUR 34 thousand (2009: gain of EUR 132 thousand).

In 2010 and 2009 no impairment losses were reversed.

At the end of 2010 and 2009 the Company had fully depreciated items of property, plant and equipment still in use, the detail being as follows (in thousands of euros):

	Gross carrying amount	
	2010	2009
Buildings	3,534	1,876
Other assets	94,689	87,562
<b>Total</b>	<b>98,223</b>	<b>89,438</b>

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At the end of 2010 and 2009 the property, plant and equipment were fully insured against these risks.

## 7.- Leases

At the end of 2010 and 2009 the Company, as a lessor under operating leases, had annual lease arrangements with certain Group companies for offices and other scantily material lease arrangements with a term of more than one year with non-Group companies. Since the leased offices are in the same building as the Company, they are not considered to be investment property included in the Company's assets.

Income from operating leases in 2010 and 2009 amounted to EUR 1,301 thousand and EUR 2,488 thousand, respectively.

## 8.- Financial assets (non-current and current)

### 8.1 Non-current financial assets

The balance of "Non-Current Financial Assets" at the end of 2010 and 2009 reflects long-term guarantees and deposits given and non-current derivative financial instruments (see Note 10).

### 8.2 Current financial assets

The detail of "Current Financial Assets" at the end of 2010 and 2009 is as follows (in thousands of euros):

	2010	2009
Short-term guarantees and deposits	34	34
Derivatives	807	290
<b>Total</b>	<b>841</b>	<b>324</b>

### 8.3 Non-current investments in Group companies and associates

The detail of "Non-Current investments in Group Companies and Associates" at the end of 2010 and 2009 is as follows (in thousands of euros):

	2010	2009
Investments in Group companies and associates	8,930	15,037
Long-term loans to Group companies and associates	362,014	356,612
<b>Total</b>	<b>370,944</b>	<b>371,649</b>

The most significant information in relation to investments in **Group companies and associates** at the end of 2010 is as follows:

Name / Registered office / Line of business	% of ownership		Share capital	Thousands of euros					Carrying amount		
	Direct	Indirect		Profit (Loss)		Remaining equity	Total equity	Dividends received	Cost	Impairment losses recognised in the year	Accumulated impairment losses
				From operations	Net						
Antena 3 Multimedia, S.L.U. Madrid/ Commercial management by television.	100%	-	3	159	105	63	171	-	3	-	-
Atres Advertising, S.L.U. Madrid/ Advertising management	100%	-	3	21,316	14,866	(13,478)	1,391	13,795	3	-	-
Antena 3 Eventos, S.L.U. Madrid/ Organisation of events	100%	-	150	(31)	(24)	1,304	1,430	-	1,623	(193)	(193)
Antena 3 Canarias S.L.U. Madrid/ Television	100%	-	3	(6)	(4)	-	(1)	-	5	-	-
Guadiana Producciones, S.A.U. Madrid/ Producer	100%	-	60	(46)	(32)	28	56	-	60	-	(60)
Publicidad 3, S.A.U. Madrid/ Radio broadcasting services	100%	-	60	(499)	(219)	(45,616)	(45,775)	-	505	-	(505)
Música Aparte, S.A.U. Madrid/ Management of rights	100%	-	60	5,869	4,121	1,697	5,878	1,800	60	-	-
Movierecord Cine, S.A.U. Madrid/ Advertising in cinemas	100%	-	801	(506)	(370)	160	591	-	23,477	(648)	(22,886)
Antena 3 Films, S.L.U. Madrid/ Audiovisual productions	100%	-	1,900	(15,417)	(13,774)	388	(11,486)	-	10,016	(2,859)	(10,016)
I3 Televisión, S.L. Madrid/ IT services	50%	-	603	(501)	(419)	(692)	(508)	-	150	-	(92)
Antena 3 de Televisión Colombia, S.A. Colombia/ Television	55%	-	300	104	104	(185)	219	-	271	-	-
Canal 3 Televisión de Colombia, S.A. Colombia/ Television	2%	22%	333	(19)	(19)	118	432	-	21	-	-
Vnews Agencia de Noticias, S.L. Granada/ News agency	100%	-	885	(10)	(16)	126	995	-	1,020	(412)	(1,020)
Unipublic, S.A. Madrid/ Organisation of the Tour of Spain cycle race	51%	-	450	830	578	2,741	3,769	-	18,090	(5,500)	(11,601)
TVI Televisao Independente, S.A. Lisbon/ Television	0.001%	(a)	(a)	(a)	(a)	(a)	(a)	-	2,016	-	(2,016)
<b>Total investments</b>			<b>3,643</b>	<b>10,338</b>	<b>4,250</b>	<b>(56,146)</b>	<b>(48,253)</b>	<b>15,595</b>	<b>57,320</b>	<b>(9,612)</b>	<b>(48,390)</b>

(a) Information not available.

The most significant information in relation to investments in **Group companies and associates** at the end of 2009 is as follows:

Name / Registered office / Line of business	% of ownership		Thousands of euros								
	Direct	Indirect	Share capital	Profit (Loss)		Remaining equity	Total equity	Dividends received	Carrying amount		
				From operations	Net				Cost	Impairment losses recognised in the year	Accumulated impairment losses
Antena 3 Multimedia, S.L.U. Madrid/ Commercial management by television.	100%	-	3	42	22	41	66	-	3	-	-
Atres Advertising, S.L.U. Madrid/ Advertising management	100%	-	3	(1,244)	(1,021)	1,339	321	-	3	-	-
Antena 3 Eventos, S.L.U. Madrid/ Organisation of events	100%	-	150	120	66	1,237	1,453	-	1,623	-	-
Antena 3 Canarias S.L.U. Madrid/ Television	100%	-	3	-	-	-	3	-	5	-	-
Publicidad 3, S.A.U. Madrid/ Radio broadcasting services	100%	-	60	(629)	87	(45,702)	(45,555)	-	505	-	(505)
Música Aparte, S.A.U. Madrid/ Management of rights	100%	-	60	4,897	3,458	39	3,557	1,434	60	-	-
Movierecord Cine, S.A.U. Madrid/ Advertising in cinemas	100%	-	801	(2,624)	(1,842)	1,678	637	-	22,874	(1,842)	(22,238)
Antena 3 Films, S.L.U. Madrid/ Audiovisual productions	100%	-	1,900	(6,972)	(5,358)	3,166	(292)	-	7,304	(4,786)	(7,157)
i3 Televisión, S.L.. Madrid/ IT services	50%	-	300	(109)	(109)	(76)	115	-	150	(92)	(93)
Antena 3 de Televisión Colombia, S.A. Colombia/ Television	55%	-	(a)	(a)	(a)	(a)	(a)	-	134	-	-
Canal 3 Televisión de Colombia, S.A. Colombia/ Television	2%	22%	(a)	(a)	(a)	(a)	(a)	-	10	-	-
Vnews Agencia de Noticias, S.L. Granada/ News agency	96%	-	603	(327)	(282)	(431)	(110)	-	978	(608)	(608)
Unipublic, S.A. Madrid/ Organisation of the Tour of Spain cycle race	51%	-	450	1,237	925	1,775	3,150	306	18,090	-	(6,101)
TVI Televisao Independente, S.A. Lisbon/ Television	0.001%	-	(a)	(a)	(a)	(a)	(a)	-	2,016	-	(2,016)
<b>Total investments</b>			<b>4,333</b>	<b>(5,790)</b>	<b>(4,176)</b>	<b>(36,934)</b>	<b>(36,777)</b>	<b>1,740</b>	<b>53,755</b>	<b>(7,328)</b>	<b>(38,718)</b>

(a) Information not available.

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

Loans	Balance at 01/01/09	Additions	Disposals	Provisions	Balance at 31/12/09	Additions	Disposals	Provisions	Balance at 31/12/10
Publicidad 3, S.A.U.	276,174	-	-	7,345	283,519	-	-	(219)	283,300
Antena 3 Films, S.L.U.	61,223	11,870	-	-	73,093	17,107	-	(11,486)	78,714
<b>Total</b>	<b>337,397</b>	<b>11,870</b>	<b>-</b>	<b>7,345</b>	<b>356,612</b>	<b>17,107</b>	<b>-</b>	<b>(11,705)</b>	<b>362,014</b>

The Company granted two participating loans to Publicidad 3, S.A. (Sole-Shareholder Company), which earn interest at floating rates based on the EBITDA of the borrower, for a maximum amount of EUR 334,000 thousand, of which EUR 329,130 thousand were drawn down as follows:

Date	Maximum amount	Amount drawn down	Maturity
10/09/02	233,000	233,000	30/11/12
12/05/04	101,000	96,130	12/05/14
	<b>334,000</b>	<b>329,130</b>	

With respect to these loans, a provision was recognised based on the available shareholders' equity of Publicidad 3, S.A. (Sole-Shareholder Company), which, at 31 December 2010, amounted to EUR 45,830 thousand.

Also, the participating loan that the Company granted to Antena 3 Films, S.L. (Sole-Shareholder Company) was converted into capital in 2008, and in May 2008 the Company renegotiated the short-term loan it had granted to this company, raising the limit to EUR 100,000 thousand and increasing its maturity to three years. This loan earns interest at a floating rate tied to Euribor. In 2010 EUR 17,107 thousand were drawn down and the total amount drawn down stood at EUR 90,200 thousand. Based on the available shareholders' equity of Antena 3 Films, S.A. (Sole-Shareholder Company), at 31 December 2010 a provision of EUR 11,486 thousand was recognised in connection with the aforementioned loan.

The most representative acquisitions and sales of ownership interests in other entities and significant corporate transactions in 2010 were as follows:

- on 14 January 2010, a further 4.17% of VNews Agencia de Noticias, S.L. (Sole-Shareholder Company) was acquired for EUR 42 thousand, thereby increasing the Company's ownership interest to 100%.
- in June 2010 the investments in Antena 3 Colombia, S.A. and Canal 3 Televisión de Colombia were increased although the percentage of ownership interests in these companies did not increase. These investments were acquired for the purpose of participating in the invitation to tender for a television channel in the aforementioned country. At 2010 year-end the tender had not yet been awarded.
- in July 2010 the Company made shareholder contributions in order to offset prior years' losses in Antena 3 Films, S.L. (Sole-Shareholder Company) and Movierecord Cine, S.A. (Sole-Shareholder Company) amounting to EUR 2,712 thousand and EUR 603 thousand, respectively.

The most representative acquisitions and sales of ownership interests in other entities and significant corporate transactions in 2009 were as follows:

- in December 2009 the Company acquired control over VNews, Agencia de Noticias, S.L. and, accordingly, the 95.83% ownership interest was transferred from "Non-Current Assets Classified as Held for Sale" to "Equity Instruments" for the amount recognised (EUR 978 thousand).
- in April 2009 the investments in Antena 3 Colombia, S.A. and Canal 3 Televisión de Colombia were increased but the related percentage of ownership interests did not increase. These investments were acquired for the purpose of participating in the invitation to tender for a television channel in the aforementioned country.

The information on Antena 3 Films, S.L. (Sole-Shareholder Company), Atres Advertising, S.L. (Sole-Shareholder Company), Movierecord Cine, S.A. (Sole-Shareholder Company), Publicidad 3, S.A. (Sole-Shareholder Company) and Unipublic, S.A. was obtained from the audited financial statements at 31 December 2010.

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

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

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

At 31 December 2010, after assessing the business plan of Unipublic, S.A., the Company's directors considered that this asset had suffered impairment of EUR 5,500 thousand and, accordingly, recognised the related impairment losses with a charge to "Impairment and Gains or Losses on Disposals of Financial Instruments" in the accompanying income statement.

Additionally, impairment losses of EUR 2,859 thousand were recognised in relation to the ownership interest held in Antena 3 Films, S.L. (Sole-Shareholder Company).

### **9.- Information on the type and level of risk of financial instruments**

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

#### **a) Credit risk:**

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

The advertising contracting terms enable bank guarantees to be demanded prior to the launch of advertising campaigns. Also, it should be noted that the Company does not have a significant concentration of credit risk exposure to third parties and no significant incidents arose in 2010.

In any case, the Company estimates allowances for doubtful debts based on the age of the debt.

#### **b) Liquidity risk:**

The Company's liquidity policy is to arrange credit lines and current investments that are sufficient to support its financial needs, on the basis of expected business performance.

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the credit and financing facilities detailed in Note 14.

#### **c) Foreign currency risk:**

Foreign currency risk relates mainly to the payments to be made in international markets to acquire broadcasting rights, primarily from major production companies in the US, denominated in US dollars. In order to mitigate this risk, the Company arranges financial instruments (foreign currency hedges) which reduce exchange differences on foreign currency transactions (see Note 10).

## 10.- Derivative financial instruments

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

### Foreign currency hedges

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

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

In 2010 EUR 15 thousand (2009: EUR 69 thousand) were deducted from equity and capitalised to inventories. The changes in the fair value of the derivatives arranged by the Company depend on the change in the EUR/USD exchange rate and on the euro interest rate curves.

At 31 December 2010, the Company had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 40,235 thousand, at an average weighted exchange rate of EUR 1.3564/USD 1. At 31 December 2009, the Company had arranged hedging instruments amounting to USD 43,104 thousand, at a weighted average exchange rate of EUR 1.4056/USD 1.

At 31 December 2010, the total amount of outstanding forward currency contracts entered into by the Company is as follows (the terms reflect the moment in which the hedged portion is recognised and in which the value of the hedging instruments is adjusted in equity as an increase in / reduction of inventories).

	Classification	Type	Maturity	Amount arranged (thousands of euros)	Ineffectiveness recognised in profit or loss (thousands of euros)	Fair value (thousands of euros)	
						Assets	Liabilities
Foreign currency hedges	Foreign currency hedge	USD call	2011	23,607	-	807	328
Foreign currency hedges	Foreign currency hedge	USD call	2012	6,055	-	123	116

The information in this connection at 31 December 2009 is as follows:

	Classification	Type	Maturity	Amount arranged (thousands of euros)	Ineffectiveness recognised in profit or loss (thousands of euros)	Fair value (thousands of euros)	
						Assets	Liabilities
Foreign currency hedges	Foreign currency hedge	USD call	2010	22,771	-	290	979
Foreign currency hedges	Foreign currency hedge	USD call	2011	6,203	-	92	96
Foreign currency hedges	Foreign currency hedge	USD call	2012	1,692	-	-	63

At 31 December 2010, the fair value of the Company's foreign currency derivatives, which are designated and are effective as cash flow hedges, was estimated to be positive by EUR 930 thousand and negative by EUR 444 thousand (31 December 2009: positive by EUR 382 thousand and negative by EUR 1,138 thousand). This amount was deferred and recognised in equity.

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

The sensitivity analysis indicates that positive or negative changes of 5% in spot EUR/USD exchange rates would give rise to changes of approximately EUR 3 million in the fair value of the foreign currency derivatives (2009: EUR 6 million). Increases in the value of the euro (depreciation of the US dollar) would increase negative values while decreases in the value of the euro would increase positive values.

#### Equity and interest rate swaps

In order to cover the increased costs of the three-year variable remuneration plan that would arise as a result of an increase in the Company's share price, an equity swap contract was arranged in 2006 that met the requirements to qualify for hedge accounting. In 2007 an interest rate derivative was arranged to hedge the fluctuations in the floating interest rate of the equity swap, recognising the changes in the value thereof directly in the income statement for the year.

When the last payment under the three-year variable remuneration plan was made in July 2009, these swaps were recognised in profit and loss and did not have any impact on the balance sheet at 31 December 2010 or 2009.

#### **11.- Inventories**

The detail of "Inventories" in the balance sheets at 31 December 2010 and 2009 is as follows:

Thousands of euros	2010	2009
<b>Programme rights, net-</b>		
Rights on outside productions	123,208	150,566
In-house productions and programmes in process	36,397	28,871
Sports broadcasting rights	3,214	3,214
Inventory write-downs	(21,404)	(26,369)
	<b>141,415</b>	<b>156,282</b>
<b>Consumables and other inventories-</b>		
Dubbings, soundtracks and titles	1,198	1,346
Other materials	969	1,038
	<b>2,167</b>	<b>2,384</b>
<b>Advances to suppliers</b>	<b>22,253</b>	<b>25,494</b>
<b>Total</b>	<b>165,835</b>	<b>184,160</b>

"Advances to Suppliers" in the accompanying balance sheets at 31 December 2010 and 2009 includes basically advances paid in connection with outside production commitments.

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

	Balance at 31/12/08	Additions	Disposals or reductions	Balance at 31/12/09	Additions	Disposals or reductions	Balance at 31/12/10
Inventory write-downs	(33,815)	(12,401)	19,846	<b>(26,370)</b>	(5,042)	10,008	<b>(21,404)</b>

The write-downs recognised arose since it was decided that certain titles would not be marketable and it was not likely that they would form part of the Company's programme schedule.

At 31 December 2010, the Company had commitments, mainly for the purchase of audiovisual property rights, amounting to EUR 36,271 thousand (2009: EUR 34,861 thousand). In addition, the Company has purchase commitments to distributors, the definitive amount and price of which will be determined once the programmes are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. The best estimate of these commitments amounts to EUR 45,633 thousand (2009: 26,605 thousand).

It is estimated that most of the rights on inventoriable in-house and outside productions will be amortised in 2011 (see Note 4.5).

## 12.- Equity and shareholders' equity

At the end of 2010 and 2009 the Company's share capital consisted of 211,112,800 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.

At 31 December 2010, the Company's shareholder structure was as follows:

	Percentage of ownership
Planeta-deAgostini, S.L. Group	44.58
UFA Film und Fernseh GmbH	20.49
Treasury shares	5.00
Other shareholders	29.93
	<b>100.00</b>

The Company's shares are listed on the Spanish Stock Market Interconnection System and all carry the same voting and dividend rights.

There are agreements among the main shareholders that guarantee the Company's shareholder stability, the grant of mutual rights of acquisition on their shares, the undertaking not to take control of A3TV or to permit a third party to do so, and also include Company management agreements, as described in the directors' report.

### 12.1 Reserves

#### Legal reserve

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

At the end of 2010 and 2009 the balance of this reserve had reached the legally required minimum.

#### Other reserves

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

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

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

## 12.2 Treasury shares

The detail of the treasury shares held by the Company at the end of 2010 and 2009 is as follows:

Year	No. of shares	Par value (euros)	Average acquisition price (euros)	Total acquisition cost (thousands of euros)
2010	10,555,640	7,916,730	7.45	78,650
2009	10,555,640	7,916,730	7.45	78,650

At 31 December 2010, the Company held 10,555,640 treasury shares, representing 5% of its share capital.

The shareholders at the Annual General Meeting held on 24 March 2009 adopted a resolution authorising the Company to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time.

Pursuant to Article 82 of Securities Market Law 24/1988, on 10 October 2008, the Company notified the CNMV of a significant event whereby, based on the extraordinary situation of the stock markets and the repercussion thereof on the market price of its shares, the Company resolved to begin a treasury share acquisition process that may be extended to the limit established by the related authorisation resolution adopted by the shareholders at the Annual General Meeting held on 26 March 2008. The 5% limit was reached in April 2009.

The changes in "Treasury Shares" in 2010 and 2009 were as follows:

Number of shares	2010	2009
At beginning of year	10,555,640	7,377,191
Purchases	-	3,178,449
Sales	-	-
<b>At end of year</b>	<b>10,555,640</b>	<b>10,555,640</b>

The shareholders at the Annual General Meeting held on 25 March 2009 also resolved to reduce the share capital in order to retire treasury shares with a charge to profit or unrestricted reserves, authorising the Board of Directors to implement this resolution. At the date of preparation of these financial statements, the aforementioned resolution became void due to the expiry of the 18 months in which it was valid. The Board of Directors did not make use of the aforementioned authorisation granted by the shareholders at the Annual General Meeting.

## 12.3 Dividends

At the Annual General Meeting of Antena 3 de Televisión, S.A., held on 24 March 2010, the shareholders approved a final dividend out of 2009 profit, which gave rise to a total of EUR 30,084 thousand and was paid to the shareholders on 21 April 2010.

On 27 October 2010, the Company's Board of Directors approved the distribution out of the Company's profit for 2010 of EUR 0.20 gross per share, giving rise to a total dividend of EUR 40,111 thousand, which was paid to the shareholders on 18 November 2010.

## 13.- Provisions and contingencies

The detail of short-term provisions in the balance sheet at the end of 2010 is as follows (in thousands of euros):

Short-term provisions	Balance at 31/12/08	Additions	Amounts used	Balance at 31/12/09	Additions	Amounts used	Balance at 31/12/10
Litigation and other provisions	49,414	9,701	(8,877)	50,238	11,368	(10,293)	51,313
Operating provisions	31,663	28,513	(25,735)	34,441	7,651	(32,096)	9,996
<b>Total</b>	<b>81,077</b>	<b>38,214</b>	<b>(34,612)</b>	<b>84,679</b>	<b>19,019</b>	<b>(42,389)</b>	<b>61,309</b>

At 31 December 2010 and 2009, certain civil, labour, criminal and administrative lawsuits had been filed against the Company which were taken into account in estimating potential contingent liabilities. Noteworthy in view of their amount were the lawsuits with certain collection societies.

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

#### 14.- Payables (non-current and current)

##### 14.1 Non-current financial liabilities

The detail of "Non-Current Payables" at 2010 and 2009 year-end is as follows (in thousands of euros):

	2010	2009
Bank borrowings	-	12,766
Accounts payable	285	1,718
Derivatives (Note 10)	116	159
<b>Total</b>	<b>401</b>	<b>14,643</b>

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

	2012	2013	2014	2015	2016 and subsequent years	Total
Bank borrowings	-	-	-	-	-	-
Accounts payable	185	10	30	10	50	285
Derivatives	116	-	-	-	-	116
<b>Total at 31/12/10</b>	<b>301</b>	<b>10</b>	<b>30</b>	<b>10</b>	<b>50</b>	<b>401</b>

	2011	2012	2013	2014	2015 and subsequent years	Total
Bank borrowings	12,766	-	-	-	-	12,766
Accounts payable	1,638	10	10	10	50	1,718
Derivatives	159	-	-	-	-	159
<b>Total at 31/12/09</b>	<b>14,563</b>	<b>10</b>	<b>70</b>	<b>10</b>	<b>50</b>	<b>14,643</b>

The rate of interest paid by the Company in 2010 and 2009 on the loans and credit facilities arranged with banks was mainly tied to Euribor.

##### 14.2 Current financial liabilities

At 31 December 2010, current bank borrowings amounted to EUR 100,145 thousand (31 December 2009: EUR 167,467 thousand), including the amounts drawn down against the credit facilities and the related interest.

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

	2010		2009	
	Limit	Undrawn amount	Limit	Undrawn amount
Current and non-current credit facilities	354,000	254,991	357,000	179,291

The rate of interest paid by the Company in 2010 on the loans and credit facilities arranged with banks was mainly tied to Euribor.

## 15.- Trade payables

In relation to the disclosures required by Additional Provision Three of Law 15/2010, of 5 July, for these first financial statements prepared since the entry into force of the Law, at 31 December 2010, approximately EUR 40 millions of the balance payable to suppliers were past due by more than the maximum payment period.

This amount relates mainly to payables to suppliers for production services relating to agreements entered into prior to the entry into force of the legislation, included under "Current Liabilities - Payable to Suppliers" in the balance sheet.

The maximum payment period applicable to the Company under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, is 85 days in the period between the entry into force of the Law and 31 December 2011.

## 16.- Tax matters

### 16.1 Current tax receivables and payables

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

#### Tax receivables

	2010	2009
<b>To be settled in 2011:</b>	<b>17,470</b>	<b>17,447</b>
Deferred tax assets	509	3,419
Tax loss carryforwards	-	9,108
Unused tax credits and tax relief	16,961	4,920
<b>To be settled from 2012:</b>	<b>16,371</b>	<b>21,206</b>
Deferred tax assets	12,934	11,326
Unused tax credits and tax relief	3,437	9,880
<b>Total non-current assets</b>	<b>33,841</b>	<b>38,653</b>
Income tax refundable	-	3,787
Other tax receivables	1	38
Tax prepayments	-	-
<b>Total current assets</b>	<b>1</b>	<b>3,825</b>
<b>TOTAL TAX RECEIVABLE</b>	<b>33,842</b>	<b>42,478</b>

#### Tax payables

	2010	2009
<b>Current tax-</b>		
Tax withholdings payable	1,664	2,513
Income tax payable	3,353	-
Accrued social security taxes payable	917	1,045
VAT payable	2,922	3,389
<b>TOTAL TAX PAYABLE</b>	<b>8,856</b>	<b>6,947</b>

### 16.2 Reconciliation of the accounting profit to the taxable profit

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

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

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

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2010 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
<b>Accounting profit before tax</b>			<b>114,813</b>
<b>Permanent differences -</b>	<b>23,300</b>	<b>16,479</b>	<b>6,820</b>
Donations and penalties	1,981	-	1,981
Impairment of goodwill	5,500	-	5,500
Provisions and accounts payable	-	-	-
Elimination of provisions	15,818	-	15,818
Elimination of dividends	-	15,595	(15,595)
Elimination of intra-Group transactions	-	884	(884)
<b>Temporary differences -</b>	<b>3,883</b>	<b>12,859</b>	<b>(8,976)</b>
<i>Arising in the year:</i>			
Provision for litigation	977	-	977
Non-current accounts payable	2,906	-	2,906
<i>Arising in prior years:</i>			
Provisions and accounts payable	-	3,458	(3,458)
Provision for litigation	-	9,401	(9,401)
<b>Gross taxable profit</b>	<b>27,182</b>	<b>29,338</b>	<b>112,658</b>
<b>Tax rate</b>			<b>30%</b>
<b>Gross tax payable</b>			<b>33,797</b>
Tax loss carryforwards			(7,664)
Accounts receivable from (payable to) Group companies			(4,270)
Tax credits used by the Group in 2010			(7,993)
2010 tax prepayments			(10,517)
<b>Income tax payable</b>			<b>3,353</b>

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2009 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
<b>Accounting profit before tax</b>			<b>49,663</b>
<b>Permanent differences -</b>	<b>1,488</b>	<b>6,010</b>	<b>(4,522)</b>
Donations and penalties	819		819
Impairment and derecognition of non-current assets	669		669
Provisions and accounts payable	-	2,740	(2,740)
Elimination of provisions	-	109	(109)
Elimination of dividends	-	1,434	(1,434)
Elimination of intra-Group transactions	-	1,727	(1,727)
<b>Temporary differences -</b>	<b>12,598</b>	<b>108,028</b>	<b>(95,430)</b>
<i>Arising in the year:</i>			
Provision for litigation	4,200	-	4,200
Non-current accounts payable	8,398	-	8,398
<i>Arising in prior years:</i>			
Provisions and accounts payable	-	103,736	(103,736)
Provision for litigation	-	4,292	(4,292)
<b>Gross taxable profit</b>	<b>14,086</b>	<b>114,038</b>	<b>(50,289)</b>
<b>Tax rate</b>			<b>30.00%</b>
<b>Gross tax payable</b>			<b>(15,087)</b>
Accounts receivable from (payable to) Group companies			5,979
<b>Offset of tax losses</b>			<b>(9,108)</b>
Tax credits used by the Group in 2009			-
2009 tax prepayments			(3,787)
<b>Income tax refundable</b>			<b>(3,787)</b>

### 16.3 Tax recognised in equity

The detail of the taxes recognised directly in equity in 2010 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
<b>Current taxes:</b>			
Capital increase expenses			
Capital reduction expenses			
<b>Total current taxes</b>			
<b>Deferred taxes:</b>			
Arising in the year:			
Available-for-sale financial assets			
Revaluation of other financial assets		95	
Grants			
Effect of first-time application of New Spanish National Chart of Accounts			
Arising in prior years:			
Available-for-sale financial assets			
Revaluation of other financial assets			
Grants			
<b>Total deferred taxes</b>		95	(95)
<b>Total tax recognised directly in equity</b>			<b>(95)</b>

The detail of the taxes recognised directly in equity in 2009 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
<b>Current taxes:</b>			
Capital increase expenses			
Capital reduction expenses			
<b>Total current taxes</b>			
<b>Deferred taxes:</b>			
Arising in the year:			
Available-for-sale financial assets			
Revaluation of other financial assets		288	
Grants			
Effect of first-time application of New Spanish National Chart of Accounts			
Arising in prior years:			
Available-for-sale financial assets			
Revaluation of other financial assets			
Grants			
<b>Total deferred taxes</b>		288	(288)
<b>Total tax recognised directly in equity</b>			<b>(288)</b>

### 16.4 Reconciliation of accounting profit to the income tax expense

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

	2010	2009
<b>Accounting profit before tax</b>	<b>114,813</b>	<b>49,663</b>
Tax charge at 30%	34,444	14,899
<b>Tax credits earned in the year:</b>	<b>13,663</b>	<b>12,052</b>
Audiovisual productions	13,383	11,734
Donations to not-for-profit entities	253	234
Other	27	84
<b>Offset of tax losses:</b>		
<b>Other-</b>		
Permanent differences (Note 16.2)	2,046	(1,356)
<b>Total income tax expense for the year</b>	<b>22,827</b>	<b>1,491</b>
<b>Income tax adjustments</b>	<b>168</b>	<b>343</b>
Adjustment - difference in income tax per tax return	168	343
<b>Total income tax expense recognised in profit or loss</b>	<b>22,995</b>	<b>1,834</b>

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

	2010	2009
Current taxes	20,134	(27,138)
Deferred taxes	2,693	28,629
<b>Total income tax expense for the year</b>	<b>22,827</b>	<b>1,491</b>

### 16.5 Deferred tax assets recognised

The difference between the tax charge allocated to 2010 and to prior years and the tax charge already paid or payable for such years, which is recognised under "Deferred Tax Assets", arose as a result of temporary differences derived from the following:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros				
	2009	Additions	Reductions	Other	2010
Provision for litigation	9,400	183	(2,955)	-	6,628
Accounts payable	5,422	982	(902)	1,361	6,863
Other Items	211	-	-	124	335
Hedging instruments	(288)	-	(95)	-	(383)
<b>Total</b>	<b>14,745</b>	<b>1,165</b>	<b>(3,952)</b>	<b>1,485</b>	<b>13,443</b>

The detail for 2009 is as follows:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros				
	2008	Additions	Reductions	Other	2009
Provision for litigation	11,547	1,382	(1,288)	(2,241)	9,400
Accounts payable	34,145	2,397	(31,121)	-	5,422
Other Items	366	-	-	(154)	211
Hedging instruments	1,974	(288)	(1,974)	-	(288)
<b>Total</b>	<b>48,032</b>	<b>3,491</b>	<b>(34,383)</b>	<b>(2,395)</b>	<b>14,745</b>

At 31 December 2010, the tax effect of the valuation adjustments relating to the hedging instruments amounting to EUR 383 thousand was recognised under "Non-Current Assets".

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

On the basis of the estimate made by the Company's directors of the timing of future profits for the offset and use of these deferred tax assets, EUR 12,934 thousand were considered to be recoverable in the long term while EUR 509 thousand were considered to be recoverable in the short term. Both amounts are recognised under "Deferred Tax Assets". Also, on the basis of the aforementioned estimate of the timing of future profits, the directors consider that there are no reasonable doubts as to the recovery of the amounts recognised in the accompanying balance sheet within the statutory time periods and limits.

The changes in deferred tax assets recognised under "Other" include the difference between the recognition of the 2009 income tax provision and the actual tax return filed with the tax authorities, which gave rise to an adjustment of EUR 1,485 thousand to deferred tax assets. Also, the effect of this difference, amounting to EUR 168 thousand, on the income tax expense is recognised under "Negative Adjustments to Income Tax".

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

The following tables reflect the 2009 income tax adjustments that were not taken into account in the estimated income tax calculation included in the notes to the financial statements for 2009 of Antena 3 Televisión, as well as the estimated income tax for 2010 (in thousands of euros):

Company name	% ownership	Share capital	Profit (Loss) for the year	Remaining equity	Total equity	Net goodwill	2009					Adjustments-income tax of a subsidiary	Article 12.3 of Spanish Corporation Tax Law (plus positive adjustment to taxable profit)
							Adjusted underlying carrying amount	Carrying amount			Cost		
								Impairment losses recognised in the year	Accumulated impairment losses	Cost			
I3 Televisión, S.L.	50.00%	300	(109)	(76)	115	-	57	150	92	-	-	-	
Unipublic, S.A.	51.00%	450	967	1,775	3,191	11,006	12,633	18,090	-	6,101	257	460	

Company name	% ownership	Share capital	Profit (Loss) for the year	Remaining equity	Total equity	Net goodwill	2010							Accumulated tax losses	2010 accumulated tax losses	Outstanding amount		
							Adjusted underlying carrying amount	Carrying amount			Cost	Impairment losses recognised in the year	Accumulated impairment losses				Adjustments - Income tax of a subsidiary	Article 12.3 of Spanish Corporation Tax Law (plus positive adjustment to taxable profit)
								Impairment losses recognised in the year	Accumulated impairment losses	Cost								
I3 Televisión, S.L.	50.00	300	104	(185)	220	-	110	150	-	92	-	52	-	52	(52)			
Unipublic, S.A.	51.00	450	578	2,741	3,769	11,006	12,928	18,090	-	6,101	78	1,017	(460)	557	(1,017)			

At 31 December 2010, the Company had recognised unused tax credits amounting to EUR 20,398 thousand.

#### 16.6 Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 2010 year-end the Company had all years since 2005 open for review for income tax and other taxes applicable to it. The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

#### 16.7 Other disclosures

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

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

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

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

## 17.-Foreign currency balances and transactions

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

	2010	2009
Accounts receivable	1,691	1,282
Accounts payable	28,524	26,024
Sales	2,247	2,030
Purchases	59,459	50,968

The detail, by class of financial instrument, of the exchange differences recognised in 2010 in profit or loss is as follows (in thousands of euros):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	80	158	237
<b>Total financial assets</b>	<b>80</b>	<b>158</b>	<b>237</b>
Trade payables	219	(1,568)	(1,349)
<b>Total financial liabilities</b>	<b>219</b>	<b>(1,568)</b>	<b>(1,349)</b>

The figures for 2009 were as follows (in thousands of euros):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	(147)	(94)	(241)
<b>Total financial assets</b>	<b>(147)</b>	<b>(94)</b>	<b>(241)</b>
Trade payables	(9)	(146)	(156)
<b>Total financial liabilities</b>	<b>(9)</b>	<b>(146)</b>	<b>(156)</b>

## 18.- Income and expenses

### 18.1 Revenue

The breakdown, by business line and geographical market, of the Company's revenue for 2010 and 2009 is as follows (in thousands of euros):

Line of business	2010	2009
Advertising sales	630,808	555,303
<b>Total</b>	<b>630,808</b>	<b>555,303</b>

Geographical market	2010	2009
Spain	629,716	550,118
Other EU countries	999	3,953
Other non-EU countries	93	1,232
<b>Total</b>	<b>630,808</b>	<b>555,303</b>

## 18.2 Procurements

The detail of "Procurements" in 2010 and 2009 is as follows:

Thousands of euros	2010	2009
Broadcasting of in-house productions	159,776	152,593
Outside production services	159,701	143,750
Programme broadcasting rights	119,876	104,369
Live broadcasting rights	-	19,265
Performances and contributions of entertainers	9,523	9,759
Other amortisation	12,294	20,183
Inventories	(168,089)	(147,001)
<b>Total</b>	<b>293,081</b>	<b>302,917</b>

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

In 2010 EUR 32 million of total procurements relate to purchases in other European Union countries (2009: EUR 27 million) and approximately EUR 19 million to purchases made in countries outside the European Union, mainly the United States (2009: EUR 32 million).

## 18.3 Employee benefit costs

The detail of "Employee Benefit Costs" in 2010 and 2009 is as follows:

Thousands of euros	2010	2009
Employer social security costs	9,005	11,526
Other employee benefit costs	2,061	1,893
<b>Total</b>	<b>11,066</b>	<b>13,419</b>

## 18.4 Other operating expenses

The detail of "Other Operating Expenses" in the income statements for 2010 and 2008 is as follows:

Thousands of euros	2010	2009
Rent and royalties	45,533	40,179
Work performed by other companies	34,664	18,313
Communications	9,289	5,758
Advertising and publicity	7,832	10,182
Copyrights and other expenses	54,675	78,219
<b>Total</b>	<b>151,993</b>	<b>152,651</b>

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

"Copyrights and Other Expenses" includes changes in the allowance for doubtful debts. In 2010 no allowance was recognised (2009: EUR 5,258 thousand) and in 2010 EUR 3,939 thousand of the existing allowance was used (2009: EUR 1,152 thousand).

### 18.5 Finance income and finance costs

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

	2010	2009
Finance income	17,893	4,729
Finance costs	4,640	11,143

EUR 15,595 thousand of total finance income for 2010 relate to dividends received by A3TV and its subsidiaries (2009: EUR 1,740) (see Note 8.3).

EUR 2,292 thousand of total finance costs for 2009 related to the effect of an equity swap agreement.

### 19.- Related party transactions and balances

#### 19.1 Related party transactions

The detail of the transactions with related parties in 2010 and 2009 is as follows (in thousands of euros):

	2010		2009	
	Group companies	Associates	Group companies	Associates
Sales	470,791	1,902	13,042	8,322
Purchases and services received	5,360	10,348	25,920	10,951
Accrued interest payable	289	3	993	20
Accrued interest receivable	2,116	0	2,194	5
Guarantees (provided and received)	7,644	25	24,321	65
Dividends received	15,595	-	1,434	306

In addition to these transactions, in 2010 the Company sold and acquired advertising space to and from related companies for EUR 1,608 thousand (2009: EUR 3,611 thousand) and EUR 1,210 thousand, respectively, through advertising agencies.

## 19.2 Related party balances

The detail of the on-balance sheet balances with related parties at 31 December 2010 and 2009 is as follows:

	2010		2009	
	Group companies	Associates	Group companies	Associates
<b>Non-current financial assets</b>				
Equity instruments	2,092	6,838	2,847	12,190
Loans to companies	362,014	-	356,612	-
<b>Trade receivables:</b>	<b>149,427</b>	<b>711</b>	<b>4,674</b>	<b>2,450</b>
<b>Current financial assets</b>	<b>27,391</b>	-	<b>32,726</b>	-
Antena 3 Directo, S.A.U.	10,000	-	10,000	-
Atres Advertising, S.L.U.	6,378	-	10,024	-
Antena 3 Televisión Digital Terrestre de Canarias, S.A.	2,580	-	4,918	-
Antena 3 Films, S.L.U.	1,953	-	-	-
VNews Agencia de Noticias, S.L.	1,877	-	515	-
Antena 3 Editorial, S.A.U.	1,766	-	1,482	-
Uniprex, S.A.U.	907	-	4,084	-
Movierecord Cine, S.A.U.	906	-	499	-
Antena 3 Multimedia, S.L.U.	271	-	463	-
Other companies	753	-	741	-
<b>Current payables</b>	<b>155,814</b>	<b>3,751</b>	<b>115,630</b>	<b>4,201</b>
Publicidad 3, S.A.U.	70,619	-	70,505	-
Uniprex, S.A.U.	34,701	-	25,499	-
Antena 3 Films, S.L.U.	10,986	-	-	-
Antena 3 Directo, S.A.U.	10,705	-	10,706	-
Atres Advertising, S.L.U.	10,679	-	-	-
Antena 3 Editorial, S.A.U.	9,182	-	6,405	-
Fundación Antena3	1,378	-	1,543	-
Movierecord Cine, S.A.U.	1,053	-	-	-
Unipublic, S.A.	-	3,701	-	4,151
Other companies	6,511	50	972	50
<b>Trade payables:</b>	<b>5,480</b>	<b>3,366</b>	<b>15,428</b>	<b>3,244</b>

The Company has granted two participating loans to Publicidad 3, S.A., and (Sole-Shareholder Company), for a maximum amount of EUR 334,000 thousand, against which EUR 329,130 thousand have been drawn down. Also, the Company has granted a long-term loan to Antena 3 Films, S.L. (Sole-Shareholder Company) with a limit of EUR 100,000 thousand, of which EUR 90,200 thousand, had been drawn down at 2010 year-end (2009: EUR 73,093 thousand) (see Note 8.3).

The sale of television advertising services was managed by the Group company Atres Advertising, S.L. (Sole-Shareholder Company) since its incorporation. On 1 April 2010, Antena 3 de Televisión, S.A. decided to begin billing the aforementioned service from Atres Advertising, S.L. (Sole-Shareholder Company), in line with the most widely used sales model in the television advertising industry. Accordingly, Antena 3 de Televisión, S.A. invoices this Group company for the sale of advertising space, which explains the changes in the balances of "Trade Receivables for Sales and Services" and "Receivable from Group Companies and Associates".

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

The Company centrally manages its cash and the cash of its subsidiaries (see Note 19.5).

## 19.3 Remuneration of the Board of Directors and senior executives

The remuneration earned in 2010 by the current and former members of the Company's Board of Directors (composed of two women and nine men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 2,043 thousand, EUR 668 thousand and EUR 15 thousand, respectively. In 2009 these expenses amounted to EUR 5,795 thousand, EUR 670 thousand and EUR 16 thousand, respectively.

In 2010 remuneration in the form of salaries and life insurance premiums of senior executives who are not directors amounted to EUR 3,307 thousand and EUR 26 thousand, respectively (2009: EUR 4,382 thousand and EUR 27 thousand, respectively).

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

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

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

A) As notified by each of the directors, at 31 December 2010, neither the directors nor the parties related thereto, held direct or indirect equity interests in the share capital of companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A. and the companies composing its Group.

B) With regard to the performance of activities carried on by the members of the Board of Directors, as independent professionals or as employees, that are identical, similar or complementary to the activity that constitutes the company object of Antena 3 de Televisión, S.A., at 31 December 2010, the directors had notified the Company of the following:

*Nicolas Abel Bellet de Tavernost:*

Line of business	Company through which the activity is performed	Positions or functions, if any, discharged at the company
Television	RTL GROUP, S.A.	Member of the Operations Management Committee
Television	MÉTROPOLE TELEVISIÓN, S.A.*	Chairman of the Executive Committee

*Marco Drago:*

Line of business	Company through which the activity is performed	Positions or functions, if any, discharged at the company
Holding company of production companies	ZODIAK ENTERTAINMENT, S.A.	Director

*Silvio González:*

Line of business	Company through which the activity is performed	Positions or functions, if any, discharged at the company
Advertising	ATRES ADVERTISING, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Television	ANTENA 3 CANARIAS, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Trade	ANTENA 3 EVENTOS, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Audiovisual production	ANTENA 3 FILMS, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Trade	ANTENA 3 MULTIMEDIA, S.L.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Spots production	GUADIANA PRODUCCIONES, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Advertising in cinemas	MOVIERECORD CINE, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Management of rights	MÚSICA APARTE, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Advertising and radio	PUBLICIDAD 3, S.A.U.	Representative of the sole director (Antena 3 de Televisión, S.A.)
Radio	UNIPREX, S.A.U.	Representative of the sole director (Publicidad 3, S.A.U.)
Television	ANTENA 3 TELEVISION DIGITAL TERRESTRE DE CANARIAS, S.A.U.	Representative of the sole director (Uniprex, S.A.U.)
Television	UNIPREX TELEVISIÓN, S.L.U.	Representative of the sole director (Uniprex, S.A.U.)
Television	UNIPREX VALENCIA TV, S.L.U.	Representative of the sole director (Uniprex, S.A.U.)
Television	UNIPREX TELEVISION DIGITAL TERRESTRE DE ANDALUCIA, S.L.	Representative of the sole director (Uniprex, S.A.U.)
Radio	RKOR RADIO, S.L.U.	Representative of the sole director (Uniprex, S.A.U.)

Elmar Heggen:

Line of business	Company through which the activity is performed	Positions or functions, if any, discharged at the company
Television	RTL GROUP, S.A.	Executive Financial Manager and Corporate Director of the head office and operations in Luxembourg
Television and radio holding company	CLT -UFA, S.A.	Director
Radio holding company	IMMOBILIÈRE BAYARD D'ANTIN, S.A.	Director
Radio in Belgium	INADI, S.A.	Director
Radio in France	IP FRANCE S.A.	Director
Television	RTL 9, S.A.	Director
Television in Belgium	RTL Belgium S.A.	Director
Holding company	RTL GROUP CENTRAL AND EASTERN EUROPE, S.A.	Director
Television and radio holding company	RTL GROUP GERMANY, S.A.	Director
Holding company	RTL GROUP CENTRAL AND EASTERN EUROPE, GMBH	Executive Chairman
Radio in Germany	RTL RADIO BERLIN GMBH	General Manager
Radio in Germany	RTL RADIO DEUTSCHLAND GMBH	General Manager
Television in Germany	RTL TELEVISIÓ GMBH	General Manager
Production holding company	FREMANTLEMEDIA S.A.	Chairman of the Board of Directors
Television in Greece	ALPHA SATELLITE TELEVISION S.A.	Director
Television in Greece	PLUS PRODUCTIONS S.A.	Director
Holding company	RTL GROUP DEUTSCHLAND GMBH	General Manager
Holding company	RTL GROUP VERMÖGENSVERWALTUNG GMBH	General Manager
Production	RTL GROUP SERVICES GMBH	General Manager
Production	UFA FILM UND FERNSEH GMBH	General Manager
Holding company	RTL TV D.O.O.	Director
Radio in France	EDIRADIO, S.A.	Member of the Supervisory Committee
Television in France	MÉTROPOLE TELEVISIÓ S.A.	Member of the Supervisory Committee
Holding company	AUDIOMÉDIA INVESTMENTS, S.A.	Chairman of the Board of Directors
Broadcasting	BROADCASTING CENTER EUROPE, S.A.	Chairman of the Board of Directors
Insurance	MEDIA ASSURANCES S.A.	Chairman of the Board of Directors
Technical services	MEDIA PROPERTIES Sàrl	Chairman of the Management Committee
Television and radio holding company	RTL NEDERLAND HOLDING BV.	Chairman of the Supervisory Committee
Holding company	BERTELSMANN CAPITAL INVESTMENT, S.A. SICAR	Director
Holding company	CONTENT UNION, S.A. (until 27 July 2010)	Director

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

1.- In all cases, the proprietary directors discharge their professional activities at companies that form part of the corporate groups of their respective reference shareholders, which they represent on the Board of Directors of Antena 3 de Televisión, S.A.

2.- At the time of their appointment by the shareholders at the Annual General Meeting, information was disclosed on the relationship existing between the aforementioned proprietary directors and the shareholders that proposed their appointment in each case and on those who were associated as non-executive proprietary directors.

3.- In the case of the Chief Executive Officer, Silvio González, executive director, all the professional activities indicated are performed at companies owned by the Antena 3 Group and, therefore, no competition is entailed. In all cases, he acts as representative of the legal entity holding the position of sole director, which may be Antena 3 de Televisión itself or any of its subsidiaries. Each of these subsidiaries has its own management team.

4.- The inclusion of this information in the Company's financial statements complies with Article 230 of the Spanish Limited Liability Companies Law on notifying the shareholders at the Annual General Meeting and obtaining their express authorisation.

### 19.5 Financial structure

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

External financing is basically obtained by the Company, which also manages the financial transactions of the rest of the Group, including both financing activities and asset management activities (see Note 19.2).

## 20.- Other disclosures

### 20.1 Employees

The average number of employees at the Company in 2010 was 787 (2009: 1,026), the detail of which, by professional category, is as follows:

Professional category	2010	
	Women	Men
Senior executives	1	9
Managers	42	70
Other line personnel	208	229
Clerical staff	50	15
Other	96	67
<b>Total</b>	<b>397</b>	<b>390</b>

There were 783 employees at 2010 year-end, the detail of which, by gender and professional category, is as follows:

Professional category	2010	
	Women	Men
Senior executives	1	9
Managers	40	70
Other line personnel	227	206
Clerical staff	45	8
Other	105	72
<b>Total</b>	<b>418</b>	<b>365</b>

The number of senior executives includes two directors.

The average number of employees in 2010 with a disability of more than 33%, by professional category, is as follows:

Professional category	2010
Other line personnel	1
Other	3
<b>Total</b>	<b>4</b>

### 20.2 Fees paid to auditors

In 2010 and 2009 the fees for financial audit and other services provided by the Company's auditors, Deloitte, S.L., or by a firm in the same group or related to the auditors, were as follows (in thousands of euros):

	Audit services	Audit-related services	Tax counselling services	Other services
2010	205	146	-	17
2009	205	-	-	302

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

### **20.3 Off-balance-sheet agreements**

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

Thousands of euros	2010	2009
Group companies and associates	7,669	24,386
Other guarantees	7,090	13,259
<b>Total</b>	<b>14,759</b>	<b>37,645</b>

The Company's directors consider that any liabilities not foreseen at 31 December 2010 that might arise from the guarantees provided would not be material.

### **21.- Events after the reporting period**

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

### **22.- Explanation added for translation to English**

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

On 23 February 2011, the Board of Directors of Antena 3 de Televisión, S.A. resolved to authorise for issue the financial statements, directors' report and proposal for the distribution of profit of Antena 3 de Televisión, S.A. for 2010 contained in this document, signed below by the directors in proof of conformity:

José Manuel Lara Bosch  
Chairman

Maurizio Carlotti  
Deputy Chairman

Silvio González Moreno  
CEO

Nicolás Abel Bellet de Tavernost  
Director

Mauricio Casals Aldama  
Director

Aurora Catá Sala  
Director

José Creuheras Margenat  
Director

Marco Drago  
Director

María Entrecanales Franco  
Director

Elmar Heggen  
Director

Pedro Ramón y Cajal Agüeras  
Director

## DECLARATION OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT

The members of the Board of Directors of Antena 3 de Televisión, S.A., declare that, to their knowledge, the financial statements for 2010, authorised for issue in the meeting held on 23 February 2011 and prepared in accordance with generally accepted accounting principles, present fairly the equity, financial position and results of operations of Antena 3 de Televisión, S.A., and that the directors' report includes a fair analysis of the performance and business results and position of Antena 3 de Televisión, S.A., together with a description of the main risks and uncertainties facing the Company.

San Sebastián de los Reyes, 23 February 2011

José Manuel Lara Bosch  
Chairman

Maurizio Carlotti  
Deputy Chairman

Silvio González Moreno  
CEO

Nicolás Abel Bellet de Tavernost  
Director

Mauricio Casals Aldama  
Director

Aurora Catá Sala  
Director

José Creuheras Margenat  
Director

Marco Drago  
Director

María Entrecanales Franco  
Director

Elmar Heggen  
Director

Pedro Ramón y Cajal Agüeras  
Director

# **Antena 3 de Televisión, S.A.**

**Directors' report**

**2010**

*Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.*

**ANTENA 3 DE TELEVISIÓN, S.A.  
DIRECTORS' REPORT FOR 2010**

**Business performance and background**

As we know, the trend in the main source of revenue of Antena 3 de Televisión S.A., i.e. advertising, is strongly influenced by developments in economic activity. This is why the environment in recent years, triggered by the financial and economic crisis that began in the now distant summer of 2007, devastating the Spanish economy, has not been favourable. While in 2008 GDP rose by a slight 0.9%, in 2009 it crashed, falling back by 3.7%. According to the Spanish Institute of Statistics' preliminary quarterly accounting report, GDP contracted by an overall 0.1% in 2010.

All of this had an immediate effect on the television advertising market which fell by 27.8% in 2008 and 2009 as a whole. This dramatic fall inevitably eroded the free-to-view television operators' margins. Nevertheless, Antena 3 de Televisión, S.A. continued to present very positive results and a most healthy position. The improvement in domestic business activity boosted the performance of the television advertising market in 2010 which, according to internal estimates, grew by 4.3%.

Under the new Spanish public television model, towards 2009 year-end TVE began to reduce its advertising spaces, which, by the beginning of 2010 were completely eliminated. This change, which had been repeatedly requested by all the commercial television operators, provided all of them, including Antena 3 de Televisión, S.A. with the possibility of significantly increasing their advertising revenues.

Also, in 2010 the digital terrestrial television (DTT) deployment process in Spain was fully completed, and by the beginning of April there was no further broadcasting of analogue television signals. In the summer, as envisaged, the new digital channels were granted to all the operators, so that all of us now have a complete multiplex system capable of broadcasting four television channels. The entire range of DTT services was thus configured to cover 25 national free-to-view channels and three national pay TV channels. In addition there are numerous regional and local services and public television channels.

Due to the increase in the number of channels, the audience share of traditional channels continued to shrink in 2010. As a result, the main channel, Antena 3, recorded an annual average audience of 11.7% compared with 14.7% in 2009. Conversely, the complementary channels, Neox, Nova and Nitro proved to be the most popular from end August, achieving an aggregate share of 4.1% compared with 1.9% in 2009. Thanks to these channels, the total audience share was 15.8%, only 0.8% lower than that of 2009. It should also be remembered that the strategy of using the same advertising spaces for the four channels means that commercial advantage can be taken of all the channels at the same proportion.

As a result of the foregoing, the Company achieved revenue of EUR 631 million in 2010, compared with EUR 555 million in 2009, an increase of 13.7%, which is substantially higher than that of the market taken as a whole. Other operating income amounted to EUR 26 million, compared with EUR 49 million in 2009, due to the adverse economic situation.

By continuing to strictly control costs, the Company reduced operating expenses by 2.4%, enabling profit from operations to more than double from EUR 57 million in 2009 to EUR 123 million in 2010.

Profit before tax stood at EUR 115 million in 2010, as compared with EUR 61 million in 2009. After deducting the estimated income tax, profit amounted to EUR 92 million compared to EUR 48 million in 2009.

## **Significant events for the Company after the reporting period**

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

## **Outlook for the Company**

The outlook for the Spanish economy in 2011 is gloomy, although nearly all the business analysts and economic analysis institutions anticipate a slight upturn in domestic demand. In this respect, there are bright prospects for the advertising market, especially for television and internet.

From the audience standpoint, the four channels offer a very diverse and competitive range of contents. When we combine this with the very satisfactory transition to the new DTT services for the Neox, Nova and Nitro channels, the outlook for 2011 is promising. The reinforcement of its programmes will be a fundamental objective for Antena 3 if it is to maintain its already sharp competitive edge.

This strategy will be supplemented by additional developments of all the Internet activities and in any new audiovisual content broadcasting method. Cutting-edge technological tools will be used to harness the substantial value of the Antena 3 brand, and its great capability for creating and promoting contents, which was already being demonstrated in 2010.

## **Research and development activities**

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

## **Treasury share acquisitions**

No transactions involving treasury shares were performed in 2010. The Company therefore continued to hold 10,555,640 treasury shares of EUR 0.75 par value each, representing 5% of the its share capital.

## **Use of financial instruments and main financial risks**

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

At 31 December 2010, the Company had arranged transactions to hedge its foreign currency asset and liability positions amounting to USD 40,235 thousand, at a weighted average exchange rate of EUR 1.3564/USD 1. The net fair value of these hedging financial instruments gave rise to a financial asset of EUR 930 thousand and a financial liability of EUR 444 thousand at 2010 year-end.

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

a) Foreign currency risk. The Company's foreign currency risks relate mainly to the payments to be made in international markets to acquire broadcasting rights. The Company arranges hedging instruments, mainly foreign currency hedges, to mitigate its foreign currency risk.

b) Liquidity risk. The Company's liquidity policy is to arrange credit lines and current investments that are sufficient to support its financial needs, on the basis of expected business performance.

c) Credit risk. The Company does not have a significant credit risk since the average customer collection period is very short and guarantees are required for deferred payment sales. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.

**Additional information pursuant to Article 116 bis of the Spanish Securities Market Law**

***Structure of the share capital, including any securities not traded in a regulated EU market, indicating, where appropriate, the various classes of shares and, for each class, the rights and obligations conferred and the percentage of share capital represented.***

The share capital of Antena 3 de Televisión, S.A. consists of 211,112,800 fully subscribed and paid shares of EUR 0.75 par value each, all of the same class and series. The shares are traded by the book entry trading system and all carry the same rights.

***Restrictions on the transferability of securities***

There are no statutory or bylaw-stipulated restrictions on the acquisition or transfer of shares representing the share capital, except for the special cases provided for in Audiovisual Communication Law 7/2010, of 31 March.

***Indicate whether there are any legal restrictions on the exercise of voting power:***

There are no restrictions on the exercise of voting power.

***Significant direct or indirect ownership interests in the share capital, excluding directors:***

<b>Name or company name of shareholder</b>	<b>Number of direct shares</b>	<b>Number of indirect shares (*)</b>	<b>Total % of share capital</b>
GRUPO PLANETA- DE AGOSTINI, S.L.	94,123,471	-	44.58
UFA FILM UND FERNSEH GMBH (*)	43,264,558	-	20.49

(\*) In 2009, RTL GROUP COMMUNICATIONS, S.L., the former owner of the shares of Antena 3 de Televisión S.A., was absorbed by UFA FILM UND FERNSEH GMBH which, therefore, became the owner of the A3TV shares.

**Members of the Company's Board of Directors who own company shares carrying voting power:**

<b>Name or company name of director</b>	<b>Number of direct voting rights</b>	<b>Number of indirect voting rights (*)</b>	<b>Total % of voting power</b>
JOSÉ MANUEL LARA BOSCH	157,000	413,000	0.270
NICOLAS ABEL BELLET DE TAVERNOST	82	-	0.000

**(\*) Through:**

<b>Name or company name of direct holder of the ownership interest</b>	<b>Number of direct voting rights</b>	<b>Total % of voting power</b>
LABOGAR, S.A.	413,000	0.196
<b>Total % of voting power held by the Board of Directors</b>		<b>0.270</b>

## *Side agreements*

Following the absorption of RTL Group Communication, S.L.U. into UFA FILM UND FERNSEH GMBH, Sole-Shareholder Company, the latter must now ensure compliance with the agreements described in point A).

**A).**- As indicated in the 2010 Corporate Governance Report, following the admission of the Company's shares for trading on the stock market, on 29 October 2003 Grupo Planeta- de Agostini, S.L. (then Kort Geding, S.L.) informed of the agreements entered into by it, Planeta Corporación, S.R.L. and DeA Multicom, S.L. with RTL Group Communications, S.R.L. and RTL Group, S.A. on 30 June 2003 whereby, in connection with A3TV, the parties adopted agreements relating to:

- The Company's shareholder stability and the grant of mutual rights of acquisition on their shares.
- Their undertaking not to take control of A3TV or to permit a third party to do so.
- Company management agreements, together with variable remuneration and executive loyalty-building schemes.

On 27 June 2007, the parties who were signatories of the aforementioned agreement signed an extension thereto, establishing its indefinite term, with the possibility of any party rescinding the agreement on or after 30 June 2009, and ratifying its contents, with the exception of certain clauses that had become void due to the lapse of time or change in the circumstances for which they had been included.

**B).**- On 25 May 2005, Kort Geding, S.L. provided information on the agreement entered into by its shareholders for the merger by absorption of Grupo Planeta- De Agostini, S.L. and DeA Multicom, S.L. by Kort Geding, S.L., and also its intention to change the latter's company name to its current name Grupo Planeta de Agostini, S.L.

On that same date, the shareholders of Kort Geding, S.L. publicised the full wording of the agreement entered into between Planeta Corporación, S.R.L., De Agostini Invest, S.A., De Agostini International, B.V. and DeA Multicom, S.L. relating to the corporate restructuring of the Group in Spain.

In the agreement in question, the parties:

- Ratify the agreements entered into in May 2003 with RTL and Banco Santander (which is no longer a Company shareholder).
- Declare their intention not to change their representatives on the Board of Directors of A3TV and, individually, not to acquire any new Company shares.
- Establish certain rules for adopting decisions relating to A3TV (proposals for the appointment of positions and representatives, non-competition agreement, steps to be taken in the event of discrepancies among the parties, etc.).

In connection with the aforementioned agreement entered into on 25 May 2005, on 20 December 2005, De Agostini Communications, S.A. announced that De Agostini Invest, S.A. had been the subject of a spin-off and dissolution and that, as a result, the shares of Grupo Planeta- De Agostini, S.L. (direct holder of the shares of A3TV formerly owned by De Agostini Invest, S.A.) had been transferred to the Luxembourg company De Agostini Communication, S.A.

***The rules applicable to the appointment and replacement of the members of the managing body and to the amendment of the Company's bylaws***

The rules are as established in the Company bylaws and in the Board Regulations. Accordingly, the shareholders at the Annual General Meeting appoint the members of the Board of Directors, as provided for in Legislative Royal Decree 1/2010, of 2 July, which approves the Consolidated Spanish Limited Liability Companies Law, and in the Company bylaws. In the event of any vacancies the Board may appoint, from among the shareholders, the persons who are to hold office until the next Annual General Meeting is held.

Persons proposed to hold office as director must meet the requirements established at any given time in current legislation and in the bylaws, apart from having acknowledged professional prestige and possessing the expertise and experience required to discharge the related duties.

Persons who are subject to any legally established prohibition or incompatibility may not be Company directors.

The Board's proposals for the nomination or re-appointment of directors that are put to the Annual General Meeting and also their provisional appointment by co-optation, must be preceded by the related Nomination and Remuneration Committee report.

As provided for in the bylaws, the term of office of director is six years, although directors may be re-appointed indefinitely for six-year mandates. When the term elapses, the appointment expires once the following Annual General Meeting is held or the statutory term for calling the Annual General Meeting has ended.

The appointment of directors by co-optation must be ratified by the shareholders at the first Annual General Meeting held after their appointment.

Directors shall be removed from office where the shareholders at the Annual General Meeting so resolve, where they tender their resignation to the Company and where the term for which they were appointed elapses.

The shareholders at the Annual General Meeting are exclusively responsible for amending the Company bylaws (Article 16.6 of the Bylaws), and such amendment is governed by Articles 286 to 290 of the Spanish Limited Liability Companies Law, with no specific situations being envisaged.

The following statutory requirements must be met:

- The directors or, as the case may be, the shareholders making the proposal must prepare a report in writing supporting the amendment.
- The call notice must indicate with due clarity the main points to be amended and the right of all shareholders to examine the full wording of the proposed amendment and the report thereon at the registered office and to request that such documents be provided to them or sent to them free of charge.
- The resolution must be adopted by the shareholders at the Meeting, as provided for in Articles 194 and 201 of the Spanish Limited Liability Companies Law.
- If the resolution concerns a change in the company name, registered office, replacement of or any amendment to the Company object, it will be published on the Company's website or, in the absence thereof, in two large-circulation newspapers in the respective province or provinces.
- The resolution must be executed in a public deed, which will be registered at the Mercantile Registry and will be published in the Mercantile Registry Official Gazette.

***The powers of the members of the Board of Directors and, in particular, those relating to the possibility of issuing or repurchasing shares***

Both the Executive Committee and the Managing Director have been delegated all the powers of the Board of Directors, except for those that may not be delegated.

The shareholders at the Annual General Meeting have not adopted any resolutions permitting the issue of new Company shares and, therefore, no authority to carry out any issue of shares has been granted to the Board of Directors or to any of its members.

Insofar as the purchase and sale of treasury shares is concerned, the following resolution was adopted on 24 March 2010 by the shareholders at the Annual General Meeting:

*To authorise the Company so that directly or through any of its subsidiaries it may acquire shares of Antena 3 de Televisión, S.A., by any legally admissible means, including a charge to profit for the year and/or unrestricted reserves, and also that it may subsequently dispose of or retire such shares, as provided for in Article 75 and similar provisions of the Spanish Limited Liability Companies Law, delegating to the Board of Directors the powers necessary to implement the resolutions adopted by the General Meeting in this connection.*

*The rules for the acquisition of such shares are as follows:*

- ✓ *The par value of the shares acquired, added to the shares already held by Antena 3 de Televisión, S.A. and its subsidiaries, must not exceed the legally authorised maximum limit at any given time.*
- ✓ *The acquisition, including all the treasury shares acquired earlier by the Company or the person acting on its behalf, must not reduce the equity to below the amount of the share capital plus the reserves that are restricted by law or by the bylaws. For these purposes, equity will be deemed to be the amount qualifying as such under the rules for the preparation of the financial statements, net of the profit directly recognised therein, and increased by the amount of uncalled subscribed share capital, and the amount of the nominal value and share premiums of the subscribed share capital recognised as a liability.*
- ✓ *The shares acquired must be fully paid.*
- ✓ *The acquisition price may not be less than the par value or 20 percent higher than the market price. Acquisitions must also comply with the rules and customs of the stock markets.*

*Express authorisation was granted for the shares acquired by the Company or by its subsidiaries, availing themselves of this authorisation, to be used in full or partially for delivery to the beneficiaries of future remuneration plans or those resulting from the exercise of option rights for the benefit of workers, employees or directors of the Company. The reason for this authorisation is expressly placed on record for the purpose of Article 75.1 of the Spanish Limited Liability Companies Law.*

*The Board of Directors is empowered in the broadest terms, to use the authorisation forming the subject-matter of this resolution, and to implement and perform it to the full, being able to delegate these powers to the Executive Committee, to the managing director or to any other person that the Board expressly empowers for such purpose, with powers as broad as it sees fit.*

*This authorisation shall be valid for five years from the date of this Annual General Meeting, and the unimplemented portion thereof, granted to the Board of Directors by the shareholders at the Annual General Meeting of 25 March 2009, is rendered null and void.*

Pursuant to Article 9.2.a).4. of the Regulations of the Board of Directors, the Board of Directors is exclusively responsible for establishing the policy and limits for treasury shares, without prejudice to the possibility of delegating the specific implementation thereof to the Chairman, the Managing Director or the Financial Manager. Chapter V of the Internal Code of Conduct for matters relating to the stock markets also establishes rules on the management of treasury shares.

***Significant agreements entered into by the Company and which will come into force, be modified or be terminated in the event of a change in control of the Company resulting from a takeover bid, and their effects, except when disclosure would be seriously detrimental to the Company. This exception shall not apply when the Company is required by law to publish this information.***

There are no agreements of this nature.

***Agreements between the Company and its directors, management or employees which provide for termination benefits when the latter resign or are dismissed without justification or if the employment relationship ends as a result of a takeover bid***

As a general rule, insofar as employees, performers and executives are concerned, the criteria and amounts of termination benefits established in the legislation applicable to each group are applied, where appropriate. Exceptionally, in some cases, following negotiation on an individual basis and where the Company may be particularly interested in hiring a certain professional, specific indemnity terms may be established on a transitional or permanent basis, in which the special circumstances of the hiring and its future termination are taken into account and valued accordingly. All such agreements are specific and there is no standard criterion applicable to them as a whole, except for the fact that they are exceptional.

The general rule is that in no case should a takeover bid in itself give rise to the termination of an employment contract and the related termination benefits.