Annual Report and Consolidated Financial Statements 2002

Antena 3
Annual Report
and Consolidated Financial Statements
2002

Antena 3
Annual Report
and Consolidated Financial Statements
2002
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from the Chairman</td>
<td>5</td>
</tr>
<tr>
<td>Report by the Managing Director</td>
<td>9</td>
</tr>
<tr>
<td>The Management</td>
<td>13</td>
</tr>
<tr>
<td>The audience</td>
<td>17</td>
</tr>
<tr>
<td>The prizes</td>
<td>23</td>
</tr>
<tr>
<td>The advertising market</td>
<td>27</td>
</tr>
<tr>
<td>Television of the future</td>
<td>31</td>
</tr>
<tr>
<td>The news</td>
<td>41</td>
</tr>
<tr>
<td>Entertainment</td>
<td>53</td>
</tr>
<tr>
<td>Behind the camera</td>
<td>67</td>
</tr>
<tr>
<td>Infrastructures</td>
<td>71</td>
</tr>
<tr>
<td>The human factor</td>
<td>75</td>
</tr>
<tr>
<td>The group’s brand names</td>
<td>79</td>
</tr>
<tr>
<td>Onda Cero</td>
<td>87</td>
</tr>
<tr>
<td>Consolidated Accounts, Legal Documentation</td>
<td>97</td>
</tr>
</tbody>
</table>
Dear Shareholders,

I have to admit that my first year as Chairman of ANTENA 3 has not been a peaceful one.

Our sector has suffered the vicissitudes of an economy going through a phase of growth deceleration. However, ANTENA 3 has made an enormous effort to modernise its technical medium in order to enter fully into the digital era, taking on an important commitment in the development of the Digital Land Broadcasts. A still latent business, but with tremendous growth potential, in which ANTENA 3 has made investments over 12,000,000 Euro since its progress started until its first broadcast in April 2002.

Therefore, this investment effort has allowed our Company to become the main audio-visual group embracing a multimedia environment. Now more than ever, the new technologies allow the creation of multidisciplinary teams that share their efforts, save on costs and focus their talents on contents.

We have made the most of this period to reorganise our company and neutralise the negative effects, mainly caused by the Internet crisis. Some businesses were encumbered by important accumulated losses in the last two years. We have also suppressed or modified the business lines that did not show solid prospects of profitability nor supplied an added strategic value to the Group.

For all of us working in ANTENA 3, it has been an added effort to execute the unavoidable task of re-organising the company during such a difficult and uncertain time for the sector.

As you know, satisfying today's audience is more complicated than it was three years ago, and immensely more difficult than a decade ago.

Competition has grown considerably: the number of subscribers to pay television has increased and the number of autonomous and local channels has expanded.
On the other hand, the audience’s taste has shown significant changes, demanding constant modifications in our programming strategy.

It is becoming harder to be successful with a programme and, in the year 2002, very few new slots managed to cross the threshold of profitability.

In spite of these difficulties, in 2002 we managed to regain audience leadership among the commercial channels, which we had lost in previous years.

During 2002, the advertising investment climate in television media has not grown in real terms and it has been affected by an aggressive commercial policy on the part of the public televisions, provoking even stronger and unequal competition than in previous years. Despite this outlook, ANTENA 3 has been the most efficient channel, with a net turnover of 552,348,000 Euro, which means it has made its audience share the most profitable.

This being the situation at the end of 2002, the negative conditions of the market should be taken into account when analysing the balance sheet, as well as the reorganisation of company assets put into practice to strengthen ANTENA 3’s capacity in the immediate future.

In this Annual Report, we submit last year’s Financial Statements, but we cannot refrain from mentioning the future and our firm conviction that 2003 will signify a much more positive financial year for our company.

This declaration does not indicate a statement of intent, but the result of an analysis of the trends and specific achievements that we are already able to evaluate.

We have foreseen much effort in investment and organisation, allowing us to begin collecting the results in the short term.

The technological modernisation carried out during the last years place ANTENA 3 in a privileged position, letting our professionals perfect the resources at their disposition.

The first positive effects can be seen already in the strengthening of our news slots, basic pillar of the channel.

The latest data show the success, acknowledged by the viewers, of a meticulous and professional project that has made ANTENA 3 a stable reference, as well as a profitable one, in essential genre for any television company aspiring to the social leadership of its programming.

The same applies to the new commercial policy and to the new management processes in the company.

The Board of Directors, the managers and the entire fantastic staff of ANTENA 3 have worked hard, as we do every day, to try and combine two objectives not always easy to reconcile: an increase in the company’s value and economic results and, at the same time, a serious television that achieves audience satisfaction without giving up these principles on which the management of our company is based.

With my best regards,

Luis Blasco
CHAIRMAN
Dear Shareholders,

For the second year running, I have the opportunity to address you all as Managing Director of ANTENA 3 DE TELEVISION, on this occasion, to give you an account of our work during the financial year 2002 and of the first few months of 2003. It has been a year full of historical, political, economic, cultural and social events of unquestionable importance, which makes our daily task even more exciting in the province of communication such as ours.

Increasingly, ANTENA 3 DE TELEVISION has been and is a required reference for any audio-visual communications company, in whichever country in the world. We made a meditated bid long ago to become leaders and occupy a position in the technological vanguard of our sector, to back journalistic innovation, to search constantly for professionalism and to show preference for creativity wherever possible. All this has given us results, in an unique moment in which the 21st century society reclains and demands trustworthy news from multimedia agencies, permitting it to know instantly firsthand and via all the available technologies, at any time and from anywhere, the immediate existence of anything happening, as and when it happens.

ANTENA 3 DE TELEVISION is present and has a remarkable and notable role in all the channels of news distribution, from Internet to mobile telephone (in all its modes), via radio, television (analogical and digital), or the 24 Hour Channel, which adds interactivity to its theme specialisation.

We are definitely a strong and modern news machinery, which searches by the minute for the credibility and respect of its audience, therefore deeming ourselves to be ever closer to the society we wish to inform and entertain. We are more secure in our commitment to those who choose us each day in order to follow what’s going on in the world. We are also, why not say it, even more grateful to those citizens that prefer us, being as they are educated people, demanding and with multiple alternatives to chose from.

In the year 2002, ANTENA 3 DE TELEVISION, a private television, took on the professional challenge of offering Spain the images of the World Football Cup. This is a media event always offered by the public state television, it not being really necessary to point out its superiority in media of all types to readers as qualified as yourselves. And we can say with serenity and pride, and without lying, that we did well, as well or better than those who preceded us did. And the television audience appreciated and honoured us, five
of this championship’s broadcast matches were placed among the ten most viewed slots of the year. A totally new innovative system of signal broadcasting was also used that improved the quality of the images.

ANTENA 3 DE TELEVISION counts on a magnificent professional staff, of a very high quality and with high levels of education, motivation and commitment to the company, which I assure you it is made clear, not loudly but with great efficiency, on a daily basis. Usually in a spectacular way and with evident spirit of improvement, in moments of special demand, like those in which we are living.

Good professionals in all the areas and in all jobs, those who appear on screen as much as those who work in the shadows, allowing this great television setup to continue shining, as the strongest entertainment and news medium in contemporary societies, independent of their degree of development or any other circumstance.

The effort of all these to improve the management of the Company has been translated, in a few months, into a radical change of model, in which ANTENA 3 DE TELEVISION has increased its indispensable demands to all the companies that work with it, minimizing our risks and guaranteeing our efficacy indexes. The collective endeavor to rescue the television’s quality saturates and determines all our programming, taking us away from the common and vulgar.

The most important thing is the work in common. We know that it’s impossible to always get it right, but we are convinced of the absolute need for all the rowers sitting in the same boat to share the same course and the same luck. In ANTENA 3 DE TELEVISION neither the successes nor the failures can be orphaned, because one or the other are the result of a common task, in which we are all implicated.

For this reason, we have changed combined approaches relating to equilibrium of interests and objectives with those offering the programmes, and we have given an example of management, so that whoever should want to work with ANTENA 3 DE TELEVISION knows precisely what our way of acting is and what preferences we have when choosing our travelling companions.

In 2002, there has also been a profound restructuring in the dimension and organisation of the Group, with the important incorporation of ONDA CERO radio. Among the daughter companies, the search for profitability and solid business prospects has been given priority, abandoning those lines that don’t offer guarantees in that way or which could be integrated into the company, with the following cost savings and a sensible increase in efficiency.

As we are alive, we continue having problems and we continue to want to solve them. The economic circumstances are difficult, and they have been for some time. Advertising is our only form of income and its sensitivity to the crisis is extraordinary. There are normative aspects that are unfair and which we would like to change. Sometimes we feel alone in the defence of the positions that guarantee the future of such a rich source as television, which should be looked after and respected by all those benefiting from it. Yet we also have the confidence in our own work to resolve those problems. We are aware of the great experience accumulated in few years and we are enormously interested in every new thing starting up. We like the future and, if, as Aesop said, old age is the loss of curiosity, we must be approximately beginning our childhood.

Anyway, we are very proud of our Company, which is yours, and for you we will continue making it the best.

Ernesto Sáenz de Buruaga
Managing Director
The Management

BOARD OF DIRECTORS
Chairman
Luis Blasco Bosqued
Managing Director
Ernesto Sáenz de Buruaga
Directors
Eduardo Alonso Conesa
Luis Bastida Ibargüen
Nicolás Abel Bellet de Tavernost
Jorge Cabet Spinatsch
José Luis Díaz Fernandez
Daniel García Pita Perrín
Emilio Gilermo López
Joan David Grimà Terré
Pedro Ramón y Cají Aljamas
Eduardo Sanabria Garrón
Gerhard Zeiler
Secretary (non-executive)
Mónica Martin de Vidales

EXECUTIVE COMMITTEE
Chairman
Luis Blasco Bosqued
Managing Director
Ernesto Sáenz de Buruaga
Directors
Luis Bastida Ibargüen
Nicolás Abel Bellet de Tavernost
Joan David Grimà Terré

MANAGEMENT COMMITTEE
General Management
Ernesto Sáenz de Buruaga
Antena 3 TV Management
Jesús Hermida
Antena 3 TV Executive Management
Rafael Ochea
Contents Department
Francisco Díaz Urdos
News Services Department
Jesús Algarra
Commercial Department
Eduardo Olano
Financial Department
Antonio Manso
Communication Department
Carmen Asúa
Legal Department
Carmen Rodríguez
General Secretariat and Institutional Relations Department
Adolfo Lefort
Antena 3
The audience

Going back to its origins

The year 2002 has been ANTENA 3’s year for recovering its corporate image. ANTENA 3 owns one of the most recognisable brand names in the market, its logo has evolved in texture and is dazzling in its original tricolour scheme. Its lively, happy and optimistic colours mark ANTENA 3’s new prominence in communication, giving all the corporate and promotional pieces the tangible presence of our brand name.

Already a reality on screen, this logo adds value to our Internet sites, mobile units, internal communication, stationery, etc... as a respected brand name.

Antena 3, private television leader in 2002

The year 2002 has also witnessed a historic event, being part of the future of television and an old wish: the incorporation of the audience that watches ANTENA 3 on Vía Digital to the results of analogical broadcast.

ANTENA 3 has been a pioneer in evaluating the audience total, including it independently of the analogical or digital distribution medium.

A recognition that has had direct repercussion on audience results and which has allowed ANTENA 3 to surpass Tele 5 in number of viewers (1,171,000 viewers versus 1,170,000).
ANTENA 3 has ended 2002 with an average total screen share of 20.3%, the same as Tele 5, whilst TVE’s Channel 1 has ended the year as the leader, with a screen share of 24.7%.

In 2002, ANTENA 3 has been the most viewed private television channel during the hours of greatest commercial interest, between 7 and midnight, overtaking Tele 5 by 2 decimal share points (20.5% in comparison to 20.3%).

**Antena 3, the most stable audience channel**

Compared to 2001, ANTENA 3 gave way only one decimal point, as opposed to the seven that Tele 5 lost during that same period.
ANTENA 3, private television leader in news

Every month in 2002, ANTENA 3 maintained its place as the viewers’ preferred private news option, being the only news service in the national arena that has increased its share, in regard to 2001, and which has displayed the best trend.

Last year, Espejo Público got an average of 2,145,000 viewers and a screen share of 20.8%. Alerta 112 attained 1,273,000 viewers and a 19.8% share. Finally, one of the formats that have been incorporated this year in the channel’s news offer, Sin Límites, closed the year with an average of 948,000 viewers and a 20.1% share.

ANTENA 3 makes history with the Football World Cup

ANTENA 3 put into action, in record time, an important technical and human structure for the free broadcast of the first Football World Cup telecast by a private channel in Spain. With this historical landmark, the channel has passed into television history in our country. ANTENA 3 mobilised more than 100 professionals, and marked new technological guidelines in the live retransmissions, connecting its San Sebastián de los Reyes’ headquarters (Madrid) with Korea, via the ATM data network, during the Championship celebrations.

The Spanish Team’s matches obtained the main audience share in the history of the World Cup. The five disputed matches registered an average of 8,461,000 viewers (79.1%). The Brazil/Germany final reached 70.8% of the screen share and was followed by 6,774,000 viewers.

2002 RANKING OF 10 MOST VIEWED BROADCASTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Channel</th>
<th>Date</th>
<th>Start</th>
<th>Day</th>
<th>Length</th>
<th>End</th>
<th>Share</th>
<th>Thou.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eurovision: the moment has come</td>
<td>TVE1</td>
<td>25/05/2002</td>
<td>22:58</td>
<td>Saturday</td>
<td>00:15:58</td>
<td>23:39</td>
<td>85.2</td>
<td>14,380</td>
</tr>
<tr>
<td>Operación Triunfo Penal (Spain-Ireland)</td>
<td>TVE1</td>
<td>13/02/2002</td>
<td>22:14</td>
<td>Sunday</td>
<td>00:03:19</td>
<td>00:23</td>
<td>88.0</td>
<td>12,972</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Ireland)</td>
<td>TVE1</td>
<td>13/02/2002</td>
<td>22:40</td>
<td>Saturday</td>
<td>17:58:00</td>
<td>00:03</td>
<td>85.2</td>
<td>12,554</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Ireland)</td>
<td>A3 (A)</td>
<td>16/06/2002</td>
<td>16:07</td>
<td>Sunday</td>
<td>00:03:12</td>
<td>00:12</td>
<td>83.9</td>
<td>11,770</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Korea)</td>
<td>A3 (A)</td>
<td>22/06/2002</td>
<td>11:03</td>
<td>Saturday</td>
<td>00:03:59</td>
<td>11:08</td>
<td>92.1</td>
<td>10,770</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Deportivo Coruña)</td>
<td>TVE1</td>
<td>26/02/2002</td>
<td>20:39</td>
<td>Saturday</td>
<td>23:15:00</td>
<td>23:51</td>
<td>96.6</td>
<td>11,061</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Korea)</td>
<td>A3 (A)</td>
<td>22/06/2002</td>
<td>10:30</td>
<td>Sunday</td>
<td>00:03:59</td>
<td>10:30</td>
<td>93.1</td>
<td>10,710</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Korea)</td>
<td>A3 (A)</td>
<td>22/06/2002</td>
<td>10:30</td>
<td>Saturday</td>
<td>00:03:59</td>
<td>10:30</td>
<td>93.1</td>
<td>10,710</td>
</tr>
</tbody>
</table>

Source: SOFRES A.M.

TELEVISION PRESENTERS RANKING

| No. Names | GECA Index | No. Names | GECA Index | No. Names | GECA Index | No. Names | GECA Index | No. Names | GECA Index |
|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|------------|
| Matías Prats  | 7,592      | Concha Velasco | 7,433       | Bertín Osborne | 7,314      | Olga Viza   | 7,075       | Miguel Bosé  | 7,076      | Pedro Piqueras | 7,057      |
| Lorenzo Milá | 7,054       | Lolita     | 7,045       | Luis Márquez | 6,957       | Rosa María Mateo | 6,476      | | | | |

Source: GECA on IO data.

2002 RANKING OF 10 MOST VIEWED NEWS PRESENTERS

<table>
<thead>
<tr>
<th>Title</th>
<th>Channel</th>
<th>Date</th>
<th>Start</th>
<th>Day</th>
<th>Length</th>
<th>End</th>
<th>Share</th>
<th>Thou.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eurovision: the moment has come</td>
<td>TVE1</td>
<td>25/05/2002</td>
<td>22:58</td>
<td>Saturday</td>
<td>00:15:58</td>
<td>23:39</td>
<td>85.2</td>
<td>14,380</td>
</tr>
<tr>
<td>Operación Triunfo Penal (Spain-Ireland)</td>
<td>TVE1</td>
<td>13/02/2002</td>
<td>22:14</td>
<td>Sunday</td>
<td>00:03:19</td>
<td>00:23</td>
<td>88.0</td>
<td>12,972</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Ireland)</td>
<td>TVE1</td>
<td>13/02/2002</td>
<td>22:40</td>
<td>Saturday</td>
<td>17:58:00</td>
<td>00:03</td>
<td>85.2</td>
<td>12,554</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Ireland)</td>
<td>A3 (A)</td>
<td>16/06/2002</td>
<td>16:07</td>
<td>Sunday</td>
<td>00:03:12</td>
<td>00:12</td>
<td>83.9</td>
<td>11,770</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Korea)</td>
<td>A3 (A)</td>
<td>22/06/2002</td>
<td>11:03</td>
<td>Saturday</td>
<td>00:03:59</td>
<td>11:08</td>
<td>92.1</td>
<td>10,770</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Deportivo Coruña)</td>
<td>TVE1</td>
<td>26/02/2002</td>
<td>20:39</td>
<td>Saturday</td>
<td>23:15:00</td>
<td>23:51</td>
<td>96.6</td>
<td>11,061</td>
</tr>
<tr>
<td>Operación Triunfo Extra time (Spain-Korea)</td>
<td>A3 (A)</td>
<td>22/06/2002</td>
<td>10:30</td>
<td>Sunday</td>
<td>00:03:59</td>
<td>10:30</td>
<td>93.1</td>
<td>10,710</td>
</tr>
</tbody>
</table>

Source: SOFRES A.M.
ANTENA 3 PRIZES IN 2002

Golden Tp

Best Animation Series
Best Sports Coverage
Best Competition
Best News Coverage of the Oil Spill
Best Current Events and News Items
Best Interactive Multimedia Programme
General Council of Spanish Advocates
Human Rights Award

INTE Awards to the Spanish Television Industry

PROMAX AND BDA International

Golden Antennae

Zapping Awards from the Catalonian Viewers Association

“Protagonists” Journalism Award

For its coverage of the Football World Cup

Best Presenter

Award by the Programme Analyst Groups

The Television Academy Talent Award 2002

Outstanding Golden Antenna for his Professional Career

Luis del Olmo Journalism Freedom Awards

In the television category

ERNESTO SÁENZ DE BURUAGA

Best Illuminating and Photography Director
THE ADVERTISING MARKET

Agility and Effectiveness

The advertising market is becoming increasingly more complicated, and its “apparently positive” numbers require an in-depth look at the contents. In 2002, the advertising market in conventional media decreased by 3.5% in comparison to the previous year, putting a break on the falling levels of 2001, which fell by 5.7%. Specifically, investment in TV rose 1.4% (up on the 7.85% fall of 2001), thanks to a positive second quarter of year which allowed for a certain freedom and a change in trend.

However, only Televisión Española has benefited from this market increase, gaining a 12.6% growth. The public channel, via its two channels, has continued with the aggressive commercial activity it started in 2001, offering the advertisers prices below that of its competitors and, consequently, increasing the broadcast of advertising seconds during its programmes.

The ANTENA 3 Business Management Team, far from waiting around in the face of these problems, went through a profound organisational change, focused on tackling the future of the commercialisation of ANTENA 3’s advertising space in an agile and efficient manner.

The new business structure aims to have a single official spokesperson dealing with the client for all television business. So, the National Sales Department offers all its clients the same advertising possibilities as offered by ANTENA 3, from conventional advertising to product integration in the programmes. In this department, an effort has been made to bring ANTENA 3 nearer to the local client, placing company representatives in those areas where there is a gap in commercial activity, as well as a business opportunity.
To produce all the special actions proposed on TV, together with the commercialisation of other business channels (Internet, teletext, contxtA, theme channels, etc), the Special Solutions and Products Department team was set up. This year USA, the area that exploits ANTENA 3 licences and merchandising, has been incorporated into the department. In this way, it has achieved the integration of this means of income with its main pillar, the advertising space.

With regard to the management of business activities, and aiming to optimise advertising space, the Sales Operations Department combined the management of the campaign into a single team, from the planning stage to the close of billing. This is the area responsible for the tactical adjustments that make an impact on the monthly results.

ANTENA 3’s commercial team has ended the fiscal year 2002 with an efficiency ratio of 1.31, which means that for each audience point in the adult target, 1.31 points have been obtained from the advertising market.

**Strategy for 2003**

Differing studies augur a year of moderate growth in the advertising market. In this environment, ANTENA 3 ventures to put itself close to the advertisers, and give solutions to their communication needs. There are two pillars on which to base the clients’ relationships:

- **The offer of special products and solutions means that the precise interaction can be found, for each product, to impact on the target, achieving the coverage desired as much as the notoriety.** Always innovating, ANTENA 3 has launched the concept CosaD2, an advertising Sitcom, where a couple are shown in an apparently common daily situation, bringing up a product as part of a comic and agile dialogue.

- The commercial strength also extends over the entire local market, with ANTENA 3 coming closer to the small advertiser to show a range of advertising possibilities. The placement of the connections allows the local advertiser to announce his products on successful programmes on ANTENA 3.

Yet our projects go further than that. The Commercial Department brings us closer not only to the advertisers, but also to the viewers, by looking for ways to communicate with them that will make them faithful to our contents and our brand. Thus, the incorporation of USA to the commercial team yields successes, such as the commercialisation of the UPA Dance CD.

ContxtA, a mature product created in the Commercial Department in March 2001, has been made full use of, as it has already made contact with 2,500,000 viewers accessible (who have replied to questions formulated through 343 using their mobile phones). During this year, the intention is to increase communication via contxtA messages and thus reach out to more viewers ready to interact with the channel, on occasions including the advertiser in the message. Therefore, ANTENA 3 connects with its two public objectives: the advertisers and the viewers.
Digital television

Land Digital Television is going to revolutionise the prevailing concept of television. The viewer will no longer be inactive and will be able to participate in the digital television’s interactive services (i.e., games, programme guides, chats, forums, selling and electronic shopping, etc.) A new system to which, along with the traditional concepts of television, the uses and advantages of Internet are added.

To reach this objective, we have changed all ANTENA 3’s production, editing and broadcasting processes on different channels into digital. Since the beginning of 2002, we have even gone as far as broadcasting the first interactive news channel in Spain and, since April of the same year, we have been broadcasting our programming in digital.

This undertaking allows us to be prepared for the analogical cut-off proclaimed for the 1st January 2012.
SIDICOM

This acronym hides an authentic generator of multimedia news content distribution. It is an idea generated and developed in ANTENA 3, having materialised in collaboration with Telefónica R+D. SIDICOM was born fruit of that agreement, which today is one of the most advanced developers and managers of content, not only in Spain, but in the world. This system allows the simultaneous management of multiple destinies.

Thanks to this system, ANTENA 3 NEWS has managed to create a multimedia editorial capable not only of broadcasting on television, but also on Internet, ADSL, Cable, voice phone, data and MMS, interactive television and wap.

This process was created in 1998 under the management of Ernesto Sáenz de Buruaga, when an ambitious project to transform the editing system was started. It was not just a case of being on the front line when going from analogous television to digital, but of going beyond that and changing it into a real multimedia editorial, capable of broadcasting in any medium and at any time.

a3n.tv, the News Web

The multimedia editorial office of ANTENA 3 News lets small editing teams maintain a very important output permanently up-to-date. In a3n.tv, 360 videos are included every day. Along with the most comprehensive information relating to autonomies. A long established set of more than 3,500 videos which, as well as confirming our audio-visual leadership, we use to broadcast our national and autonomous news live every day. We also broadcast other news events, such as sessions in the House of Commons, Press conferences, trials and even the Tenerife Carnival festivities.

a3n.tv is the point of reference for news on the Internet, so that the news can be watched from any place in the world.
Broadband Internet: ADSL and Imagenio

Our news presence on Internet could not be limited to one web. In September 2001, we launched the greatest Internet audio-visual news channel for ADSL, on the Telefónica.net web.

More than 200 daily videos are permanently up-dated 24 hours a day, and are of a high quality so that all Telefónica’s ADSL clients have attractive news contents. Today this web has the most powerful audio-visual news content for ADSL in Spain.

Since the start of 2000, we were already collaborating with our contents in the Telefónica cable projects. Now we are fully partaking in the advertising and development of the Imagenio project: a la carte news in order to be able to choose what is of most interest and to be able to see it on the television itself.

a3n.24 hours

The first interactive news television is called a3n.24 and has been broadcast since the 1st July on Vía Digital. Five video, eight audio, three image and two text channels proffer the most comprehensive information. It’s up-dated 24 hours a day so that everyone can watch what is of interest to them at the time they want.

Moreover, on the permanent screen, there is up-to-date weather, sport and financial news. And live broadcasts. All in real time.

Wherever there is news, a3n.24 is there. Without any middlemen. It’s a new concept of television that allows us to reach a more demanding and selective viewer.
**News on the Telephone**

For ANTENA 3, the mobile phone has become a means of communication and of business without limits. We were the first to take a chance on the versatility of mobiles. Since 1998, we have worked with Movistar to create a news channel that allows news reception. This rigorous work reaches Movistar 303’s million subscribers.

Last minute news reaches wherever there is a mobile phone. This is a pioneering process in Spain which, as it is so successful, has lead Telefónica Moviles to develop a voice portal. In e-motion voice, ANTENA 3 reproduces the current events, financial information and lottery channels.

We also have the most comprehensive information channel through SMM, short multimedia messages. From now on, the text, sound, and image of the news is on the telephone.

During the last Football World Cup, we carried out pioneering tests on video broadcasting for PDA, pocket computers.

We maintain our drive with our developments in i-mode. This is a new step taken on Internet, on the phone, and it has joined the ANTENA 3 WAP channel, running in e-motion wap since the year 2000.

**antena3tv.com**

antena3tv.com was set up in 2002 as one of the internet surfers most appreciated offers in the field of audio-visual entertainment. Consequently, according to OJD, antena3tv.com combined webs closed the year with close to 16 million visitors and 180 million pages visited.

As well as antena3tv.com portal, 30 programme webs were exploited in 2002 (the majority were of new production, developed wholly in ANTENA 3.) Successful webs, such as Betty la Fea, The Simpsons, Un Paso Adelante, Megatrix or El Gran Test...

It is precisely El Gran Test that has been the first important example in Spain of the interactivity that can be achieved between television and the internet. Nearly half a million people have downloaded the softwa- re from our web in order to do the test.

ANTENA 3 programme webs have stopped being a mere advertising instrument to become products of interactive entertainment, offering quality contents to specific segments of the public.
**Teletext**

Nearly two million people go into ANTENA 3's screen every day to access the teletext. It is a very comfortable service to use and it contains a great number of products, where all our viewers can find all their information.

News, agendas, programming, press resumes, real-time sport and financial news, bassems, employment offers... This service holds many attractions and, in addition, performs a notable social deed with subtitled programmes for the deaf.

**Subtitles for the deaf**

3000 hours of our yearly programming are dedicated to those with hearing problems, which in this country means a million people. ANTENA 3 has become the television broadcaster with the most subtitled programmes. From The Simpsons to Megatrick, including fictional series, contests and a wide range of feature films and those made for television, 40% of our products are subtitled.

Our Subtitling Service works closely with the Ministry of Labour and with the different organisations for the deaf in Spain.

We are proud to offer this far-reaching social service, which in 2002 was given the Juan Luis Marroquín award by the The Spanish National League for the Deaf. And we want to go even further.
The News

Information is the backbone of a television channel. All the informative areas that have already been mentioned in this annual report have their origin in the contents prepared in the ANTENA 3 News Department. The basic component of free television is the newscast. This is the fundamental reference point that, with accuracy and objectivity, turns a television channel not only into a means of entertainment, but also into another member of our society.

The things that happen around us, the closest as much as the furthest, are of interest to the citizen, who has the freedom to choose which medium to inform himself by. And ANTENA 3 news is backed by a majority audience, which has converted it into the leading news choice on private television in Spain.

News 1 is at three o’clock in the afternoon, with Olga Viza and Manu Carreño, and with José Antonio Luque on sports. News 2, at nine o’clock at night, is with Matías Prats and Susanna Griso, and J.J. Santos on sports news. News 3, in the early hours, has Rosa María Mateo going over the current events, accompanied by Javier Alba on sports. Then there is the weekend news with Angeles Miranda and with Manu Sánchez, summing up the sport. These are the newscasts that give continuity to a channel that is in no doubt about interrupting its normal programmes to give early news bulletins and special reports, when the situation so demands.
Closer to You

Television is an outstanding component of social life. Because of this, it has to be close to the citizens. And ANTENA 3 news is no stranger to this responsibility. It intends to draw nearer to the viewers’ lives from its Regional Offices in the Autonomous Communities.

Our territorial representatives are Nacho Capeans (Galicia), Marisa Guerrero (Basque Country), José Luis Pradejas (Aragon), Carlos Martos (Catalonia), Esmeralda Velasco (Community of Valencia), Manuel Prieto (Andalusia), Ignacio Fernández (Castille-Leon), Paula Serra (Balearic Islands) and Gabriel Mesa (Las Palmas and Tenerife). They manage groups of professionals who, every day, put regional newscasts on the waves with the latest current events, giving their news to our Central News Department so that these can be diffused over Spain and the world.

The ANTENA 3 centres round up their news contributions with morning connections in Buenos Días, España (Good Morning, Spain) and with a weekly programme, A fondo (In Depth), that brings together the most outstanding aspects of each Autonomous Community.
FOOTING THE NEWS

Our way of life is to follow the news wherever it appears. The world no longer has any frontiers. Events, such as the terrorist attacks on the 11th September on the Twin Towers in New York, show that live television is an undeniable point of reference in our society.

That’s how we understand it in ANTEA 3 news, with correspondents at hot points all over the world: Ricardo Ortega (United States), Enrique Cymerman (Israel), José Ángel Abad (Great Britain), Carmen Vergara (France), Antonio Pelayo (Italy), Mónica Prado (Brussels, the European capital)...

Furthermore, we have special envoy teams travelling thousands of kilometres in the places of greatest news excitement: Iraq, Afghanistan, Turkey, Kuwait, Serbia or Albania.

Amongst our reporters are the names of Carlos Hernández, Javier Mellado, Emilio Sáez, Corina Miranda, Javier Saz and many others, familiar faces already who appear live in those places all over the world where there is news to be reported to our viewers.

BUENOS DÍAS, ESPAÑA

This last season, ANTEA 3 gambled on news in the morning. From 6.45 am to 9.15 am, everything that is going on in Spain, in the world and in the Autonomous Communities is told. Daily connections are made with our correspondents, special envoys and each of our Regional Offices in the autonomous regions in order to give first-hand information. Sports, Weather and Traffic information is given in the areas of interest, so that our viewers can have the information necessary to face the day ahead before leaving home.

As well as this, there are other reports of interest on health, economy, quality of life, gastronomy, leisure and society. This is Buenos días, España. A programme directed and conducted by Roberto Arce, in order to start the day well informed.
**EL PRIMER CAFÉ**

And after that, ANTENA 3’s morning circle. El Primer Café, one of the channel’s classics, has become a point of reference in current events and reflection. Conducted by Carmen Gurruchaga, all the political and social leaders have El Primer Café in ANTENA 3, giving their knowledge and opinions on everything that happens.

**ESPEJO PÚBLICO**

If El Primer Café is already an ANTENA 3 classic, the same can be said for the weekly Espejo Público. Each Sunday afternoon, a review is made of current events, using an entertaining and rigorous format. From the big current questions to the trends in leisure and consumerism.

Each Sunday, three million viewers follow this news hour, executed in very careful television language and with the determination to disclose stories of real people and situations. From accusations to comedy, from social drama to gastronomy and travel, these are all part of Espejo Público’s contents. The programme is presented by Sonsoles Suárez, maintaining an average audience of 21.5 percent.

**ALERTA 112**

Alerta 112 is another weekly programme by the News Department that is on its way to becoming another classic in ANTENA 3’s programming, if it isn’t already after three seasons being broadcast.

**Alerta 112** investigates events and social themes. More than 1,200 reports, broadcast over 150 hours, were submitted last year. It is a programme with the latest in current events that, whenever a particular news requires it, has always reacted to expose single subject issues about natural disasters, traffic accidents or terrorist attacks. All news fits into Alerta 112.

It does public service work, for example, to advise our viewers of the actions of delinquents and how best to avoid them. Now Alerta 112 has grown and contains more specialised slots, with
Esther Malagón presents this programme, which last year maintained an average audience of 20 percent.

ANTENA 3 has made an enormous investment in order to have one of the best Documentation services in the media market. The result is a three-storey building managed by a very powerful information technology system, which controls more than three hundred documentary media. ANTENA 3 already occupies a privileged position in this field, in spite of its short life as an instrument of communication.

Last year, the advance continued along this path, with the incorporation of digital recording technology, permitting better quality broadcasts of the materials used, with the reduction of necessary storage space and a better conservation of documents.

As an example of the importance of this service in ANTENA 3, there are the 35 thousand requests for information and images that were attended to in 2002, which, in turn, generated the movement of 800 thousand loans and returns of different media. More than 2,500 daily movements.

Likewise, improvement of the integration of the Document Management System with the rest of the corporate systems has continued. This includes the ANTENA 3 Regional Offices, where the work procedures are being improved and modernised, including the selection criteria of documentary material, the analysis of images and the management of copyright.
ANTENA 3 AND THE 2002 FOOTBALL WORLD CUP

Just about no one gave an Euro for ANTENA 3 when, on the 3rd of May 2002, only 28 days from the inaugurating match, our company got the rights to freely broadcast “the biggest show in the world”.

For the first time in our country, a private television took on the responsibility of showing the Spanish Football Team’s matches in people’s homes and doing it in the worst possible conditions.

The inscription dates were already closed. The technical teams of the whole world’s television stations were already installed... but we had an appointment with television history and we knew it.

This appointment began at a dizzying pace. In less than five days, our first professionals were arriving in Korea. Five days later, the 7,700 kilos of technical material were put on a fish-carrying plane to Seoul. There was no other form of transport available. While in Spain, José Antonio Camacho gave out the list of the players called, thousands of miles away our World Cup set was being prepared, as well as our recording and directing controls. All in record time. This superhuman effort from dozens of professionals worked a miracle, so that on the 22nd May ANTENA 3 was able to broadcast live the first special programme from the Spanish Team’s meeting place.

After that, there were the friendly matches and the historic “debut” of the national team. Spain began by beating Slovenia on the 2nd July, defeating Paraguay and ending the first stage with a new victory against South Africa. The Team started with its right foot forward in the field and even scored in audience figures.
In 2002, this strange family, with its no concessions portrayal of American society and its power, and for whom the years have not passed, has again demonstrated its drawing power in ANTENA 3. During the whole 365 days, it was listed among the 10 most viewed programmes, after broadcasting for eight years.

This programming loyalty has meant that ANTENA 3 has been given one of the most important Spanish television awards: the Golden TP for the best animation series. And this while in competition with two other of the channel’s products: South Park and Futurama, which reveals the excellent reception of our animation series.
Como la vida

In just a few months, ANTENA 3’s morning chat show has become a point of reference for the audience. It is a programme that uses humour as a weapon to attract and “doesn’t keep anything to itself.” Those things belonging to “heart matters”, as well as popular testimonies, treated with kindness, caring and the wish to please, have placed Como la vida in a privileged position with regard to the viewers. The presenter, Alicia Sennovilla, has returned to ANTENA 3 to offer the best of herself and to show her tremendous communicative abilities.

Sabor a ti

If the chat show formula is defined as entertainment, containing within it different formats and, therefore, is thought to be lacking in message, we can confirm once more that Sabor a ti is the exception to the rule. For five seasons, Ana Rosa Quintana has remained on screen to guarantee ANTENA 3’s success, ending 2002 with overall results placing it as the only mainstream chat show that, in treatment of content, as well as original staging presentation, has achieved the top position in one of television’s most important time slots.

Sabor a ti has been, and is, a reference point for other programmes, yet it is different from the rest and that is why it is the top afternoon programme.
**Pasapalabra**

Very few national or international contests continue broadcasting in such a competitive time slot as the one Pasapalabra is in. It is, par excellence, the contest which has managed to ensnare the entire family, irrespective of age.

The plan to continue developing its original formula, with its very original presenter, Silvia Jato, has added significantly to ANTENA 3’s business income, endorsed on a daily basis by the advertising investment interest of the most important media centres in the sector.

**Diario de Patricia**

Audience information shows that Patricia Gaztañaga is not the only expert on her diary. ANTENA 3’s endeavour to create a space in which life is shown just as it is makes the Diario de Patricia Spain’s daily television page that nobody wants to stop viewing.

It’s a programme that gives those who wish to express their love for someone, who want to broadcast live their most unusual ability or who simply want a space in which to freely air their views on social likes and conflicts, the golden opportunity to do so.

Its success in among ANTENA 3’s 2002 programming not only shows that it is still a winning proposal, but it also confirms its unarguable leadership in that broadcasting slot.
Ahora

The famous, the most daring and intrepid characters, as well as the odd, all of them appear in the so-called gossip columns each Saturday afternoon on Ahora. It is a programme that invites one to contemplate this world in its original surroundings, without overlooking the irony, the parody or the jest in the comments, opinions or visual set-ups.

Every weekend, Cristina Saavedra tells us, with a gentleness not devoid of audacity, of the adventures and misadventures of the personalities often seen on the small screen.

Hay una carta para ti

If there is one line of argument that determines the format adopted by ANTENA 3 in Prime Time viewing, it is the one that awakens the hopes, minute by minute, of a public captivated by the excitement of surprise. By the solving of personal and family conflicts, by the testimonies and by the deepest feelings disclosed when faced with a humble plea for forgiveness; the sincerity with which one minute of happiness is offered and the staging of that essential format: the emotions.

There is only one way of combining all these ingredients and that is in the Sunday programme offered by ANTENA 3 giving the opportunity to say straightforwardly Hay una carta para ti. With all the care, support and expertise of that excellent communicator of feelings, Isabel Gemio.
**Un paso adelante**

Un paso adelante could only be... on ANTENA 3. It is a fictional series that does not imitate present national or international tendencies. It is original in its design, creation and development, and qualifies what has no doubt been the great fictional gamble taken by the channel’s management team, pampering it and boosting it in its second season.

Un paso adelante is connected to the ANTENA 3 tradition, the first mainstream private television to take a chance on fiction as television genre from the beginning. From the historical Farmacia de Guardia to Compañeros, La casa de los líos, Manos a la obra or Policías.

Un paso adelante has gone further than being just a television product by penetrating into the world of music. Its album, UPA Dance, has sold more than half a million copies and, therefore, has already received five platinum discs. It can definitely only be defined as a success.
When it appeared for the first time last year, El Gran Test was an undeniable social event, allowing ANTENA 3 to strive for a clean, family-oriented programming model located at the other extreme to what is commonly known as TV rubbish. It is a model worthy of being followed.

**EL GRAN TEST**

Without doubt, one of the great successes of ANTENA 3’s programming in the year 2002 was the broadcasting of El Gran Test. It is a programme that goes beyond mere televised variety shows. It penetrates into the world of multimedia through Internet, fixed and mobile telephony, Press, CD or, with just a simple pencil and paper, it galvanizes the whole family into gauging its intellectual qualities and its memory, competing healthily to “see” who is the cleverest.
The products we have presented in this Annual Report would not have been possible without a working system, such as the one set in motion by ANTENA 3 this last year.

Producers, directors, cameramen, graphic designers, set designers, stylists, musical scene-setters, hairdressers, make-up artists and a long etcetera of company professionals, who are behind the television screens, working anonymously to make the shows possible. And all of them come together under the Planning and General Production Department.

This organisational change has meant a noticeable increase in in-house production, without an increase in staff. It has brought about a reduction in production processes and has unified criteria by co-ordinating the different areas involved, with the ensuing decrease in cost. It has definitely made it possible for ANTENA 3 to offer a more consistent and elegant image.
The reorganisation of ANTENA 3’s general running systems has also directly affected the contracting policy with production companies and presenters. The challenge has been to share risks; a new way of acting that is not made easy by its unbearableness. Bonuses are offered for business and audience results and fixed costs are reduced. It is a formula that includes contract cancellation clauses if the proposed objectives are not reached, which is a benefit to the company.

The way of facing situations has definitely been altered, offering more flexibility, greater, improved response capacity, better solutions and sensible expense streamlining.

In 2002, ANTENA 3 also increased its assets with the addition of a new Transportable Site Station and another Mobile Unit, both with the latest technology and which have permitted a 59% increase in external broadcasts in the last few months.
ANTENA 3 has become a great communications company not only because of the significance of its brand name, or because of the social aspects of its screen influence, but also because of the quality and consistency of its property and infrastructures.

ANTENA 3 extends over 95 thousand square metres, with a constructed surface of 55 thousand square meters. Nine buildings belong to it and ten television settings, just in its central installations in San Sebastián de los Reyes, in Madrid. ANTENA 3’s ten Regional Offices occupy another five thousand square metres.

These are only some of the elements that make up the Company’s business solidity. There are others that definitively mark the frenetic activity that we live through in ANTENA 3. Four thousand five hundred kilowatts/hour of electrical power and more than 4 million kilocalories/hour of calorific power are only some of the quantities that make it possible to look into the background of a company constantly on the move.
However, in order to understand this consumption better, we have to refer to the 650 thousand people that went in and out of ANTENA 3’s doors last year, of which 100 thousand were guests. Or to the more than 42 thousand vehicles verified in our installations, the 250 thousand letters and parcels checked by our security services. We also looked after the visits of more than 300 schools, university groups, associations and other political personalities.

These yearly statistics, on a daily basis, were all individual actions. Each person, each vehicle, each letter or packet that went in and out of ANTENA 3 was perfectly identified. Likewise, 4,400 stays in hotels, 11 thousand journeys and 220 thousand meals served in our dining room were personally managed.

And so, if each situation is individually attended to, this is multiplied for each of our 14 thousand medical service appointments in 2002. Consequently, ANTENA 3 becomes a company to keep in mind, with services that leave nothing to be desired by any town. ANTENA 3 may have a small resident population, but it all sums up to a huge movement in temporary passers-by.
The Human Factor

Each and every one of the products, brands and organisations that we present in ANTENA 3’s Annual Report has one element in common, without which it wouldn’t be possible to exist: the human factor. ANTENA 3’s staff is made up of an equal balance of both sexes, with an average age of 36, highly qualified technically – 46% have a degree – and with varying experience. This combination of qualities yields great efficiency in the work processes and an enormous capacity to adapt to the new technologies that are continuously being included in the media sector.
In the year 2002, the company has adapted its Human Resources policy specifically to add to the abilities of its employees. To achieve these objectives, 40 thousand hours of training have been given, mainly centred on learning the latest tools and improving resource management.

Yet ANTENA 3 is not only concerned with improving its employees’ conditions, it has also become the most sought after company in the sector because of its practical training policy for students and graduates. In 2002, 480 students passed through the ANTENA 3’s installations to get practice in their Business Training and in higher education, specifically in Communication.

The agreements with public and foreign Universities make up part of our Training Department’s daily activity. The Masters Degree in Audio-visual Company Management is an example of this. ANTENA 3 organises the course with the University of Carlos III, a pioneer in these types of actions. The fifth course will begin in September. There is also the Talent Management Programme, on which we have been working for years, for the purpose of identifying and preparing the employees who have potential to occupy positions of responsibility in the future. A task of which we are very proud.
The reorganising policy that ANTENA 3 has been conducting for a year includes the re-evaluation of the activities, begun in previous years, carried out by different companies in the Group. Each of the activities, situations and results have been studied in detail with the intention of attaining a solid and lasting competitive position, improving efficiency and reducing the costs wherever possible.

To achieve these objectives, a restructuring of the different businesses has been embarked upon and the solutions deemed most convenient for each case have been adopted. For instance, some of the companies have been sold, others have been wound up and yet others, considered more profitable or with more influence, have been incorporated into ANTENA 3’s different business lines.

The brand names defined in the latter are those we have included in the 2002 Annual Report.
**Antena 3 Directo**

Antena 3 Directo remains in one of the top ranking positions among the Marketing Direct companies in the four countries where it has a presence: Spain, Portugal, Chile and Argentina.

The year 2002 has been a strategic year for the Group, as it has focused all its efforts on strengthening its most profitable areas - Telemarketing, Telesales and Catalogue -, rejecting some sales lines that, although contributing to invoicing, did not transcend the threshold of the required profit.

**Antena 3 Producciones Perú**

In the second business year, A3 Producciones has consolidated its audio-visual production business in Peru.

Its activity has been centred on 4 business lines: Theme Channel Production for Cable Mágico, the cable TV operator of the Telefónica Group in Peru and which makes up more than 50% of its income, the Advertising Production where the company has placed itself as the second in the market with a 25% share, Advertising Sales and Production Services.

**Antena 3 Temática**

Antena 3 Temática has consolidated itself as the company of reference in the theme content production sector of the pay television market in Spain.

This year it has strengthened its business profitability and its candidacy as Content Collector for the new platform.

The company manages the following theme channels: Canal Campero, very well positioned among the Hunting and Fishing supporters in Spain, Punto de Venta, the first Spanish T-commerce channel, as well as the channels presently existing on Vía Digital A3TV en abierto, Megatrick, 24Horas Noticias and Factoría de ficción.
GUARDIAN PRODUCCIONES, S.A.

During the 2002 period, Guadiana Producciones, S.A. strengthened its national ranking among the top ten production companies of the sector. This year, Guadiana Producciones, S.A. has achieved its positioning objectives and the start of its objective to introduce itself into the international network. Agreements with international production companies have increased, gaining the exclusive in Spain to represent new, top level directors, with the subsequent added value for the company.

Guadiana Producciones, S.A. definitely continues advancing in its aim to become an advertising production company of reference within its own group and within the market, contributing to the growth of that group.

ENSUEÑO FILMS, S.L.U.

Since its creation, ENSUEÑO FILMS has carried co-productions within the national limits as well as the international one, aiming to become the production company of reference. In the last few years, ENSUEÑO FILMS has contributed more than a hundred films, television series and programs to the Spanish market. During these years, it has taken part in 16 film productions: Clara y Elena, Reflejos, Sin noticias de Dios, No te faltare, I love you, Baby, Padres, Cerdita de los Bernaches, A mi madre la gustan las mujeres, Peor imposible, Sin Vergüenza, Esta noche no, Más de mil cámaras velan por tu seguridad, Trece campañadas, El misterio Galíndez, and Dos tipos duros. The total investment is of around 9 million Euro.

MEGATRIX

MEGATRIX remains the first children's brand and reference in the market, for both the public and the advertisers. During this year, contents have played a large part in the development of the business, allowing the growth of derived business lines (licences, videos, video games,...) and widening the distribution of these through multimedia offer, i.e. free TV - Megatrix Club Programme -, Megatrix Channel on Vía Digital, Internet (web and child-ren's content development on ADSL for Telefónica), Members Children's Club, and co-productions of children's series for their exploitation at national and international level.

Work has also been done on rationalising expenses and optimising the management of the different business units.

Mega Toys remains the first children's brand and reference in the market.
**Movierecord cine, S.A.U.**

The year 2002 has been one of the most complex in the history of the company, which will be 50 years old next year. However, it is the leading company in the cinema advertising medium, with a market share of over 70% and a screen share of nearly 60%.

Movierecord is a pioneer in the development of communication medium outside the limits of the cinema screen or alternative uses of the same. These activities are placed in the *Below the Screen* division, whose invoicing figure for this activity has been 10 times more than its closest competitor.

In the field of local advertising, it is the absolute leader, with a market share of nearly 80%, the shares taken on by the company this year allowing an income increase of 9%.

**Antena 3 Internacional**

Last year, **ANTENA 3’s INTERNATIONAL CHANNEL** lived through an important transformation. It renewed its contents and increased the programme production for broadcasting in America.

The weekly news programme *A Fondo* has been incorporated in its programming, so that Spanish people living far away, and all those who wish to know what is going on in the Autonomous Communities, are well informed of what is of most interest to them. **ANTENA 3 News’ Canal 24 horas** was also included in the broadcasts.

The in-house production increased to 12 weekly programmes of varying content, from economy to sport and from culture to society. Always directed at a Latin American public.

These are additions to a programming based on chat shows, series and other entertainment programmes, without forgetting the daily news slots, which are broadcast live.

In this way, **ANTENA 3’s International Channel** guarantees its presence in the Latin American countries and is already present in different areas of the United States.
An historical landmark in radio Onda Cero’s life

RADIO Onda Cero’s integration in Antena 3 in 2002 can be qualified as an historic landmark in its life. An historical landmark because that integration has meant the strengthening of ADMI-RA, a Multimedia Company with a clear purpose and a vocation for leadership, synonymous with the growing demand for news made by its daily listeners.

Credibility, prestige, quality and fidelity to the audience are the most repeated concepts in the work groups that situate Onda Cero Radio. Co-operative, competitive, manifold, varied, innovative and independent is how the Onda Cero listeners classify the programming.

To touch upon what is without doubt its basic value, in 2002, Onda Cero invested seven million Euro in the necessary and suitable improvement of its Network. This year, labelled by all the sectors as complicated and difficult, Onda Cero grew six percent and improved its operating results by 45 percent. It could be said in some way that, because it belongs to a group as technologically powerful as Telefónica, RADIO Onda Cero answers to the permanent technological development challenge that today signifies a Radio Network with a vocation for leadership.
Stable employment and coverage over all the territory

Eight hundred and sixty three workers, with an average age of 36, make up the regular staff of the Corporación Radiodifusora de ONDA CERO, as at 31st December 2002. With over 80 percent stable employment (contracts for an indefinite time), this workforce is distributed among the nearly one hundred work centres that ONDA CERO RADIO manages all over Spain.

From El Ejido to Vigo, from Gerona to Huelva, passing through our two archipelagos and the two autonomous cities of Ceuta and Melilla, Corporación Radiodifusora de ONDA CERO’s coverage reaches the whole country in its different forms: ONDA CERO RADIO, ONDA CERO Internacional, ONDA CERO-Onda Rambla, Europa FM, Radio Dance, RADIO Marca and Kiss FM, totaling 286 frequencies.

Logically, with 42 frequencies, Andalucía is the Autonomous Community with the greatest ONDA CERO presence, followed by Castilla and León (37 frequencies), Galicia (33), the Community of Valencia (24) and the Autonomous Community of Madrid (23).
**Protagonistas: 30 Years of Radio History**

A million and a half people connect daily to the ONDA CERO Protagonistas programme, directed and presented by Luis del Olmo. 30 years (more than 8,500 programmes as at 31 December 2002) of Spanish radio history. These numbers alone summarise the career of a unique professional and one of Spanish radio’s most lively programmes.

During the six and a half hours of analysing current events, of good humour (the weekly slot of El Jardín de los Bonsais is still one of the most listened to on Spanish radio) and entertainment, from the point of view of diversity, Luis del Olmo’s Protagonistas on ONDA CERO has the label of the best radio, a radio to which as many men as women switch on. They are mainly between the ages of 35 and 44 and three quarters of them are from the middle to upper-middle classes.

The programme is in demand by nearly all the Spanish cities, where it is broadcast with an audience.

---

**Onda Cero news: Credibility**

2002 has also been for ONDA CERO RADIO the greatest growth year for its News Services. Nearly 300 people are distributed among the Departments that the Network has all over Spain. To these can be added the correspondents in the main capitals of the world and, in a policy of synergies, Antena 3’s correspondents and special envoys.

During last year, ONDA CERO’s green microphone, into which bulletins and News Programmes of all the events of interest to its listeners were reported each hour for 365 days a year, was not absent from a single incident in Spain or in the rest of the world.

ONDA CERO News (at 14:00 and at 20:00, from Monday to Friday), the Weekend News (Saturday and Sunday) and La Brújula (from 23:00 to 23:45) have become points of reference for radio audiences in Spain due to credibility. The ONDA CERO News programmes are listened to equally by both men and women, aged mainly between 35 and 44 (31 percent) and the middle classes (52.60 percent). And, of course, ONDA CERO RADIO is the network preferred by Spanish executives when searching for news.
Herrera en la Onda: simply, Carlos Herrera

For the second year running, Carlos Herrera, defined by someone as “the best finished radio product in the last years”, occupies (although it might be better to say revives for Spanish radio) the afternoons on ONDA CERO.

During the four best-produced hours on Spanish radio, Herrera en la Onda already having turned into one of the programmes of reference on the radio, Carlos Herrera tackles current events from different angles.

‘The listeners’ participation, about which a book has already been produced, has given the most personality to the programme. The listeners have made Carlos Herrera and his colleagues laugh and cry, their intimate and humane vision of life giving the programme one of its most valued characteristics.

Listened to by more men than women and with nearly three quarters of the listeners being middle to upper-middle class, in its second season Herrera en la Onda has become an icon for the Spanish audience.

Radioestadio, Golden Antenna

In 2002, ONDA CERO RADIO accepted the challenge to transform its sports time. The radio professionals themselves, grouped together under the Radio and Television Federation, have recognised the sensible choice of the transformation by awarding the 2002 Golden Antenna to the Radioestadio programme.

Using a different formula, maintained on microphone by Javier Ares and Javier Ruiz Taboada and with the essential co-operation of more than a hundred professionals all over Spain, backed up by the best sports commentators, Radioestadio has been increasing its audience and it has become the great radio alternative for weekend afternoon evenings and on Tuesdays and Wednesdays in Europe.

Radioestadio is rounded off by the other sports slots, be they on the Network or of local and/or regional coverage; an obligatory reference point for fans all over Spain.
Antena 3
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the consolidated financial statements of ANTENA 3 DE TELEVISIÓN, S.A. and Subsidiaries comprising the consolidated balance sheet as of December 31, 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended. The preparation of these consolidated financial statements is the responsibility of the Parent Company's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. These financial statements are the responsibility of the Parent Company's management. Our responsibility is to express an opinion about these financial statements based on our audit. We believe that our audit provides a reasonable basis for our opinion.

As required by Spanish corporate law, for comparison purposes the directors present, in addition to the 2001 figures for each item in the consolidated balance sheet and consolidated statement of operations, the figures for 2001. Our opinion refers only to the 2002 consolidated financial statements. Our auditors' report dated March 21, 2003, on the 2001 consolidated financial statements contained an unqualified opinion.

In our opinion, the consolidated financial statements for 2002 referred to above present, in all material respects, a true and fair view of the net worth and financial position of Antena 3 de Televisión, S.A. and Subsidiaries as of December 31, 2002, and of the results of their operations in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.

The accompanying consolidated management report for 2003 contains the explanations which the Parent Company's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2002. Our work as auditors was confined to checking the consolidated management report with the aforementioned scope, and did not include a review of any information other than that drawn from the Group's accounting records.

Luis Jiménez Guijarro
February 21, 2003

Deloitte & Touche
Registered in Spain no. 16,907.
<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED AND OTHER NONCURRENT ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Star-up expenses (Note 4-c)</td>
<td>21,678</td>
<td>1,431</td>
</tr>
<tr>
<td>Intangible assets (Note 6)</td>
<td>15,323</td>
<td>14,551</td>
</tr>
<tr>
<td>Tangible fixed assets (Note 7)</td>
<td>137,412</td>
<td>127,106</td>
</tr>
<tr>
<td>Land and structures</td>
<td>64,226</td>
<td>60,907</td>
</tr>
<tr>
<td>Plant</td>
<td>149,280</td>
<td>117,144</td>
</tr>
<tr>
<td>Other tangible fixed assets</td>
<td>50,609</td>
<td>39,090</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(126,703)</td>
<td>(60,035)</td>
</tr>
<tr>
<td>Long-term investments (Note 8)</td>
<td>21,448</td>
<td>12,418</td>
</tr>
<tr>
<td>Parent Company shares</td>
<td>2,933</td>
<td>2,933</td>
</tr>
<tr>
<td>Prepaid taxes (Note 17)</td>
<td>7,183</td>
<td>5,498</td>
</tr>
<tr>
<td>Total fixed and other noncurrent assets</td>
<td>205,976</td>
<td>163,937</td>
</tr>
<tr>
<td>CONSOLIDATION GOODWILL (Note 5)</td>
<td>144,743</td>
<td>24,913</td>
</tr>
<tr>
<td>DEFERRED CHARGES</td>
<td>1,847</td>
<td>12</td>
</tr>
<tr>
<td>CURRENT ASSETS:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories (Note 9)</td>
<td>304,950</td>
<td>317,568</td>
</tr>
<tr>
<td>Program rights</td>
<td>246,083</td>
<td>244,737</td>
</tr>
<tr>
<td>Consumables and other inventories</td>
<td>11,425</td>
<td>11,525</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>47,442</td>
<td>61,306</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>221,158</td>
<td>195,013</td>
</tr>
<tr>
<td>Trade receivables (Note 10)</td>
<td>165,956</td>
<td>164,797</td>
</tr>
<tr>
<td>Trade receivables from Group, associated and related companies (Note 11)</td>
<td>14,380</td>
<td>22,723</td>
</tr>
<tr>
<td>Taxes receivable (Note 17)</td>
<td>30,100</td>
<td>12,257</td>
</tr>
<tr>
<td>Sundry accounts receivable</td>
<td>11,575</td>
<td>10,143</td>
</tr>
<tr>
<td>Allowance for bad debts (Note 19)</td>
<td>(20,633)</td>
<td>(14,915)</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>28,220</td>
<td>27,689</td>
</tr>
<tr>
<td>Cash</td>
<td>7,471</td>
<td>23,805</td>
</tr>
<tr>
<td>Accrual accounts</td>
<td>3,535</td>
<td>3,627</td>
</tr>
<tr>
<td>Total current assets</td>
<td>565,334</td>
<td>567,892</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>917,900</td>
<td>756,754</td>
</tr>
</tbody>
</table>

The accompanying notes 1 to 23 are an integral part of the consolidated balance sheet as December 31, 2002.

<table>
<thead>
<tr>
<th>SHAREHOLDERS’ EQUITY AND LIABILITIES</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHAREHOLDERS’ EQUITY (Note 12):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>166,668</td>
<td>166,668</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>33,334</td>
<td>33,334</td>
</tr>
<tr>
<td>Other reserves</td>
<td>277,026</td>
<td>257,437</td>
</tr>
<tr>
<td>Reserve for treasury stock</td>
<td>2,933</td>
<td>2,933</td>
</tr>
<tr>
<td>Reserves at fully consolidated companies</td>
<td>(775)</td>
<td>(8,804)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>9,366</td>
<td>9,366</td>
</tr>
<tr>
<td>Translation differences</td>
<td>(669)</td>
<td>187</td>
</tr>
<tr>
<td>Income (loss) attributable to the Parent Company-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated income (loss)</td>
<td>(29,907)</td>
<td>48,005</td>
</tr>
<tr>
<td>Income (loss) attributable to minority interests</td>
<td>(130)</td>
<td>48</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>457,846</td>
<td>509,174</td>
</tr>
<tr>
<td>MINORITY INTERESTS (Note 13)</td>
<td>1,989</td>
<td>1,745</td>
</tr>
<tr>
<td>DEFERRED REVENUES</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>PROVISIONS FOR CONTINGENCIES AND EXPENSES</td>
<td>18</td>
<td>282</td>
</tr>
<tr>
<td>TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES</td>
<td>917,900</td>
<td>756,754</td>
</tr>
</tbody>
</table>

The accompanying notes 1 to 23 are an integral part of the consolidated balance sheet as December 31, 2002.
### Antena 3 de Televisión, S.A. and Subsidiaries
#### 2002 and 2001 Consolidated Statements of operations (Thousands of euros)

Translation of reports and consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 23). In the event of a discrepancy, the Spanish-language version prevails.

#### EXPENDITURES:

<table>
<thead>
<tr>
<th>Item</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program amortization and other supplies (Note 20)</td>
<td>308,627</td>
<td>232,256</td>
</tr>
<tr>
<td>Personnel expenses (Note 20)</td>
<td>141,123</td>
<td>118,399</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>28,131</td>
<td>20,967</td>
</tr>
<tr>
<td>Variation in operating allowances</td>
<td>6,050</td>
<td>3,541</td>
</tr>
<tr>
<td>Rent and fees (Note 20)</td>
<td>40,335</td>
<td>25,766</td>
</tr>
<tr>
<td>Other current operating expenses (Note 20)</td>
<td>130,291</td>
<td>146,272</td>
</tr>
<tr>
<td>Taxes other than income tax</td>
<td>1,263</td>
<td>3,088</td>
</tr>
<tr>
<td>Operating income</td>
<td>14,832</td>
<td>85,789</td>
</tr>
<tr>
<td>Financial and similar expenses</td>
<td>7,449</td>
<td>3,510</td>
</tr>
<tr>
<td>Exchange losses</td>
<td>7,478</td>
<td>5,243</td>
</tr>
<tr>
<td>Amortization of goodwill</td>
<td>14,568</td>
<td>7,881</td>
</tr>
<tr>
<td>Income from ordinary activities</td>
<td></td>
<td>75,334</td>
</tr>
<tr>
<td>Losses on intangible assets and tangible fixed assets</td>
<td>626</td>
<td>629</td>
</tr>
<tr>
<td>Variation in investment valuation allowances (Note 8)</td>
<td>1,650</td>
<td>1,453</td>
</tr>
<tr>
<td>Prior years’ extraordinary expenses and losses</td>
<td>45,041</td>
<td>21,787</td>
</tr>
<tr>
<td>Consolidated income before taxes</td>
<td>48,319</td>
<td>23,869</td>
</tr>
</tbody>
</table>

#### CREDIT:

<table>
<thead>
<tr>
<th>Item</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues (Note 20):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>697,890</td>
<td>644,928</td>
</tr>
<tr>
<td>Sales discounts</td>
<td>(61,202)</td>
<td>(80,562)</td>
</tr>
<tr>
<td>Interest and similar revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange gains</td>
<td>1,137</td>
<td>10</td>
</tr>
<tr>
<td>Financial loss</td>
<td>4,165</td>
<td>2,574</td>
</tr>
<tr>
<td>Loss on ordinary activities</td>
<td>3,901</td>
<td>-</td>
</tr>
<tr>
<td>Gains on intangible assets and tangible fixed assets</td>
<td>247</td>
<td>4,611</td>
</tr>
<tr>
<td>Extraordinary revenues</td>
<td>6,476</td>
<td>5,627</td>
</tr>
<tr>
<td>Extraordinary loss</td>
<td>6,723</td>
<td>13,831</td>
</tr>
<tr>
<td>Consolidated income before taxes</td>
<td>45,497</td>
<td>-</td>
</tr>
<tr>
<td>Consolidated loss for the year</td>
<td>29,907</td>
<td>-</td>
</tr>
<tr>
<td>Loss attributed to minority interests</td>
<td>-</td>
<td>48</td>
</tr>
<tr>
<td>Loss for the year attributed to the Parent Company</td>
<td>30,037</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes 1 to 23 are an integral part of the 2002 consolidated statement of operations.
Antena 3 de Televisión, S.A. and Subsidiaries

Notes to 2002 Consolidated Financial Statements

Translation of reports and consolidated financial statements originally issued in Spanish and prepared accordance with generally accepted accounting principles in Spain (see Note 23). In the event of a discrepancy, the Spanish-language version prevails.

1. DESCRIPTION OF THE COMPANIES

Antena 3 de Televisión, S.A., the Group’s Parent Company, was incorporated on June 7, 1988, and its then sole corporate purpose was the indirect management of a television service.

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

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

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

The other Group companies mainly carry on business activities relating to the production, copying and broadcasting of sounds and images, and TV and Internet home shopping (see Note 2).

In view of the business activities carried on by the companies, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to the net worth, financial position and results of operations of the corporate Group. Accordingly, these notes to consolidated financial statements do not contain any specific disclosures relating to environmental issues.

2. SUBSIDIARIES

The consolidated subsidiaries are as follows:

<table>
<thead>
<tr>
<th>Corporate name</th>
<th>Location</th>
<th>Year of incorporation</th>
<th>Line of business</th>
<th>Owner company</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publicidad 3, S.A.</td>
<td>Madrid</td>
<td>1982</td>
<td>Advertising</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Uniprex, S.A.</td>
<td>Madrid</td>
<td>1967</td>
<td>Radio broadcasting services</td>
<td>Publicidad 3, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Cadena Vox S.A.</td>
<td>Madrid</td>
<td>1994</td>
<td>Radio broadcasting services</td>
<td>Publicidad 3, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Antena 3 Bilbao, S.A.</td>
<td>Madrid</td>
<td>1980</td>
<td>Management of rights</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Antena 3 Perú, S.A.</td>
<td>Lima (Perú)</td>
<td>1995</td>
<td>Television</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Antena 3 Directo, S.A.</td>
<td>Madrid</td>
<td>1994</td>
<td>TV home shopping</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Guadarrama Productos, S.A.</td>
<td>Madrid</td>
<td>1994</td>
<td>Audiovisual productions</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Antena 3 Telecicas, S.A.</td>
<td>Madrid</td>
<td>1998</td>
<td>Audiovisual products</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Antena 3 Productos, S.A.</td>
<td>Lima (Perú)</td>
<td>1998</td>
<td>Audiovisual productions</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>New Televisión, S.A.</td>
<td>Malabia</td>
<td>1990</td>
<td>Audiovisual productions</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>51</td>
</tr>
<tr>
<td>Miserendit One, S.A.</td>
<td>Madrid</td>
<td>1996</td>
<td>Advertising in cinemas</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Antena 3 Castilla-León, S.A.</td>
<td>Valladolid</td>
<td>1993</td>
<td>Audiovisual productions</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>60</td>
</tr>
<tr>
<td>Inversiones Valores Inmobiliarios, S.L.</td>
<td>Barcelona</td>
<td>1987</td>
<td>Portfolio company</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>84.6</td>
</tr>
<tr>
<td>Compañía Servicios Audiovisuales, S.A.</td>
<td>Madrid</td>
<td>1976</td>
<td>Internet</td>
<td>Inversiones Valores Inmobiliarios, S.L.</td>
<td>66</td>
</tr>
<tr>
<td>Antena 3 de Televisión, S.A.</td>
<td>Madrid</td>
<td>1996</td>
<td>Audiovisual productions</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>20</td>
</tr>
<tr>
<td>A3D Chile Holdings, S.A.</td>
<td>Santiago de Chile</td>
<td>2001</td>
<td>Portfolio company</td>
<td>Antena 3 Directo, S.A.</td>
<td>99.9</td>
</tr>
<tr>
<td>A3D Chile, S.A.</td>
<td>Santiago de Chile</td>
<td>2001</td>
<td>TV home shopping</td>
<td>A3D Chile Holdings, S.A.</td>
<td>69.93</td>
</tr>
<tr>
<td>Trading Team, S.L.</td>
<td>Malabia</td>
<td>2001</td>
<td>TV home shopping</td>
<td>Antena 3 Directo, S.A.</td>
<td>80</td>
</tr>
<tr>
<td>Ensaño Films, S.L.</td>
<td>Malabia</td>
<td>2000</td>
<td>Audiovisual productions</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
<tr>
<td>Negros, S.A.</td>
<td>Malabia</td>
<td>2000</td>
<td>Audiovisual productions</td>
<td>Antena 3 de Televisión, S.A.</td>
<td>100</td>
</tr>
</tbody>
</table>

(a) Companies included in the scope of consolidation in 2002 as a result of their acquisition in that year.

Holdings in certain other companies were not consolidated in 2002 either because they are not jointly managed and influence is not exercised over them or, although jointly managed, their operations in 2002 were not material. The effect of the exclusion from consolidation of these holdings on the 2002 consolidated financial statements was not material.

The main holdings not included in the scope of consolidation are as follows:
3. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) True and fair view

The 2002 consolidated financial statements, which were prepared from the accounting records of Antena 3 de Televisión, S.A. and its consolidated subsidiaries (listed in Note 2), are presented in accordance with Royal Decree 1815/1991 approving the regulations for the preparation of consolidated financial statements and, accordingly, give a true and fair view of the Group’s net worth, financial position and results of operations at that date.

b) Comparative information

Certain items in the 2002 consolidated financial statements are presented using classification methods which differ from those applied in 2001. Had these items been reclassified in the 2002 consolidated statement of operations, in order to better reflect the business activities actually performed, the captions that would have changed are as follows:

c) Consolidation principles

The companies over which Antena 3 de Televisión, S.A. exercises effective control by virtue of ownership of a majority of the voting rights in their representation and decision-making bodies were fully consolidated; where appropriate, the companies in which there is significant influence but not ownership of a majority of the voting rights or joint management with third parties are accounted for by the equity method (see Notes 2 and 8).

All material accounts and transactions between the fully consolidated companies were eliminated in consolidation.

The equity of third parties in the capital stock, reserves and results of the fully consolidated companies is presented under the “Minority Interests” caption in the accompanying consolidated balance sheet.

The consolidated financial statements do not include the tax effect of transferring the reserves of the consolidated subsidiaries to the Parent Company’s accounts, since it is considered that no reserves not taxed will be transferred and that these reserves will be used as self-financing resources by the respective consolidated subsidiaries.

4. VALUATION STANDARDS

The main valuation methods applied by the Group in preparing its consolidated financial statements for 2002 were as follows:

- Program amortization and other supplies: 237,355
- Intangible asset amortization expense: 1,588
a) Consolidation goodwill

The 2002 consolidated financial statements include consolidation goodwill, net of the related accumulated amortization, arising as a result of the positive consolidation difference between the amounts paid for the acquisition of the shares of fully consolidated subsidiaries and their underlying book value.

The goodwill is amortized over the periods in which it is considered that it will contribute to the obtainment of income by the Group.

The detail of the amounts originally recorded under the "Consolidation Goodwill" caption is as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Year acquired</th>
<th>Initial goodwill (Thousands of euros)</th>
<th>Percentage amortized</th>
<th>Amortization period (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antena 3 Directo, S.A.</td>
<td>1999</td>
<td>600</td>
<td>40</td>
<td>5</td>
</tr>
<tr>
<td>Moisacorec Cine, S.A.</td>
<td>1999</td>
<td>15,399</td>
<td>100</td>
<td>5</td>
</tr>
<tr>
<td>Inversiones Valores Inmuebles, S.L.</td>
<td>2000</td>
<td>7,962</td>
<td>77</td>
<td>3</td>
</tr>
<tr>
<td>Compuent Servicios Térmicos, S.A.</td>
<td>2000</td>
<td>2,413</td>
<td>70.82</td>
<td>3</td>
</tr>
<tr>
<td>Spravettte, S.A.</td>
<td>2000</td>
<td>9,036</td>
<td>71</td>
<td>10</td>
</tr>
<tr>
<td>Inversiones Valores Inmuebles, S.L.</td>
<td>2001</td>
<td>782</td>
<td>7.60</td>
<td>3</td>
</tr>
<tr>
<td>Talkena, S.A.</td>
<td>2001</td>
<td>959</td>
<td>100</td>
<td>3</td>
</tr>
<tr>
<td>Trading Team, S.A.</td>
<td>2001</td>
<td>753</td>
<td>76</td>
<td>4</td>
</tr>
<tr>
<td>Antena 3D Chile, S.A.</td>
<td>2001</td>
<td>653</td>
<td>70</td>
<td>5</td>
</tr>
<tr>
<td>Uniprex, S.A.</td>
<td>2002</td>
<td>137,077</td>
<td>100</td>
<td>20</td>
</tr>
<tr>
<td>Calena Voz de Radiodifusión, S.A.</td>
<td>2002</td>
<td>9,545</td>
<td>100</td>
<td>20</td>
</tr>
</tbody>
</table>

As a result of an analysis performed by Company management regarding certain companies' ability to contribute to Group income, in 2002 accelerated amortization totaling €3,980,000 was taken on goodwill relating to Inversiones Valores Inmuebles, S.L. and Compuent Servicios Térmicos, S.A., and this amount is recorded under the "Extraordinary Expenses" caption in the 2002 consolidated statement of operations (see Note 5).

b) Translation methods (year-end exchange rate method)

The financial statements of the subsidiaries abroad were translated to euros at the exchange rates ruling at year-end, except for:

1. Capital stock and reserves, which were translated at historical exchange rates.
2. Income-statement items, which were translated at the average exchange rates for the year.

The exchange differences arising from application of these methods are included under the "Shareholders' Equity - Translation Differences" caption in the accompanying consolidated balance sheet (see Note 12).

c) Start-up expenses

Start-up expenses, which relate mainly to capital increase and preoperating expenses, are recorded at cost. These expenses are amortized on a straight-line basis over five years.

This caption also includes the amount paid under the agreement with the Radio Blanca Group for the creation of a new radio network in 2002. The Parent Company cooperates in the management of this network by contributing technical resources, bearing certain expenses and managing the commercial areas. The Company also guarantees to Radio Blanca the obtainment of given billing figures based on the audience obtained by the new network. As consideration for this agreement, the Company obtains a percentage of the revenues of this network, which since 2002 is being allocated to income over the ten-year term of the agreement.

Based on projections, the directors of the Parent Company consider that the economic terms and conditions of this agreement will enable this asset to be recovered.

d) Intangible assets

Concessions, patents and trademarks

This account includes mainly the cost assigned to the radio broadcasting administrative concessions acquired from the Rueda de Emisoras Radio corporate group by Uniprex, S.A. and the cost of the other concessions this company has been acquiring since 1990. This cost is being amortized on a straight-line basis over ten years.

Other intangible assets

The remainder of the balance under this caption in the accompanying consolidated balance sheet includes basically the costs incurred in the acquisition or production of computer software when it will foreseeable be used for several years. Most of these assets are amortized on a straight-line basis over a maximum period of five years. In the event of software obsolescence, the related allowances for decline in value are recorded or the asset is definitively retired.

e) Tangible fixed assets

Tangible fixed assets are carried at cost.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.
Upkeep and maintenance expenses are expensed currently.

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

<table>
<thead>
<tr>
<th>Asset Category</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structures</td>
<td>33</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>10 and 12.5</td>
</tr>
<tr>
<td>Other fixtures and tools</td>
<td>5, 10 and 12.5</td>
</tr>
<tr>
<td>Furniture</td>
<td>10</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>5 to 10</td>
</tr>
<tr>
<td>Transport equipment and other tangible fixed assets</td>
<td>6 and 10</td>
</tr>
</tbody>
</table>

f) Long-term investments

The long-term investments comprising the long-term investment securities portfolio included under the "Long-Term Investments" caption on the asset side of the accompanying consolidated balance sheet as of December 31, 2002, are carried at cost.

Antena 3 de Televisión, S.A. and its subsidiaries record the appropriate investment valuation allowances if cost is higher than market value. Market value is taken to be the underlying book value of the holdings. The long-term investment valuation provision charged to the 2002 consolidated statement of operations amounted to €1,650,000, and this amount was recorded in the "Variation in Investment Valuation Allowances" account in the 2002 consolidated statement of operations.

These investments were made mainly by Antena 3 de Televisión, S.A., which, as indicated in Note 2, does not present consolidated financial statements with all its investees. The increases or decreases in value of the holdings in nonconsolidated investees that would arise from application of consolidation principles would not be material.

g) Parent Company shares

The Parent Company shares acquired without a capital reduction resolution having been adopted by the Parent Company’s Shareholders’ Meeting are valued at acquisition cost, net, where appropriate, of the allowances required to adjust this value to the underlying book value of the shares.

Also, in accordance with Article 79 of the revised Corporations Law, the Group has recorded a restricted reserve for an amount equal to the acquisition cost of Parent Company shares. This reserve is included under the “Shareholders’ Equity” caption in the accompanying consolidated balance sheet.

h) Inventories

Program rights

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

1. Inventoriable in-house productions (programs produced to be rerun, such as series) are recorded at acquisition and/or production cost, which include both external costs billed by third parties for program production and for the acquisition of resources, and internal production costs, which are calculated by applying preset internal rates on the basis of the time during which operating resources are used in production.

The costs incurred in producing the programs are recorded on the basis of their nature under the appropriate captions in the consolidated statement of operations and are included under the “Program Rights” caption with a credit to the “Inclusion in Inventories” account under the “Program Amortization and Other Supplies” caption in the accompanying consolidated statement of operations.

Amortization of these programs is recorded under the “Program Amortization and Other Supplies” caption in the consolidated statement of operations on the basis of the number of showings, in accordance with the following percentages:

<table>
<thead>
<tr>
<th>Show Type</th>
<th>Percentage of amortization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st showing</td>
<td>70%</td>
</tr>
<tr>
<td>2nd showing</td>
<td>25%</td>
</tr>
<tr>
<td>Residual value</td>
<td>5%</td>
</tr>
</tbody>
</table>

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

The residual value of the series is recorded as an expense in the consolidated statement of operations on the basis of the sales of broadcasting rights to other operators, both in Spain and abroad. In any event, after the sixth year from the date when production of the program was completed, the unamortized cost is written off in full.

2. Non-inventoriable in-house productions (programs produced to be shown only once) are valued by the same methods and procedures as those used to value inventoriable in-house productions. Programs produced and not shown are recorded at year-end under the “Program Rights – In-House Production and Production in Process” caption in the consolidated balance sheet. The cost of these programs is recorded under the “Program Amortization and Other Supplies” caption in the consolidated statement of operations at the time of the first showing.
3. Rights on outside productions (films, series and other similar productions) are recorded at acquisition cost. These rights are deemed to be acquired when the term of the right commences for the Group. Payments to outside production distributors made prior to commencement of the term of the right are recorded under the “Advances to Suppliers” caption in the consolidated balance sheet. The amortization of the rights is recorded in the consolidated statement of operations under the “Program Amortization and Other Supplies” caption on the basis of the number of showings, in accordance with the following percentages, which are set on the basis of the number of showings contracted:

<table>
<thead>
<tr>
<th>Number of showings contracted</th>
<th>1</th>
<th>2 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st showing</td>
<td>100%</td>
<td>50%</td>
</tr>
<tr>
<td>2nd showing</td>
<td></td>
<td>50%</td>
</tr>
<tr>
<td>3rd showing</td>
<td></td>
<td>30%</td>
</tr>
</tbody>
</table>

4. The Group’s thematic television channels include rights acquired from third parties and programs produced for showing or sale and are valued at acquisition cost and production cost, respectively.

These channels and rights are amortized as follows:

a. In-house productions: 50% when the first showing is broadcast. Subsequent showings of the programs take place over a period of approximately three months and 40% of the cost is allocated to the consolidated statement of operations after the end of the third month from the date of the first showing. The effect on the consolidated statement of operations for the year with respect to the first straight-line allocation of the cost in the aforementioned three-month period is not material. The residual value remains in inventories for the following four years. After the fourth year the unamortized cost is written off.

b. In-house documentary productions: 90% when the first showing is broadcast. The residual value remains in inventories for the following four years. After the fourth year the unamortized cost is written off.

c. Documentaries acquired from third parties: Amortization is recorded on the basis of the number of showings contracted.

Consumables and other

Dubblings, sound tracks, titles and tunes of outside productions are recorded at acquisition or production cost. The amortization of rights is recorded under the “Program Amortization and Other Supplies” caption in the consolidated statement of operations at the time of the showing, by the same method as that used for outside productions.

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

Allowances

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

The Group records the appropriate allowances for the decline in value of the rest of its inventories to reduce them to realizable value.

Classification of programs

Program inventories are classified as current assets in accordance with the Spanish National Chart of Accounts and standard practice in the industry in which the Group operates. However, programs are used over several years (see Note 9).

i) Short-term investments

This caption includes short-term investments (mainly in fixed-income securities). The Group records these short-term investments for the amount effectively paid and for the unmatured accrued interest at year-end earned on these acquisitions. As of December 31, 2002, the Group had short-term deposits amounting to $234,488,000.

This caption also includes holdings in companies intended for realization or settlement at short term, which as of December 31, 2002, were recorded at their net asset value ($225,869,000), net of an allowance of the same amount to cover the risk of Antena 3 Televisión S.A.’s investment in these companies. The data on the net worth position of these investees were obtained from the respective companies’ unaudited financial statements as of December 31, 2002.
j) Exchange differences

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

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

k) Corporate income tax

The expense for corporate income tax of each year is calculated on the basis of the book income before taxes of each Group company, increased or decreased, as appropriate, by the permanent differences from taxable income. Tax relief and tax credits are recorded as a reduction of the corporate income tax expense for the year. The Group records on the asset and liability sides of the consolidated balance sheet the timing differences giving rise to prepaid and deferred taxes in the individual tax returns of the consolidated companies (see Note 17).

In 2001 the Group started to be taxed on a consolidated basis. Antena 3 de Televisión, S.A. is the Parent Company of this consolidated tax group (see Note 17).

l) Recognition of revenues and expenses

General method

Revenues and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

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

Advertising revenues

The consolidated companies, mainly the Parent Company, obtain basically advertising revenues, which are recognized in the consolidated statement of operations when the advertising spot is broadcast.

TV home shopping revenues

These revenues are recorded in the consolidated statement of operations at the time when title to the goods sold is transferred.

Thematic television channel revenues

Two types of revenues are currently obtained from thematic television channels:

1. Revenues from subscribers to the thematic channel signal are recorded each month in the consolidated statement of operations based on the contractual agreements established with the signal distribution platforms if there is an established minimum number of subscribers. If a minimum number of subscribers is not established or the number of subscribers is below the established minimum, revenues are estimated based on projected business plans. Every month the signal distribution platforms report the billable number of subscribers and the Group adjusts its revenue estimate, although the adjustment is never material with respect to the final amount to be billed.

2. Revenues from advertising on the thematic television channel are recorded in the consolidated statement of operations when the advertising spot is broadcast.

Sale of in-house production and other audiovisual rights

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

m) Provisions for contingencies and expenses

This caption in the accompanying consolidated balance sheet relates to the estimated amount required for probable or certain third-party liability arising from guarantees provided by the Group, litigation, outstanding indemnity payments or obligations of undetermined amount, and for coverage of projected losses. These provisions are recorded when the liability, obligation or decision giving rise to the indemnity, payment or loss arises.

n) Severance costs

Under current labor regulations, the consolidated companies are required to pay severance to employees terminated under certain conditions. The consolidated companies’ directors consider that no terminations will take place in the near future and, accordingly, no provision has been recorded in this connection in the accompanying consolidated balance sheet as of December 31, 2002.
5. CONSOLIDATION GOODWILL

The transactions recorded in 2002 under this caption are summarized as follows:

<table>
<thead>
<tr>
<th>Companies:</th>
<th>Balance at 12/31/01</th>
<th>Additions</th>
<th>Inclusions from consolidation</th>
<th>Amortization</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antena 3 Directo, S.A.</td>
<td>240</td>
<td>–</td>
<td>(520)</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Movierecord Cine, S.A.</td>
<td>7,699</td>
<td>–</td>
<td>(3,079)</td>
<td>4,620</td>
<td></td>
</tr>
<tr>
<td>Inversiones Valores Inmuebles, S.L.</td>
<td>6,091</td>
<td>–</td>
<td>(6,091)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Computar Servicios Telematicos, S.A.</td>
<td>1,609</td>
<td>–</td>
<td>(1,609)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Speyteka, S.A.</td>
<td>7,982</td>
<td>–</td>
<td>(7,982)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Telepea, S.A.</td>
<td>639</td>
<td>–</td>
<td>(639)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>Antena 3D Chile, S.A.</td>
<td>653</td>
<td>–</td>
<td>(520)</td>
<td>133</td>
<td></td>
</tr>
<tr>
<td>Uniprex, S.A.</td>
<td>–</td>
<td>137,077</td>
<td>(6,853)</td>
<td>130,224</td>
<td></td>
</tr>
<tr>
<td>Cadena Voz de Radiodifusion, S.A.</td>
<td>–</td>
<td>9,545</td>
<td>(477)</td>
<td>9,068</td>
<td></td>
</tr>
<tr>
<td>Trading Team, S.A.</td>
<td>–</td>
<td>376</td>
<td>(188)</td>
<td>188</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>24,913</td>
<td>146,998</td>
<td>(8,621)</td>
<td>(15,547)</td>
<td>144,743</td>
</tr>
</tbody>
</table>

6. INTANGIBLE ASSETS

The transactions recorded in 2002 in intangible asset accounts and the related accumulated amortization are summarized as follows:

When Antena 3 de Televisión, S.A. acquired the 2002 Soccer World Cup broadcasting rights, it also acquired a preferential option on rights for the free-to-air TV broadcasting in Spain of the 2006 Soccer World Cup. The Company valued this option at €16,000,000 on the basis of an analysis reviewed by an independent expert. Subsequently, in 2002 the Company decided to sell this option to Corporación Admira Media, S.A., Sole Shareholder Company, for the same amount.

The cost or production value and accumulated amortization of the fully amortized intangible assets as of December 31, 2002, amounted to approximately €31,419,742.
7. TANGIBLE FIXED ASSETS

The transactions recorded in 2002 in tangible fixed asset accounts and the related accumulated depreciation are summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance at 12/31/01</th>
<th>Additions or reductions</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and structures</td>
<td>60,907</td>
<td>4,274</td>
<td>64,226</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>80,916</td>
<td>13,960</td>
<td>104,876</td>
</tr>
<tr>
<td>Other fixtures and tools</td>
<td>36,228</td>
<td>1,714</td>
<td>38,942</td>
</tr>
<tr>
<td>Furniture</td>
<td>11,774</td>
<td>2,581</td>
<td>14,355</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>22,229</td>
<td>3,091</td>
<td>25,320</td>
</tr>
<tr>
<td>Transport equipment and other tangible fixed assets</td>
<td>4,260</td>
<td>1,785</td>
<td>5,045</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>827</td>
<td>589</td>
<td>1,416</td>
</tr>
<tr>
<td>Accumulated depreciation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and structures</td>
<td>10,906</td>
<td>(1,825)</td>
<td>(9,081)</td>
</tr>
<tr>
<td>Plant and machinery</td>
<td>(41,022)</td>
<td>(8,885)</td>
<td>(49,907)</td>
</tr>
<tr>
<td>Other fixtures and tools</td>
<td>(36,980)</td>
<td>(3,635)</td>
<td>(40,615)</td>
</tr>
<tr>
<td>Furniture</td>
<td>(68,908)</td>
<td>(14,335)</td>
<td>(83,243)</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>(6,342)</td>
<td>(1,586)</td>
<td>(7,928)</td>
</tr>
<tr>
<td>Transport equipment and other tangible fixed assets</td>
<td>(4,467)</td>
<td>(575)</td>
<td>(5,042)</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>(90,035)</td>
<td>(21,125)</td>
<td>(111,160)</td>
</tr>
<tr>
<td>Total</td>
<td>127,106</td>
<td></td>
<td>137,412</td>
</tr>
</tbody>
</table>

As of December 31, 2002, the cost and accumulated depreciation of the fully depreciated tangible fixed assets being used by the Group amounted to €38,158,090.

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

8. LONG-TERM INVESTMENTS

The transactions recorded in 2002 in “Long-Term Investments” accounts are summarized as follows:

<table>
<thead>
<tr>
<th>Investments in Group companies</th>
<th>Balance at 12/31/01</th>
<th>Additions or reductions</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensueño Films, S.L.(b)</td>
<td>1,803</td>
<td>-</td>
<td>(1,803)</td>
</tr>
<tr>
<td>Licencias a Imagen, S.A.(a)</td>
<td>90</td>
<td>-</td>
<td>(90)</td>
</tr>
<tr>
<td>Digimedia Extremadura, S.A.(c)</td>
<td>48</td>
<td>-</td>
<td>(48)</td>
</tr>
<tr>
<td>Saniport Networks, S.A.(c)</td>
<td>182</td>
<td>-</td>
<td>(182)</td>
</tr>
<tr>
<td>Megamundi, S.A.(a)</td>
<td>153</td>
<td>-</td>
<td>(153)</td>
</tr>
<tr>
<td>Tokeleys, S.L.(a)</td>
<td>3,293</td>
<td>-</td>
<td>(3,293)</td>
</tr>
<tr>
<td>Trading Team, S.L.(c)</td>
<td>908</td>
<td>598</td>
<td>1,506</td>
</tr>
<tr>
<td>Antena 3 Internacional, Inc.</td>
<td>1,676</td>
<td>-</td>
<td>1,676</td>
</tr>
<tr>
<td>Other investments in Group companies</td>
<td>-</td>
<td>11,337</td>
<td>11,337</td>
</tr>
<tr>
<td>Batres Canarias, S.A.(a)</td>
<td>60</td>
<td>-</td>
<td>(60)</td>
</tr>
<tr>
<td>Total</td>
<td>8,303</td>
<td>(3,826)</td>
<td>4,477</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments in associated companies</th>
<th>Balance at 12/31/01</th>
<th>Additions or reductions</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level S1, S.L.</td>
<td>1,015</td>
<td>-</td>
<td>(1,015)</td>
</tr>
<tr>
<td>Onda Cero Ramblas, S.L.</td>
<td>-</td>
<td>2,104</td>
<td>2,104</td>
</tr>
<tr>
<td>Supermanopole A2Z, S.A.</td>
<td>30</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>Canal Factoría de Ficción, S.A.</td>
<td>240</td>
<td>-</td>
<td>240</td>
</tr>
<tr>
<td>Other investments</td>
<td>1,285</td>
<td>2,104</td>
<td>3,490</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other investments</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Usonidiza, Canal y Asociados, S.A.(a)</td>
<td>541</td>
<td>-</td>
<td>(541)</td>
</tr>
<tr>
<td>T.V. Televisión Independiente, S.A.</td>
<td>2,016</td>
<td>-</td>
<td>2,016</td>
</tr>
<tr>
<td>Canal Satélite Digital, S.L.</td>
<td>10,030</td>
<td>1,135</td>
<td>11,165</td>
</tr>
<tr>
<td>Media Park, S.A.</td>
<td>1,142</td>
<td>-</td>
<td>1,142</td>
</tr>
<tr>
<td>Total other investments</td>
<td>13,719</td>
<td>1,135</td>
<td>14,854</td>
</tr>
<tr>
<td>Long-term guarantees and deposits</td>
<td>247</td>
<td>529</td>
<td>(282)</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>3,066</td>
<td>116</td>
<td>(300)</td>
</tr>
<tr>
<td>Investment valuation allowance</td>
<td>(24,742)</td>
<td>(6,666)</td>
<td>(31,408)</td>
</tr>
<tr>
<td>Total</td>
<td>22,648</td>
<td></td>
<td>21,464</td>
</tr>
</tbody>
</table>

(a) These companies are presently being dissolved and, accordingly, their cost and related allowance have been reclassified to the “Short-Term Investments” caption.
(b) These companies were included in the scope of consolidation in 2002.
(c) These companies were sold in 2002.
The net provision to the long-term investment valuation allowance charged to income in 2002 amounted to €1,650,000, and this amount was recorded under the "Variation in Investment Valuation Allowance" caption in the accompanying 2002 consolidated statement of operations.

The investees and information thereon as of December 31, 2002, are as follows:

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>% of ownership</th>
<th>Capital and Capital additional</th>
<th>Income (loss) paid-in capital</th>
<th>Reserves</th>
<th>Capital payments payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canal Superdeporte DE, S.A.</td>
<td>50%</td>
<td>60</td>
<td>191 (4)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Canal Factoría de Ficción, S.A.</td>
<td>40%</td>
<td>600</td>
<td>548 (a)</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>TVI Televisió Independiente, S.A.</td>
<td>0.001%</td>
<td>65,810 (a)</td>
<td>(a)</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>Canal Satélite Digital, S.L.</td>
<td>2.25%</td>
<td>45,245</td>
<td>27,227 (27,942)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Onda Cero Ramblas, S.L.</td>
<td>40%</td>
<td>601</td>
<td>580</td>
<td>291</td>
<td></td>
</tr>
<tr>
<td>Antena 3 Internacional, Inc.</td>
<td>100%</td>
<td>2,321 (a)</td>
<td>(b)</td>
<td>(b)</td>
<td></td>
</tr>
</tbody>
</table>

(a) Information not available.
(b) Inactive companies.

The data on the net worth position of the Group companies and investees were obtained from the unaudited financial statements as of December 31, 2002. None of the Group’s investees is listed on Spanish or foreign stock exchanges.

9. INVENTORIES

The detail of the balance of this caption in the consolidated balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Type of Asset</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program rights, net</td>
<td></td>
</tr>
<tr>
<td>Rights on outside production</td>
<td>189,755</td>
</tr>
<tr>
<td>In-house productions and programs in process</td>
<td>77,680</td>
</tr>
<tr>
<td>Sports broadcasting rights</td>
<td>3,214</td>
</tr>
<tr>
<td>Allowance for inventory obsolescence</td>
<td>24,566</td>
</tr>
<tr>
<td>Total</td>
<td>246,082</td>
</tr>
<tr>
<td>Consumables and other</td>
<td></td>
</tr>
<tr>
<td>Dubbing, sound tracks and titles</td>
<td>2,944</td>
</tr>
<tr>
<td>Other materials</td>
<td>8,481</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>11,425</td>
</tr>
<tr>
<td>Total</td>
<td>304,950</td>
</tr>
</tbody>
</table>

The "Advances to Suppliers" caption in the accompanying consolidated balance sheet as of December 31, 2002, includes basically prepayments in connection with commitments to purchase outside production rights.

At the end of 2002 the Parent Company had commitments, mainly for the purchase of audiovisual property rights, amounting to €157,500,000.

It is estimated that €134,655,000 of rights on in-house and outside productions will be amortized in 2003 (see Note 4-h).

10. TRADE RECEIVABLES

The balance of this caption in the consolidated balance sheet as of December 31, 2002, is made up of the following accounts, which were grouped together for presentation purposes:

<table>
<thead>
<tr>
<th>Account</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables for sales</td>
<td>176,131</td>
</tr>
<tr>
<td>Barter trade receivables</td>
<td>8,130</td>
</tr>
<tr>
<td>Trade notes receivable</td>
<td>1,330</td>
</tr>
<tr>
<td>Trade receivables for unissued invoices</td>
<td>365</td>
</tr>
<tr>
<td>Total</td>
<td>185,956</td>
</tr>
</tbody>
</table>
The detail of the balances of the "Receivable from Group, Associated and Related Companies" and "Payable to Group, Associated and Related Companies" captions on the asset and liability sides, respectively, of the accompanying consolidated balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Operating receivables</th>
<th>Short-term receivables</th>
<th>Total short-term receivables</th>
<th>Short-term payables</th>
<th>Long-term payables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group companies:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 International, Inc.</td>
<td>5</td>
<td>-</td>
<td>5 (17)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Licencias e Imagen, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (116)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica, S.L.</td>
<td>-</td>
<td>-</td>
<td>- (251)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Compañía Tres Mill Ochocientos, S.A.</td>
<td>4</td>
<td>-</td>
<td>4 (8)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Estaciones Radiofónicas de Aragón, S.A.</td>
<td>255</td>
<td>-</td>
<td>255 (478)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>La Veu de Lleida, S.L.</td>
<td>19</td>
<td>-</td>
<td>19 (101)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Onda Cero, S.A.</td>
<td>569</td>
<td>40</td>
<td>609 (162)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Radio Noticias Noventa, S.A.</td>
<td>59</td>
<td>-</td>
<td>59 (261)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Radio Sistemas Radiofónicos Cinco, S.L.</td>
<td>23</td>
<td>-</td>
<td>23 (56)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Sprynette, S.A.</td>
<td>3,348</td>
<td>-</td>
<td>3,348 (10)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Atlántico Emisiones Audiovisuales, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (100)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Grupo Universal Emisiones Radio Amenecer, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (142)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Ipar Onza, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (53)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Ondalit, S.L.</td>
<td>-</td>
<td>-</td>
<td>- (21)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Producciones de Aragón, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (52)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Radio Axemitpla, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (6)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Associated and related companies:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Onda Cero Ramblas, S.L.</td>
<td>-</td>
<td>-</td>
<td>- (9)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Canal Factoría de Ficción, S.A.</td>
<td>1,175</td>
<td>-</td>
<td>1,175 (12)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>TVE Televisión Independiente, S.A.</td>
<td>485</td>
<td>-</td>
<td>485 (1)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica, S.A.</td>
<td>827</td>
<td>-</td>
<td>827 (13)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefactoring EFC, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (133)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Lunit V.O., S.A.</td>
<td>692</td>
<td>-</td>
<td>692 (3,885)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Gestora de Medios Audiovisuales de Fútbol, S.L.</td>
<td>-</td>
<td>-</td>
<td>- (280)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>DTS Distribución de Televisión Digital, S.A.</td>
<td>816</td>
<td>-</td>
<td>816 (6,917)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Playa de Madrid, S.A.</td>
<td>3</td>
<td>-</td>
<td>3 (364)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Farmosol, Artesanos, Actores, S.A.</td>
<td>22</td>
<td>191</td>
<td>213 (24)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Canal 37 Tele</td>
<td>403</td>
<td>-</td>
<td>403 (394)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica Servicios Audiovisuales, S.A.</td>
<td>5</td>
<td>-</td>
<td>5 (1,832)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica Servicios de Música, S.A.</td>
<td>1,166</td>
<td>-</td>
<td>1,166 (370)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Terra Network, S.A.</td>
<td>341</td>
<td>-</td>
<td>341 (783)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica Datos España, S.A.</td>
<td>301</td>
<td>-</td>
<td>301 (1,492)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica de Contenidos, S.A.U.</td>
<td>2,479</td>
<td>-</td>
<td>2,479 (25,424)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica Ingeniería de Seguridad, S.A.</td>
<td>230</td>
<td>-</td>
<td>230 (275)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Telefónica Sport, S.A.</td>
<td>-</td>
<td>-</td>
<td>- (540)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Audiovisual Sport, S.L.</td>
<td>-</td>
<td>-</td>
<td>- (314)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Frente Media</td>
<td>-</td>
<td>-</td>
<td>- (783)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Canal 37, S.A.</td>
<td>247</td>
<td>-</td>
<td>247 (318)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>548</td>
<td>-</td>
<td>548 (452)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>13,929</td>
<td>231</td>
<td>14,160 (45,769)</td>
<td>-</td>
<td>(3,999)</td>
</tr>
</tbody>
</table>
As of December 31, 2002, the Group company Publicidad 3, S.A. had an account payable to Telefónica de Contenidos, S.A., Sole-Shareholder Company, relating to the deferred payment for the purchase of Uniprex, S.A. and Cadena Voz de Radiodifusión, S.A. This payment will be made on September 10, 2003.

The detail of the transactions carried out in 2002 with the Group and associated companies is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Financial</th>
<th>Purchases,</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>revenues</td>
<td>acquisition</td>
<td>expenses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>thousand</td>
<td>services</td>
<td>thousand</td>
</tr>
<tr>
<td></td>
<td>of euros</td>
<td></td>
<td>of euros</td>
</tr>
<tr>
<td>Group companies:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licencias e imagen, S.A.</td>
<td>273</td>
<td>5</td>
<td>42</td>
</tr>
<tr>
<td>Telefía, S.L.</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Telefía, S.L.</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Antena 3 Iniciativas Comerciales, S.A</td>
<td>15</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Antena 3 Interactiva, S.A</td>
<td>54</td>
<td>197</td>
<td>638</td>
</tr>
<tr>
<td>Atlántida Emarked Acústica, S.A</td>
<td>556</td>
<td>45</td>
<td>8</td>
</tr>
<tr>
<td>Baires Comunicación Alternativa, S.A</td>
<td>-</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>Farmadressing, S.I.</td>
<td>-</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Gestión Telecomunicaciones 2000, S.L.</td>
<td>-</td>
<td>2</td>
<td>722</td>
</tr>
<tr>
<td>Japón, S.A.</td>
<td>-</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>Radio Noticias Navarra, S.A</td>
<td>90</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sprybyte, S.A.</td>
<td>50</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Associated and related companies:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canal Factoría de Ficción, S.A.</td>
<td>713</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Onda Cero Ramos, S.L.</td>
<td>740</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TVC Televisión Independiente, S.A</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Media Park, S.A.</td>
<td>37</td>
<td>-</td>
<td>276</td>
</tr>
<tr>
<td>Telefónica, S.A.</td>
<td>57</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>Luis Vives, S.A.</td>
<td>565</td>
<td>-</td>
<td>1,243</td>
</tr>
<tr>
<td>Terra Networks, S.A.</td>
<td>447</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DTI, Distribuidores de Televisión Digital, S.A.</td>
<td>5,094</td>
<td>-</td>
<td>49,947</td>
</tr>
<tr>
<td>Flora de Madrid, S.A.</td>
<td>163</td>
<td>-</td>
<td>1,088</td>
</tr>
<tr>
<td>Telefónica Multimedia, S.A.C.</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telefónica de España, S.A.</td>
<td>351</td>
<td>-</td>
<td>2,994</td>
</tr>
<tr>
<td>Telekta</td>
<td></td>
<td></td>
<td>112</td>
</tr>
<tr>
<td>Famosos, Artistas, Músicos y Actores, S.A.</td>
<td>199</td>
<td>96</td>
<td>3,710</td>
</tr>
<tr>
<td>Telefónica Investigación y Desarrollo, S.A.U.</td>
<td>-</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>Canal 11 Teledeporte S.A.</td>
<td>3</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Telefónica de Contenidos, S.A.</td>
<td>-</td>
<td>-</td>
<td>3,204</td>
</tr>
<tr>
<td>Telefónica Servicios Audiovisuales, S.A.</td>
<td>96</td>
<td>-</td>
<td>5,016</td>
</tr>
<tr>
<td>Telefónica Servicios Móviles, S.A.</td>
<td>4,045</td>
<td>-</td>
<td>1,080</td>
</tr>
<tr>
<td>Telefónica Data España, S.A.</td>
<td>84</td>
<td>-</td>
<td>360</td>
</tr>
<tr>
<td>Grupo Admira Medias M. S.A.U</td>
<td>3,168</td>
<td>-</td>
<td>1,403</td>
</tr>
<tr>
<td>Telefónica Ingeniería de Seguridad, S.A.</td>
<td>-</td>
<td>-</td>
<td>272</td>
</tr>
<tr>
<td>Admira Sport, S.A.</td>
<td>-</td>
<td>-</td>
<td>1,373</td>
</tr>
<tr>
<td>Zentres España, S.A.</td>
<td>-</td>
<td>-</td>
<td>33</td>
</tr>
<tr>
<td>R.T.V. Televisión, S.A.</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Corporación Radiodinámica Castilla-La Mancha, S.A.</td>
<td>1,103</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporación Radiodinámica Cataluña y León, S.A.</td>
<td>1,102</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporación Radiodinámica Murcia, S.A.</td>
<td>289</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telefónica Satélite, S.A.</td>
<td>8</td>
<td>-</td>
<td>234</td>
</tr>
<tr>
<td>Atlantis Sport, S.L.</td>
<td>-</td>
<td>-</td>
<td>1,546</td>
</tr>
<tr>
<td>Gestión Básica de Móviles, S.A.</td>
<td>-</td>
<td>-</td>
<td>235</td>
</tr>
<tr>
<td>Canal Satélite Digital, S.L.</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Asti Telecommunicaciones España, S.A.</td>
<td>-</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>Fremantle Media</td>
<td>-</td>
<td>-</td>
<td>5,258</td>
</tr>
<tr>
<td>Gestión Servicios de Emergencia, S.A.</td>
<td>-</td>
<td>-</td>
<td>210</td>
</tr>
<tr>
<td>Total</td>
<td>19,301</td>
<td>398</td>
<td>78,547</td>
</tr>
</tbody>
</table>
The balances and transactions with the related company DTS Distribuciones de Televisión Digital, S.A. relate to the sale of thematic channels and the acquisition of audiovisual rights to broadcast free-to-air TV.

The balances and transactions with Telefónica Servicios Audiovisuales, S.A. relate to the provision of signal transmission and news production services.

### 12. Shareholders’ Equity

The transactions recorded in equity accounts in 2002 and the detail thereof as of December 31, 2002, are summarized as follows:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
<th>Balance at 12/31/01</th>
<th>Distribution of 2001 Income</th>
<th>Dividend Declared</th>
<th>Translation Differences</th>
<th>Changes in the Scope of Consolidations</th>
<th>2002 Loss</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
<td>166,668</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>166,668</td>
</tr>
<tr>
<td>Legal reserve</td>
<td>33,334</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,334</td>
</tr>
<tr>
<td>Reserve for treasury stock</td>
<td>2,933</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,933</td>
</tr>
<tr>
<td>Other reserves</td>
<td>257,437</td>
<td>19,589</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>277,026</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>9,386</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,386</td>
</tr>
<tr>
<td>Reserve at fully consolidated companies</td>
<td>(8,804)</td>
<td>8,835</td>
<td>-</td>
<td>(666)</td>
<td>-</td>
<td>(775)</td>
<td></td>
</tr>
<tr>
<td>Dividends distributed</td>
<td>-</td>
<td>14,829</td>
<td>(14,829)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Translation differences</td>
<td>187</td>
<td>-</td>
<td>-</td>
<td>(1,462)</td>
<td>606</td>
<td>-</td>
<td>660</td>
</tr>
<tr>
<td>Income (loss) attributed to the Parent</td>
<td>40,153</td>
<td>(40,053)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10,037)</td>
<td>(10,037)</td>
</tr>
<tr>
<td>Total</td>
<td>509,174</td>
<td>0</td>
<td>(19,829)</td>
<td>(1,462)</td>
<td>0</td>
<td>(30,037)</td>
<td>457,846</td>
</tr>
</tbody>
</table>

#### Capital stock of the Parent Company

The Parent Company’s capital stock as of December 31, 2002, consisted of 166,668,000 fully subscribed and paid registered shares of €1 par value each.

All the shares carry the same rights and their transfer is restricted under the terms provided for by the Private Television Law of May 3, 1988, and the Parent Company’s bylaws.

The Parent Company’s shareholder structure as of December 31, 2002, was as follows:

<table>
<thead>
<tr>
<th>Percentage of ownership</th>
<th>Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telefónica de Contenidos, S.A.</td>
<td>47.52</td>
</tr>
<tr>
<td>Banco Santander Central Hispano, S.A.</td>
<td>17.41</td>
</tr>
<tr>
<td>Macame, S.A. (Banco Santander Central Hispano Group)</td>
<td>12.79</td>
</tr>
<tr>
<td>RTL Group Communications S.L.U.</td>
<td>17.27</td>
</tr>
<tr>
<td>Other shareholders</td>
<td>5.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

#### Legal reserve

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

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

#### Other reserves

The “Other Reserves” account includes restricted reserves of €281,141 relating to the “Reserve for Adjustment of Capital Stock to Euros”.

Reserve for Parent Company shares

Under the revised Corporations Law, a restricted reserve must be recorded equal to the value of the shares of the Parent Company held by the Group. Also, the par value of the Parent Company shares owned by the Group cannot exceed 10% of the Parent Company’s capital stock and the shares in question must be fully paid in.

As of December 31, 2002, the total cost of the Parent Company shares amounted to €2,932,813 and related to 1,444,500 shares of €1 par value each.

Reserves at fully consolidated companies

The detail, by consolidated company, of the balance of the “Reserves at Fully Consolidated Companies” caption as of December 31, 2002, is as follows:
This caption includes the legal reserves of the subsidiaries amounting to approximately €965,000 as of December 31, 2002. These reserves are restricted.

Translation differences

The detail, by company, of the balance of the "Translation Differences" caption as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nova Televisió, S.A.</td>
<td>(18)</td>
</tr>
<tr>
<td>Guadame Producciones, S.A.</td>
<td>1,031</td>
</tr>
<tr>
<td>Antena 3 Editorial, S.A.</td>
<td>376</td>
</tr>
<tr>
<td>Antena 3 Producciones, S.A.</td>
<td>(2,300)</td>
</tr>
<tr>
<td>Antena 3 Peru, S.A.</td>
<td>(86)</td>
</tr>
<tr>
<td>Inversiones Valores Inmuebles, S.L.</td>
<td>502</td>
</tr>
<tr>
<td>Comanet Servicios Telemáticos, S.A.</td>
<td>(712)</td>
</tr>
<tr>
<td>A3D Chile Holdings, S.A.</td>
<td>(66)</td>
</tr>
<tr>
<td>A3D Chile, S.A.</td>
<td>174</td>
</tr>
<tr>
<td>Other reserves of the Parent Company relating to changes in the scope of consolidation</td>
<td>436</td>
</tr>
<tr>
<td>Total</td>
<td>(775)</td>
</tr>
</tbody>
</table>

13. MINORITY INTERESTS

The balance of this caption in the accompanying consolidated balance sheet relates to the equity of minority interests in the consolidated companies. Also, the balances of the "Income/Loss Attributed to Minority Interests" captions in the accompanying consolidated statement of operations reflect the equity of these minority interests in the income or loss for the year.

The detail of the balances of the "Minority Interests" and "Income/Loss Attributed to Minority Interests" captions as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nova Televisió, S.A.</td>
<td>339</td>
</tr>
<tr>
<td>Antena 3 Castilla y León, S.A.</td>
<td>189</td>
</tr>
<tr>
<td>Sprayette, S.A.</td>
<td>88</td>
</tr>
<tr>
<td>Inversiones Valores Inmuebles, S.L.</td>
<td>123</td>
</tr>
<tr>
<td>Comanet Servicios Telemáticos, S.A.</td>
<td>(2)</td>
</tr>
<tr>
<td>A3D Chile, S.A.</td>
<td>727</td>
</tr>
<tr>
<td>Trading Team, S.L.</td>
<td>(37)</td>
</tr>
<tr>
<td>Total</td>
<td>1,745</td>
</tr>
</tbody>
</table>

14. PAYABLE TO CREDIT INSTITUTIONS

The breakdown of the balances of these captions on the liability side of the accompanying consolidated balance sheet as of December 31, 2002, showing the related maturities, is as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antena 3 Peru, S.A.</td>
<td>86</td>
</tr>
<tr>
<td>Antena 3 Producciones, S.A.</td>
<td>(302)</td>
</tr>
<tr>
<td>A3D Chile Holdings, S.A.</td>
<td>(349)</td>
</tr>
<tr>
<td>A3D Chile, S.A.</td>
<td>(104)</td>
</tr>
<tr>
<td>Total</td>
<td>(669)</td>
</tr>
</tbody>
</table>
On October 28, 2002, the Parent Company arranged a syndicated loan and a syndicated credit line with various credit institutions, with JP Morgan Bank, S.A. as the agent bank, to enable it to purchase through its subsidiary Publicidad 3, S.A. all the shares of Unipres, S.A. and Cadena Voz de Radiodifusión, S.A. held by Grupo Adrma Media, S.A., Sole-Shareholder Company (now Telefónica de Contenidos, S.A., Sole-Shareholder Company). The loan amounts to €140,000,000 and the limit of the credit line is €90,000,000. As of December 31, 2002, the Company had not drawn down any amount against this credit line, which is secured by the Company’s assets.

The agreement under which the loan and credit line were arranged established certain financial and operating conditions to be met by Antena 3 de Televisión S.A. The Company’s directors consider that as of December 31, 2002, the Company was meeting all these conditions.

The interest rate on this credit line is tied to EURIBOR plus a spread. There is also a fixed annual fee payable on the loan in addition to various fees paid by the Company at the date the credit line was arranged. The fees payable at one year are recorded under the “Deferred Charges” caption in the accompanying consolidated balance sheet.

The interest rates paid by the Group in 2002 on the loans and credit facilities with credit institutions are mainly tied to Euribor plus a spread ranging from 0.10% to 1%.

15. Trade Accounts Payable

The detail of the balance of this caption in the accompanying consolidated balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable to suppliers</td>
<td>136,162</td>
</tr>
<tr>
<td>Payable for unrecorded invoices</td>
<td>30,328</td>
</tr>
<tr>
<td>Barter payables</td>
<td>1,616</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>168,106</td>
</tr>
</tbody>
</table>


The detail of the balance of the “Other Provisions” caption on the liability side of the accompanying consolidated balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade discounts payable</td>
<td>22,880</td>
</tr>
<tr>
<td>Other short-term provisions for contingencies and expenses</td>
<td>40,589</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63,469</td>
</tr>
</tbody>
</table>
In accordance with Corporate Income Tax Law 43/1995, on December 26, 2000, Antena 3 de Televisión, S.A. notified the Madrid tax authorities of its decision to file consolidated tax returns indefinitely ... in Article 81 of this Law are met and it does not decide to cease to apply the consolidated tax regime (Law 24/2001).

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

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

The reconciliation of the loss per books for 2002 to the tax base for corporate income tax purposes is as follows:

<table>
<thead>
<tr>
<th>Long-term</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid taxes</td>
<td>7,183</td>
<td></td>
</tr>
<tr>
<td>Tax assets</td>
<td>4,213</td>
<td></td>
</tr>
<tr>
<td>Other taxes receivable</td>
<td>5,103</td>
<td>30,100</td>
</tr>
<tr>
<td>Total taxes receivable</td>
<td>37,283</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Short-term</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax withholdings payable</td>
<td>2,782</td>
<td></td>
</tr>
<tr>
<td>Corporate income tax payable</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Accrued social security taxes payable</td>
<td>2,588</td>
<td></td>
</tr>
<tr>
<td>VAT payable</td>
<td>6,256</td>
<td></td>
</tr>
<tr>
<td>Deferred income tax</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other taxes payable</td>
<td>676</td>
<td></td>
</tr>
<tr>
<td>Total taxes payable</td>
<td>12,304</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid income tax:</td>
</tr>
<tr>
<td>Provision for operating bad debts</td>
</tr>
<tr>
<td>Provision for in-house productions</td>
</tr>
<tr>
<td>Provision for outside productions</td>
</tr>
<tr>
<td>Provision for contingencies and expenses</td>
</tr>
<tr>
<td>Investment valuation provision</td>
</tr>
<tr>
<td>Other items</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
Based on the estimate made by the directors of the consolidated companies of when future income will arise to enable the offset and use of these prepaid taxes and tax assets, 67,183 thousand were recorded under the “Fixed and Other Noncurrent Assets - Prepaid Taxes” caption and the remainder under the “Current Assets - Taxes Receivable” caption.

The detail of the tax loss carryforwards of the companies subject to Spanish corporate income tax and of the related amounts and last years for offset is as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Year incurred</th>
<th>Tax loss</th>
<th>Last year for offset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productora de Aragón, S.A.</td>
<td>1992</td>
<td>29</td>
<td>2007</td>
</tr>
<tr>
<td>Productora de Aragón, S.A.</td>
<td>1993</td>
<td>33</td>
<td>2008</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>1993</td>
<td>8</td>
<td>2008</td>
</tr>
<tr>
<td>Productora de Aragón, S.A.</td>
<td>1995</td>
<td>126</td>
<td>2010</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>1995</td>
<td>3</td>
<td>2010</td>
</tr>
<tr>
<td>Productora de Aragón, S.A.</td>
<td>1996</td>
<td>12</td>
<td>2011</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>1996</td>
<td>3</td>
<td>2011</td>
</tr>
<tr>
<td>Productora de Aragón, S.A.</td>
<td>1997</td>
<td>20</td>
<td>2012</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>1997</td>
<td>22</td>
<td>2012</td>
</tr>
<tr>
<td>Productora de Aragón, S.A.</td>
<td>1998</td>
<td>9</td>
<td>2013</td>
</tr>
<tr>
<td>Antena 3 Iniciativas Comerciales, S.A.</td>
<td>1998</td>
<td>227</td>
<td>2013</td>
</tr>
<tr>
<td>Antena 3 Interactive, S.A.</td>
<td>1998</td>
<td>42</td>
<td>2013</td>
</tr>
<tr>
<td>Arbasos Emisiones Audiovisuales, S.A.</td>
<td>1998</td>
<td>1,486</td>
<td>2013</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>1998</td>
<td>3</td>
<td>2013</td>
</tr>
<tr>
<td>Antena 3 Iniciativas Comerciales, S.A.</td>
<td>1999</td>
<td>230</td>
<td>2014</td>
</tr>
<tr>
<td>Antena 3 Interactive, S.A.</td>
<td>1999</td>
<td>242</td>
<td>2014</td>
</tr>
<tr>
<td>Arbasos Emisiones Audiovisuales, S.A.</td>
<td>1999</td>
<td>1,405</td>
<td>2014</td>
</tr>
<tr>
<td>Farmaplaning, S.L.</td>
<td>1999</td>
<td>104</td>
<td>2014</td>
</tr>
<tr>
<td>Antena 3 Interactive, S.A.</td>
<td>2000</td>
<td>5,341</td>
<td>2015</td>
</tr>
<tr>
<td>Battres Comunicación Alternativa, S.A.</td>
<td>2000</td>
<td>2,856</td>
<td>2015</td>
</tr>
<tr>
<td>Farmaplaning, S.L.</td>
<td>2000</td>
<td>6</td>
<td>2015</td>
</tr>
<tr>
<td>Productora de Aragón, S.A.</td>
<td>2000</td>
<td>8</td>
<td>2015</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>2001</td>
<td>8</td>
<td>2015</td>
</tr>
<tr>
<td>Battres Comunicación Alternativa, S.A.</td>
<td>2001</td>
<td>1,116</td>
<td>2016</td>
</tr>
<tr>
<td>Megatras, S.A.</td>
<td>2001</td>
<td>1,323</td>
<td>2016</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>16,622</td>
<td></td>
</tr>
</tbody>
</table>

Thousands of euros
Under current tax legislation, the tax loss of a given year can be carried forward for offset against the taxable income of the following 15 years. However, the amount ultimately qualifying for carryforward might be modified as a result of a review by the tax inspection authorities of the years in which the losses arose.

On March 20, 2002 the Spanish Accounting and Audit Institute (ICAC) published a resolution establishing that whenever it is certain that tax losses will be recovered at short term, companies can recognize the tax assets earned in the year, thereby reducing the corporate income tax expense by the amount of these tax assets.

In 2002, in accordance with this resolution, the Company recognized the tax assets earned during the year and those earned in 2001 that had not yet been recognized, the detail being as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2,213</td>
</tr>
<tr>
<td>2002</td>
<td>7,318</td>
</tr>
</tbody>
</table>

The years open for review by the tax inspection authorities are as follows:

- Antena 3 de Televisión, S.A.
- Battres Comunicación Alternativa, S.A.
- Nova Televisió, S.A.
- Antena 3 Directa, S.A.
- Farmaplaning, S.L.
- Digimedia, S.A.
- Publicidad 3, S.A.
- Productora de Aragón, S.A.
- Antena 3 Telefónica, S.A.
- Atlas, Emisiones Audiovisuales, S.A.
- Antena 3 Iniciativas Comerciales, S.A.
- Guadiana Producciones, S.A.
- Antena 3 Editorial, S.A.
- Antena 3 Interactiva, S.A.
- Movercine Cine, S.A.
- Gestión de Telecomunicaciones 2000, S.L.
- Antena 3 Castilla y León, S.A.
- Inversiones Valores Inmobiliarios, S.L.
- Compunet Servicios Telemáticos, S.A.

The Parent Company’s directors do not expect any material liabilities to arise as a result of an inspection of the open years that would affect the consolidated financial statements.

18. OTHER GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

a) Guarantee commitments to third parties

The detail of the guarantees provided by the Group to financial institutions for third parties is as follows:
As of December 31, 2002, the guarantees provided for associated companies included basically the guarantee provided by the Parent Company for Gestora de Medios Audiovisuales Fútbol, S.L. and Audiovisual Sport, S.L. amounting to €5,229,000 and €10,123,000, respectively, in connection with the normal operations of these companies.

The Parent Company's directors consider that the unforeseen liabilities, if any, as of December 31, 2002, that might arise from the guarantees provided would not be material.

b) Other contingent liabilities

As of December 31, 2002, the only significant litigation pending was that relating to the complaint filed by various rights management entities amounting to €15,000,000. The Court of First Instance of San Sebastián de los Reyes found for the plaintiffs and the Company appealed against the decision of this Court.

The directors of the Parent Company and their legal advisers do not expect any material liabilities to arise in addition to those already recorded from the outcome of the lawsuits in progress.

19. FOREIGN CURRENCY BALANCES AND TRANSACTIONS

a) Foreign currency balances

The breakdown, by currency, of the equivalent euro value of the Group’s foreign currency debts reflected on the liability side of the accompanying consolidated balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. dollars</td>
<td>45,467</td>
</tr>
<tr>
<td>Other currencies</td>
<td>745</td>
</tr>
<tr>
<td>Total</td>
<td>46,212</td>
</tr>
</tbody>
</table>

b) Foreign currency transactions

The foreign currency transactions performed in 2002 related mainly to transactions denominated in U.S. dollars; their equivalent euro values translated at the average exchange rate for the year were as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>12,044</td>
</tr>
<tr>
<td>Purchases and other expenses</td>
<td>100,126</td>
</tr>
<tr>
<td>Total</td>
<td>112,170</td>
</tr>
</tbody>
</table>

20. REVENUES AND EXPENSES

a) Contribution of the companies to consolidated results

The detail of the contribution of each consolidated company to the consolidated loss for the year was as follows:

| Associated companies | 23,270 |
| Other guarantees     | 23,135 |
| Total                | 46,405 |
b) Revenues

The breakdown of the Group’s ordinary revenues in 2002 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising sales</td>
<td>643,529</td>
</tr>
<tr>
<td>Other sales</td>
<td>54,361</td>
</tr>
<tr>
<td>Trade and other discounts</td>
<td>636,688</td>
</tr>
</tbody>
</table>

Thousands of euros

<table>
<thead>
<tr>
<th></th>
<th>Individual income (loss)</th>
<th>Consolidation adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antena 3 de Televisión, S.A.</td>
<td>(31,293)</td>
<td>50,052</td>
<td>18,759</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>(23,073)</td>
<td>31,536</td>
<td>8,463</td>
</tr>
<tr>
<td>Trading Team, S.L.</td>
<td>854</td>
<td>188</td>
<td>666</td>
</tr>
<tr>
<td>Antena 3 Editorial, S.A.</td>
<td>607</td>
<td>–</td>
<td>607</td>
</tr>
<tr>
<td>Antena 3 Producciones, S.A.</td>
<td>240</td>
<td>–</td>
<td>240</td>
</tr>
<tr>
<td>Antena 3 Temática, S.A.</td>
<td>146</td>
<td>–</td>
<td>146</td>
</tr>
<tr>
<td>Nova Televisió, S.A.</td>
<td>108</td>
<td>–</td>
<td>108</td>
</tr>
<tr>
<td>Megatelsis, S.A.</td>
<td>97</td>
<td>–</td>
<td>97</td>
</tr>
<tr>
<td>Guadalina Producciones, S.A.</td>
<td>72</td>
<td>–</td>
<td>72</td>
</tr>
<tr>
<td>Ulnepes, S.A.</td>
<td>(23,981)</td>
<td>(6,853)</td>
<td>(30,834)</td>
</tr>
<tr>
<td>Antena 3 Derechos, S.A.</td>
<td>9,961</td>
<td>706</td>
<td>6,255</td>
</tr>
<tr>
<td>Inversiones Valores Inmuebles, S.L.</td>
<td>(866)</td>
<td>(7,239)</td>
<td>(7,845)</td>
</tr>
<tr>
<td>Mouserecord Cine, S.A.</td>
<td>(3,788)</td>
<td>(3,079)</td>
<td>(6,867)</td>
</tr>
<tr>
<td>Enraive Films, S.L.</td>
<td>(1,262)</td>
<td>–</td>
<td>(1,262)</td>
</tr>
<tr>
<td>Companet Servicios Telemáticos, S.A.</td>
<td>(213)</td>
<td>(1,608)</td>
<td>(1,821)</td>
</tr>
<tr>
<td>Cadena Voz de Radiodifusión, S.A.</td>
<td>(225)</td>
<td>(477)</td>
<td>(702)</td>
</tr>
<tr>
<td>A3D Chile Holdings, S.A.</td>
<td>(230)</td>
<td>–</td>
<td>(230)</td>
</tr>
<tr>
<td>A3D Chile, S.A.</td>
<td>79</td>
<td>(131)</td>
<td>(209)</td>
</tr>
<tr>
<td>Antena 3 (Rei), S.A.</td>
<td>32</td>
<td>–</td>
<td>(12)</td>
</tr>
<tr>
<td>Antena 3 Castilla y León, S.A.</td>
<td>28</td>
<td>–</td>
<td>(28)</td>
</tr>
<tr>
<td></td>
<td>(92,626)</td>
<td>62,719</td>
<td>(29,907)</td>
</tr>
</tbody>
</table>

c) Program amortization and other supplies

The detail of the “Program Amortization and Other Supplies” caption in 2002 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program broadcasting rights</td>
<td>116,936</td>
</tr>
<tr>
<td>Broadcasting of in-house productions</td>
<td>123,246</td>
</tr>
<tr>
<td>Addition to inventories</td>
<td>(126,448)</td>
</tr>
<tr>
<td>Broadcasting rights</td>
<td>34,305</td>
</tr>
<tr>
<td>Outside production services</td>
<td>105,955</td>
</tr>
<tr>
<td>Performances of and contributions by entertainers</td>
<td>11,656</td>
</tr>
<tr>
<td>Other amortization</td>
<td>45,075</td>
</tr>
<tr>
<td></td>
<td>308,627</td>
</tr>
</tbody>
</table>

d) Personnel expenses

The breakdown of the personnel expenses in 2002 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>111,642</td>
</tr>
<tr>
<td>Social security costs and other employee welfare expenses</td>
<td>25,264</td>
</tr>
<tr>
<td>Other personnel expenses</td>
<td>4,217</td>
</tr>
<tr>
<td></td>
<td>141,123</td>
</tr>
</tbody>
</table>
The average number of employees in 2002, by category, was as follows:

<table>
<thead>
<tr>
<th>Professional category</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>144</td>
</tr>
<tr>
<td>Operations and programs personnel</td>
<td>1,898</td>
</tr>
<tr>
<td>Commercial personnel</td>
<td>364</td>
</tr>
<tr>
<td>Management personnel</td>
<td>278</td>
</tr>
<tr>
<td>Interns</td>
<td>35</td>
</tr>
<tr>
<td>Specific project contracts</td>
<td>559</td>
</tr>
<tr>
<td>Total</td>
<td>3,278</td>
</tr>
</tbody>
</table>

g) Fees and other amounts paid to auditors

In 2002, the fees for audit services provided to Antena 3 de Televisión, S.A. and subsidiaries by the main auditor and entities related thereto amounted to €201,941, and the fees paid to other auditors participating in the audit of the various Group companies amounted to €59,731.

In 2002, the fees for other professional services provided to the Group companies by the main auditor and entities related thereto amounted to €598,000, and the fees paid in the same connection to other auditors participating in the audit of the various Group companies amounted to €3,233.

21. DIRECTORS’ COMPENSATION AND OTHER BENEFITS

The compensation earned in 2002 by the former and current directors of the Parent Company for salaries and attendance fees amounted to €584,000.

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

22. SUBSEQUENT EVENTS

On January 7, 2003, the Spanish National Securities Market Commission (CNMV) was notified of the acquisition by the Telefónica Group company Corporación Admira Media, S.A.U. of 19,532,625 shares from Banco Santander Central Hispano, S.A., representing 11.719% of the capital stock of the Parent Company, Antena 3 de Televisión, S.A. Once the transfer of these shares has been formalized, the Telefónica Group will own 59.229% of the capital stock of Antena 3 de Televisión, S.A.

The Parent Company increased the ten-year participating loan granted to Unipres, S.A. to €67 million.

23. EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.
In 2002 no transactions involving shares of treasury stock were performed at any of Antena 3 Group companies.

2002 Consolidated Financial Statements

Business performance and situation of the Group

Sales grew from €645 million in 2001 to €698 million in 2002.

The loss after taxes of €30 million was consistent with the financial restructuring, reorganization and adjustment measures taken in 2002.

September 2002 saw the definitive formalization of the agreement for the acquisition of the shares of the companies that own the Onda Cero radio stations, namely UNIPREX and CADENA-VOZ DE RADIODIFUSION, through the subsidiary PUBLICIDAD 3, S.A.U.

To address the financing needs derived from this transaction and other supplementary financing requirements inherent to the ordinary course of the Group’s business, a long-term syndicated loan of €230 million was arranged. This transaction was structured in two branches: a loan of €140 million repayable over five years, and a five-year credit line of €90 million.

Significant events subsequent to year-end

The reorganization of the Group’s corporate structure has continued since 2002 year-end, the aim being to enhance its functioning and eliminate lines of business that do not have sound profit-making prospects or offer added strategic value. The process began in 2002 and is subject to the statutory time limits stipulated under current corporate legislation on the dissolution and liquidation of companies.

In some cases, the disappearance of the subsidiary does not mean the cessation of its main business but rather the integration of that business into A3TV itself.

Outlook for the Group

A3TV’s current strategy is to concentrate on its main free-to-air TV production and broadcasting businesses with a view to consolidating the quality, distinctiveness and competitiveness of the services it offers in terms of viewing figures and as an advertising vehicle. In addition, the process of reorganizing diversification activities is continuing, with clear backing being given to businesses that bear a direct relation to the core business and offer clear future earnings opportunities.

Research and development activities

Profitability and stringent cost control are now the main objectives of the A3TV Group companies. Their RD&A initiatives strive to keep the Group’s activities at the cutting edge of technology, while observing these overriding principles at all times.
Auditors' Report

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

We have audited the financial statements of ANTEA 3 DE TELEVISIÓN, S.A., comprising the balance sheet as of December 31, 2002, and the related statement of operations and notes to financial statements for the year then ended. The preparation of these financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements, as a whole, based on our audit, performed in accordance with generally accepted auditing standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We consider the nature of the audit and the matters considered in the planning and the audit procedures we perform in light of the overall financial statement risk, which may include matters considered in planning the audit.

As required by Spanish corporate law, for comparison purposes the directors present, in addition to the 2002 figures, the same items in the balance sheet and statements of operations and of changes in financial position, the figures for 2001. Our report refers only to the 2002 financial statements. Our audit report dated March 21, 2002, on the 2001 financial statements contained an unqualified opinion.

As indicated in Notes 4 and 7 to the financial statements referred to above, the Company has controlling interests in various companies. The financial statements referred to above do not reflect the increase in the value of the Company's investments in these companies which would result from fully consolidating the majority holdings and from accounting for the investments in associated companies by the equity method. The effect of applying these methods is included in Note 4-5.

In our opinion, the financial statements for 2002 referred to above present, in all material respects, a true and fair view of the net worth and financial position of Antena 3 de Televisión, S.A. as of December 31, 2002, and of the results of its operations and of the funds obtained and applied by it in the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a basis consistent with that of the preceding year.

The accompanying management report for 2002 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, and to not an integral part of the financial statements. We have checked that the accounting records and books of the Company are complete and correct in all material respects. The management report for 2002 has been prepared for inclusion in this financial report that we have audited. Our work as auditors was not confined to auditing the management report with the aforementioned scope, and did not include a review of any information other than that derived from the Company's accounting records.

DELOITE & TOUCHE ESPAÑA, S.L.
Regional: BBVA, Paseo de la Castellana, 2, 28046 Madrid

Deloitte & Touche

Antena 3 de Televisión, S.A.
### Antena 3 de Televisión, S.A.

#### Balance Sheets as of December 31, 2002 and 2001 (Thousands of Euros)

**Translation of reports and financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.**

#### SHAREHOLDERS’ EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SHAREHOLDERS’ EQUITY (Note 11):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>166.668</td>
<td>166.668</td>
</tr>
<tr>
<td>Legal reserve</td>
<td></td>
<td>33.334</td>
</tr>
<tr>
<td>Reserve for treasury stock</td>
<td>2.933</td>
<td>2.933</td>
</tr>
<tr>
<td>Other reserves</td>
<td>277.026</td>
<td>257.437</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>9.366</td>
<td>9.366</td>
</tr>
<tr>
<td><strong>Total shareholders’ equity</strong></td>
<td>458.034</td>
<td>509.154</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LONG-TERM DEBT:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to credit institutions (Note 12)</td>
<td>125.371</td>
<td></td>
</tr>
<tr>
<td>Payable to Group and associated companies (Note 10)</td>
<td>3.999</td>
<td>5.381</td>
</tr>
<tr>
<td>Other accounts payable</td>
<td>673</td>
<td>1.274</td>
</tr>
<tr>
<td>Capital payments payable (Note 7)</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total long-term debt</strong></td>
<td>130.163</td>
<td>6.775</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to credit institutions (Note 12)</td>
<td>17.454</td>
<td>10</td>
</tr>
<tr>
<td>Trade accounts payable (Note 13)</td>
<td>129.729</td>
<td>127.618</td>
</tr>
<tr>
<td>Payable to Group and associated companies (Note 10)</td>
<td>31.603</td>
<td>24.804</td>
</tr>
<tr>
<td>Customer advances</td>
<td>1,906</td>
<td>2,405</td>
</tr>
<tr>
<td>Taxes payable (Note 15)</td>
<td>9.616</td>
<td>8.109</td>
</tr>
<tr>
<td>Compensation payable</td>
<td>8.251</td>
<td>5.750</td>
</tr>
<tr>
<td>Other nontrade payables</td>
<td>75</td>
<td>3.897</td>
</tr>
<tr>
<td>Other provisions (Note 14)</td>
<td>80.427</td>
<td>41.141</td>
</tr>
<tr>
<td>Accrual accounts</td>
<td>378</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>279.439</td>
<td>213.734</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES</strong></td>
<td>867.636</td>
<td>729.663</td>
</tr>
</tbody>
</table>

The accompanying Notes 1 to 22 are an integral part of the consolidated balance sheet as of December 31, 2002.
Antena 3 de Televisión, S.A.

Statements of operations for 2002 and 2001 (Thousands of Euros)

Translation of reports and financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.

<table>
<thead>
<tr>
<th>DEBIT</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENSES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program and other amortization (Note 18)</td>
<td>269.447</td>
<td>237.355</td>
</tr>
<tr>
<td>Personnel expenses (Note 18)</td>
<td>95.882</td>
<td>92.192</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>19.351</td>
<td>16.780</td>
</tr>
<tr>
<td>Rent and fees (Note 18)</td>
<td>25.207</td>
<td>23.519</td>
</tr>
<tr>
<td>Variation in operating allowances</td>
<td>2.466</td>
<td>1.779</td>
</tr>
<tr>
<td>Other current operating expenses (Note 18)</td>
<td>87.298</td>
<td>85.932</td>
</tr>
<tr>
<td>Taxes other than income tax</td>
<td>907</td>
<td>2.149</td>
</tr>
<tr>
<td>Operating income</td>
<td>500.558</td>
<td>458.702</td>
</tr>
<tr>
<td>Financial and similar expenses</td>
<td>3.562</td>
<td>3.245</td>
</tr>
<tr>
<td>Exchange losses</td>
<td>3.562</td>
<td>3.730</td>
</tr>
<tr>
<td>Financial income</td>
<td>1.144</td>
<td>338</td>
</tr>
<tr>
<td>Income from ordinary activities</td>
<td>34.667</td>
<td>91.846</td>
</tr>
<tr>
<td>Losses on tangible fixed assets</td>
<td>217</td>
<td>130</td>
</tr>
<tr>
<td>Variation in investment valuation allowances (Note 7)</td>
<td>31.338</td>
<td>21.812</td>
</tr>
<tr>
<td>Extraordinary expenses (Notes 4-k and 18)</td>
<td>39.329</td>
<td>18.235</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>70.884</td>
<td>40.177</td>
</tr>
<tr>
<td>Corporate income tax (Note 15)</td>
<td>438</td>
<td>10.114</td>
</tr>
<tr>
<td>Income for the year</td>
<td>438</td>
<td>10.114</td>
</tr>
</tbody>
</table>

The accompanying notes 1 to 22 are an integral part of the 2002 statement of operations.

<table>
<thead>
<tr>
<th>CREDIT</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues (Note 18)</td>
<td>552.348</td>
<td>568.746</td>
</tr>
<tr>
<td>Advertising revenues</td>
<td>(453.090)</td>
<td>(48.510)</td>
</tr>
<tr>
<td>Sales discounts</td>
<td>507.249</td>
<td>520.176</td>
</tr>
<tr>
<td>Other revenues</td>
<td>26.832</td>
<td>29.474</td>
</tr>
<tr>
<td>Interest and similar revenues</td>
<td>534.081</td>
<td>550.210</td>
</tr>
<tr>
<td>Exchange gains</td>
<td>3.651</td>
<td>4.068</td>
</tr>
<tr>
<td>Gains on disposals of intangible assets, tangible fixed assets and control portfolio</td>
<td>5.145</td>
<td>1.250</td>
</tr>
<tr>
<td>Extraordinary revenues</td>
<td>5.362</td>
<td>5.861</td>
</tr>
<tr>
<td>Extraordinary loss</td>
<td>65.522</td>
<td>34.316</td>
</tr>
<tr>
<td>Loss before taxes</td>
<td>30.855</td>
<td>-</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>31.293</td>
<td>-</td>
</tr>
</tbody>
</table>

The accompanying notes 1 to 22 are an integral part of the 2002 statement of operations.
Antena 3 de Televisión, S.A.

Notes to 2002 Financial Statements

Translation of reports and financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.

1. COMPANY DESCRIPTION

Antena 3 de Televisión, S.A. (“the Company”) was incorporated on June 7, 1988, and its then sole corporate purpose was the indirect management of a television service.

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

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

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

In view of the business activity carried on the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its net worth, financial position and results of operations. Accordingly, these notes to financial statements do not contain any specific disclosures relating to environmental issues.

2. BASIS OF PRESENTATION

The 2002 financial statements, which were prepared from the Company’s accounting records, are presented in accordance with the Spanish National Chart of Accounts and, accordingly, give a true and fair view of the Company’s net worth, financial position and results of operations. These financial statements, which were prepared by the Company’s directors, will be submitted for approval by the Shareholders’ Meeting, and it is considered that they will be approved without any changes.

3. PROPOSED DISTRIBUTION OF INCOME

The Company’s directors will propose to the Shareholders’ Meeting that the loss for 2002 be charged to other reserves.

4. VALUATION STANDARDS

The main valuation methods applied by the Company in preparing its financial statements for 2002, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Start-up expenses

Start-up expenses, which relate to capital increase expenses, are recorded at cost. These expenses are amortized on a straight-line basis over five years. 127,000 of amortization of start-up expenses were charged to the statement of operations in 2002.

b) Intangible assets

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

c) Tangible fixed assets

Tangible fixed assets are carried at cost. The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

Uphold and maintenance expenses are expensed currently.

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

<table>
<thead>
<tr>
<th>Year of estimated useful life</th>
<th>Structures</th>
<th>Plant</th>
<th>Computer hardware</th>
<th>Other fixtures</th>
<th>Other tangible fixed and assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>33</td>
<td>10 and 12.5</td>
<td>5 and 10</td>
<td>5, 10 and 12.5</td>
<td>6 and 10</td>
</tr>
</tbody>
</table>

Translation of reports and financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Note 22). In the event of a discrepancy, the Spanish-language version prevails.
d) Long-term investments

Long-term investments consist basically of unlisted securities, which are valued at the lower of cost or underlying book value of the holdings, adjusted by the amount of the unrealized gains disclosed at the time of acquisition and still existing at year-end, net, where appropriate, of the required allowances for decline in value if cost is higher than fair value at year-end. The effect of applying consolidation principles would have been to reduce shareholders’ equity as of December 31, 2002, by €188,000, to reduce the loss for the year by €1,256,000 and to increase assets by €50,264,000.

e) Treasury stock

The shares of treasury stock acquired by the Company without a capital reduction resolution having been adopted by the Shareholders’ Meeting are valued at acquisition cost, net, where appropriate, of the allowances required to adjust this value to the underlying book value of the shares.

Also, in accordance with Article 79 of the revised Corporations Law, the Company has recorded a restricted reserve for an amount equal to the acquisition cost of the treasury stock. This reserve is included under the “Shareholders’ Equity” caption in the accompanying balance sheet.

f) Inventories

Program rights

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

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

Amortization of these programs is recorded under the “Program and Other Amortisation” caption in the statement of operations on the basis of the number of showings, in accordance with the following percentages:

<table>
<thead>
<tr>
<th>Number of showings contracted</th>
<th>1</th>
<th>2 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st showing</td>
<td>100%</td>
<td>50%</td>
</tr>
<tr>
<td>2nd showing</td>
<td>–</td>
<td>50%</td>
</tr>
<tr>
<td>3rd showing</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

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

The residual value of the series is recorded as an expense in the statement of operations on the basis of the sales of broadcasting rights to other operators, both in Spain and abroad. In any event, after the sixth year from the date when production of the program was completed, the unamortized cost is written off in full.

2. Non-inventorable in-house productions (programs produced to be shown only once) are valued by the same methods and procedures as those used to value inventorable in-house productions. Programs produced and not shown are recorded at year-end under the “Program Rights – In-House Production and Production in Process” caption in the balance sheet. The cost of these programs is recorded under the “Program and Other Amortisation” caption in the statement of operations at the time of the first showing.

3. Rights on outside productions (films, series and other similar productions) are recorded at acquisition cost. These rights are deemed to be acquired when the term of the right commences for the Company. Payments to outside production distributors made prior to commencement of the term of the right are recorded under the “Advances to Suppliers” caption in the balance sheet. The amortisation of the rights is recorded in the statement of operations under the “Program and Other Amortisation” caption on the basis of the number of showings, in accordance with the following percentages, which are set on the basis of the number of showings contracted:

<table>
<thead>
<tr>
<th>Number of showings contracted</th>
<th>1</th>
<th>2 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st showing</td>
<td>100%</td>
<td>50%</td>
</tr>
<tr>
<td>2nd showing</td>
<td>–</td>
<td>50%</td>
</tr>
</tbody>
</table>
4. Live broadcasting rights are recorded at cost. The cost of these rights is recorded as an expense under the “Program and Other Amortization” caption in the statement of operations at the time of broadcast of the event on which the rights were acquired.

Consumables and other

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

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

Allowances

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

Classification of programs

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

g) Short-term investments

This caption includes short-term investments (mainly in fixed-income securities). The Company records these short-term investments for the amount effectively paid and for the unmatured accrued interest at year-end earned on these acquisitions. As of December 31, 2002, the Company had short-term deposits amounting to €21,787,000.

This caption also includes the holdings of Antena 3 de Televisión, S.A. in companies intended for realization or settlement at short term, which as of December 31, 2002, were recorded at their net asset value (€20,631,000), net of an allowance of the same amount to cover the risk associated in these investments. The data on the net worth position of these investments were obtained from the respective companies’ unaudited financial statements as of December 31, 2002.

In addition, this caption includes €1,804,000 relating to the portion of the loan granted to Manga Films, S.A. maturing on November 29, 2003, which earns annual interest tied to Euribor. The Company records this loan at the amount effectively paid together with the related unmatured accrued interest at year-end.

h) Exchange differences

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

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

i) Corporate income tax

The expense or revenue for corporate income tax of each year is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences from taxable income.

In 2001 the Company started to be taxed on a consolidated basis with other Group companies (see Note 15).

In this connection, in calculating its corporate income tax, the Company observed the Spanish Accounting and Audit Institute (ICAC) Resolution of October 9, 1997, establishing the methods for the recording of corporate income tax at companies that file consolidated tax returns.

Prepaid taxes are only recognized as assets if their future realization is reasonably assured. For this purpose the Company observed the ICAC Resolution of March 15, 2002, establishing the methods for recording prepaid taxes.

j) Recognition of revenues and expenses

General method

Revenues and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flows arise.

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

2002 Legal Documentation

Advertising revenues

At present, the Company obtains basically advertising revenues, which are recorded in the statement of operations when the advertising spot is broadcast.

Sale of in-house production and other audiovisual rights

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

k) Short-term provisions for contingencies and expenses

The Company records under the “Other Provisions” caption in the accompanying balance sheet the estimated amount required for probable or certain third-party liability arising from guarantees provided by the Company, litigation, indemnity payments and outstanding obligations of undetermined amount, and to cover projected losses. These allowances are recorded when the liability, obligation or decision giving rise to the indemnity payment or loss arises. This caption also includes the provisions required for losses of Group companies which exceed the book value of the related holdings. 428,417,000 were charged in this connection to the “Extraordinary Expenses” caption in the accompanying statement of operations for 2002 (see Note 18-g).

l) Severance costs

Under current labor regulations, the Company is required to pay severance to employees terminated under certain conditions. The Company’s directors consider that no terminations will take place in the near future and, accordingly, no provision has been recorded in this connection in the accompanying balance sheet as of December 31, 2002.

5. INTANGIBLE ASSETS

The transactions recorded in 2002 in intangible asset accounts and the related accumulated amortization are summarized as follows:

When Antena 3 de Televisión, S.A. acquired the 2002 Soccer World Cup broadcasting rights, it also acquired a preferential option on rights for the free-to-air TV broadcasting in Spain of the 2006 Soccer World Cup. The Company valued this option at €16,000,000 on the basis of an analysis reviewed by an independent expert. Subsequently, in 2002 the Company decided to sell this option to Corporación Admira Media, S.A., Sole-Shareholder Company, for the same amount.

As of December 31, 2002, the cost and accumulated amortization of the fully amortized intangible assets currently being used by the Company amounted to €1,077,863.

6. TANGIBLE FIXED ASSETS

The transactions recorded in 2002 in tangible fixed asset accounts and the related accumulated depreciation are summarized as follows:
As of December 31, 2002, the cost and accumulated depreciation of the fully depreciated assets being used by the Company amounted to €23,095,536.

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

7. LONG-TERM INVESTMENTS

The transactions recorded in 2002 in the “Long-Term Investments” accounts and in the related allowances are summarized as follows:

<table>
<thead>
<tr>
<th>Cost:</th>
<th>Balance at 12/31/01</th>
<th>Additions or reductions</th>
<th>Retirements or transfers</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and structures</td>
<td>57,725</td>
<td>764</td>
<td>- (1,496)</td>
<td>56,993</td>
</tr>
<tr>
<td>Plant</td>
<td>74,667</td>
<td>2,187</td>
<td>(301)</td>
<td>1,439</td>
</tr>
<tr>
<td>Computer hardware</td>
<td>16,090</td>
<td>4,354</td>
<td>(1,242)</td>
<td>(3,099)</td>
</tr>
<tr>
<td>Other fixtures and tangible fixed assets</td>
<td>42,295</td>
<td>3,230</td>
<td>(385)</td>
<td>321</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>634</td>
<td>573</td>
<td>- (634)</td>
<td>573</td>
</tr>
<tr>
<td>Total</td>
<td>194,411</td>
<td>11,108</td>
<td>(1,810)</td>
<td>(1,469)</td>
</tr>
</tbody>
</table>

| Accumulated depreciation: | | | | |
| Structures | (10,753) | (1,652) | - | 126 | (12,279) |
| Plant | (39,181) | (7,624) | 113 | 18 | (46,674) |
| Computer hardware | (8,654) | (3,740) | 838 | 393 | (11,163) |
| Other fixtures and tangible fixed assets | (24,342) | (3,769) | 323 | (92) | (27,880) |
| Total | (82,930) | (16,785) | 1,274 | 445 | (97,996) |

<table>
<thead>
<tr>
<th>Accumulated depreciation:</th>
<th>Balance at 12/31/01</th>
<th>Additions or reductions</th>
<th>Retirements or transfers</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Group companies:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 Directo, S.A.</td>
<td>18,138</td>
<td>-</td>
<td>-</td>
<td>18,138</td>
</tr>
<tr>
<td>MovistarCom, S.A.</td>
<td>18,006</td>
<td>-</td>
<td>-</td>
<td>18,006</td>
</tr>
<tr>
<td>Inversiones Valores Inmobles, S.L.</td>
<td>8,752</td>
<td>782</td>
<td>-</td>
<td>9,534</td>
</tr>
<tr>
<td>Antena 3 Interactiva, S.A.</td>
<td>6,415</td>
<td>-</td>
<td>-</td>
<td>6,415</td>
</tr>
<tr>
<td>Antena 3 Producciones, S.A.</td>
<td>6,243</td>
<td>-</td>
<td>-</td>
<td>6,243</td>
</tr>
<tr>
<td>Batres Comunicación Alternativa, S.A.U.</td>
<td>3,652</td>
<td>-</td>
<td>(1,652)</td>
<td>-</td>
</tr>
<tr>
<td>Antena 3 Iniciativas Comerciales, S.A.</td>
<td>3,516</td>
<td>-</td>
<td>(3,516)</td>
<td>-</td>
</tr>
<tr>
<td>Antena 3 Telemedia, S.A.</td>
<td>2,784</td>
<td>-</td>
<td>-</td>
<td>2,784</td>
</tr>
<tr>
<td>Computa Servicios Telemedios, S.A.</td>
<td>2,404</td>
<td>-</td>
<td>-</td>
<td>2,404</td>
</tr>
<tr>
<td>Magenta, S.A.</td>
<td>2,250</td>
<td>-</td>
<td>-</td>
<td>2,250</td>
</tr>
<tr>
<td>Enseñar Films, S.L.</td>
<td>1,804</td>
<td>-</td>
<td>-</td>
<td>1,804</td>
</tr>
<tr>
<td>Antena 3 Internacional, Inc.</td>
<td>1,676</td>
<td>-</td>
<td>-</td>
<td>1,676</td>
</tr>
<tr>
<td>Televes, S.L.U.</td>
<td>1,275</td>
<td>-</td>
<td>(1,275)</td>
<td>-</td>
</tr>
<tr>
<td>Antena 3 Castilla y León, S.A.</td>
<td>1,260</td>
<td>-</td>
<td>-</td>
<td>1,260</td>
</tr>
<tr>
<td>Farmaplaning, S.L.</td>
<td>606</td>
<td>-</td>
<td>(606)</td>
<td>-</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>505</td>
<td>-</td>
<td>-</td>
<td>505</td>
</tr>
<tr>
<td>Antena 3 Peru, S.A.</td>
<td>364</td>
<td>2,764</td>
<td>-</td>
<td>3,128</td>
</tr>
<tr>
<td>Nove Telesold, S.A.</td>
<td>245</td>
<td>-</td>
<td>-</td>
<td>245</td>
</tr>
<tr>
<td>Licencias e Imagen, S.A.U.</td>
<td>90</td>
<td>-</td>
<td>(90)</td>
<td>-</td>
</tr>
<tr>
<td>Guadalupe Productores, S.A.U.</td>
<td>66</td>
<td>-</td>
<td>-</td>
<td>66</td>
</tr>
<tr>
<td>Antena 3 Editorial, S.A.</td>
<td>60</td>
<td>-</td>
<td>-</td>
<td>60</td>
</tr>
<tr>
<td>Traleyo, S.L.</td>
<td>2,142</td>
<td>-</td>
<td>(2,142)</td>
<td>-</td>
</tr>
<tr>
<td>Total investments in Group companies</td>
<td>85,353</td>
<td>3,546</td>
<td>(20,696)</td>
<td>68,203</td>
</tr>
</tbody>
</table>

| Investments in associated companies: | | | | |
| Canal Factoría de Ficción, S.A. | 240 | - | - | 240 |
| Total investments in associated companies | 240 | - | - | 240 |

<table>
<thead>
<tr>
<th>Other investments:</th>
<th>Balance at 12/31/01</th>
<th>Additions or reductions</th>
<th>Retirements or transfers</th>
<th>Balance at 12/31/02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canal Satélite Digital, S.L.</td>
<td>10,020</td>
<td>1,125</td>
<td>-</td>
<td>11,145</td>
</tr>
<tr>
<td>TVI Televisão Independente, S.A.</td>
<td>2,016</td>
<td>-</td>
<td>-</td>
<td>2,016</td>
</tr>
<tr>
<td>Media Park, S.A.</td>
<td>1,142</td>
<td>-</td>
<td>-</td>
<td>1,142</td>
</tr>
<tr>
<td>Unidad Media y Cine, S.A.U.</td>
<td>541</td>
<td>-</td>
<td>(541)</td>
<td>-</td>
</tr>
<tr>
<td>Total other investments</td>
<td>13,719</td>
<td>1,125</td>
<td>(541)</td>
<td>14,303</td>
</tr>
</tbody>
</table>

| Long-term guarantees | 135 | 2 | - | 137 |
| Long-term loans | 3,606 | 204,808 | (902) | 207,512 |
| Investment valuation allowance | (41,779) | (31,338) | - | (20,611) |
| Total | 61,274 | 177,526 | (1,508) | 237,909 |
The variation of €31,338,000 in the investment valuation allowance is recorded under the “Variation in Investment Valuation Allowances” caption in the accompanying statement of operations.

The Group companies and information thereon are as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Line of Business</th>
<th>% of Shareholders’ Income (loss)</th>
<th>Extraordinary income (loss)</th>
<th>Capital and additional paid-in capital</th>
<th>Reserves</th>
<th>Income (loss) for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publicidad 3, S.A.</td>
<td>Madrid</td>
<td>Advertising</td>
<td>100%</td>
<td>€60,000 (320) 618 (23,014) 33,514</td>
<td>€607 39</td>
<td>€607 39</td>
<td></td>
</tr>
<tr>
<td>Antena 3 Editorial, S.A.</td>
<td>Madrid</td>
<td>Management of rights</td>
<td>100%</td>
<td>€60,000 37</td>
<td>-</td>
<td>€607 39</td>
<td></td>
</tr>
<tr>
<td>Antena 3 Internacional, Inc.</td>
<td>U.S.A.</td>
<td>Portfolio company</td>
<td>100%</td>
<td>€2,321,000 (1,808) - (26) (8)</td>
<td>€80 (8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 Perú, S.A.</td>
<td>Peru</td>
<td>Television</td>
<td>100%</td>
<td>€3,016 364</td>
<td>- (12) (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 Directo, S.A.</td>
<td>Madrid</td>
<td>TV home shopping</td>
<td>100%</td>
<td>€7,889 (2,893) - (9,961) (15,413)</td>
<td>€9,861 (15,413)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 Televisión, S.A.</td>
<td>Madrid</td>
<td>Audiovisual productions</td>
<td>80%</td>
<td>€2,119,000 (627) - (28) 31</td>
<td>€607 39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 Internacional, Inc.</td>
<td>U.S.A.</td>
<td>Portfolio company</td>
<td>100%</td>
<td>€988,000 1,231</td>
<td>- €145 159</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 Televisión, S.A.</td>
<td>Madrid</td>
<td>Internet</td>
<td>100%</td>
<td>€8,435,000 (9,541) - (1,508) (2,322)</td>
<td>€200 31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Antena 3 Televisión, S.A.</td>
<td>Madrid</td>
<td>Audiovisual productions</td>
<td>100%</td>
<td>€2,922,000 183</td>
<td>- €277 88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nova Bebidas, S.A.</td>
<td>Madrid</td>
<td>Audiovisual productions</td>
<td>51%</td>
<td>€481,000 282</td>
<td>- (128) (11)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movierecord Cine, S.A.</td>
<td>Madrid</td>
<td>Audiovisual productions</td>
<td>100%</td>
<td>€861,000 5,513</td>
<td>- (3,768) (2,21)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Magenta, S.A.</td>
<td>Madrid</td>
<td>Audiovisual productions</td>
<td>100%</td>
<td>€2,253,000 (1,324) - (90) (1)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enarfo Films, S.A.</td>
<td>Madrid</td>
<td>Audiovisual productions</td>
<td>100%</td>
<td>€1,804,000 (345)</td>
<td>- (1,263) 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inversiones Valores Inmuebles, S.A.</td>
<td>Madrid</td>
<td>Portfolio company</td>
<td>52.25%</td>
<td>€5,000 (2)</td>
<td>- (600) (598)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compartir Servicios Telemáticos, S.A.</td>
<td>Madrid</td>
<td>Digital television</td>
<td>20%</td>
<td>€6,000 (728)</td>
<td>- (214) 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guadiana Producciones, S.A.</td>
<td>Madrid</td>
<td>Production, distribution and screening</td>
<td>100%</td>
<td>€60,000 1,036</td>
<td>- €72 -</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licencias e imagen, S.A.</td>
<td>Madrid</td>
<td>Merchandising</td>
<td>100%</td>
<td>€60,000 70</td>
<td>- (97) 20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) The Company owns indirect holdings of 14% through Trasmed, S.L. and of 60.95% through Inversiones de Valores Inmuebles, S.L.
(b) Information not available.

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

<table>
<thead>
<tr>
<th>Capital and additional paid-in capital</th>
<th>Reserves</th>
<th>Income (loss) for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>T.V. Televisión Independiente, S.A.</td>
<td>Lisboa</td>
<td>Televisión</td>
</tr>
<tr>
<td>Canal Satélite Digital, S.L.</td>
<td>Madrid</td>
<td>Digital television</td>
</tr>
<tr>
<td>Media Park, S.A.</td>
<td>Barcelona</td>
<td>Televisión</td>
</tr>
</tbody>
</table>

(a) Information not available.


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

On April 9, 2002, the Shareholders’ Meeting of Canal Satélite Digital, S.L. resolved to increase capital by €49,999,793. Based on Antena 3 de Televisión, S.A.’s ownership interest in this company, the amount disbursed was €1,125,000.

On July 12, 2002, the Company converted the loan of €62,764,000 granted to Antena 3 Perú into capital.

On September 14, 2002, the capital increase of €31,800,000 at Media Park, S.A. was subscribed in full; however, since Antena 3 de Televisión, S.A. did not subscribe to any shares, its ownership interest in this company was reduced to 0.94%.

On October 9, 2002, the resolution to dissolve Farmaplanning, S.L. with the transfer en bloc of its assets and liabilities to Antena 3 de Televisión, S.A. was recorded in a public deed. The gain of €126,000 obtained on this transaction is recorded under the “Gains on Disposals of Intangible Assets, Tangible Fixed Assets and Control Portfolio” caption in the accompanying statement of operations.

On October 29, 2002, the Company exercised its purchase option on 568 shares of Inversiones en bienes Inmuebles, S.L., thereby increasing its ownership interest in this company to 92.35%. This company in turn owns 66% of the capital of Compartir Servicios Telemáticos, S.L.
In 2002, after consecutive capital increases at TVI-Televisão Independente, S.A. that were not subscribed by Antena 3 de Televisión, S.A., the Company's ownership interest in this company was reduced to 0.00152%.

In 2002 the Company resolved to realize or settle at short term its investments in Antena 3 Iniciativas Comerciales, S.A., Antena 3 Interactiva, S.A., Battres Comunicación Alternativa, S.A., Toltoys, S.L., Licencias e Imagens, S.A.U., Yahnema, S.L., and Unibaster Canál y Asociados, S.A. The holdings in these companies are recorded under the "Short-Term Investments" caption in the accompanying balance sheet at their net asset value, net of the allowance to cover the risk of Antena 3 Televisión, S.A.'s investments in the related investees (see Note 4-g).

On December 29, 2000, Antena 3 de Televisión, S.A. granted Manga Films, S.L. a short-term loan of €18,030,363. In 2001 the loan agreement was renegotiated and Antena 3 de Televisión, S.A. accepted partial repayment of the loan through the transfer by Manga Films, S.L. of the public copying and communication rights on various feature films for a total price of €13,522,772. For the remaining portion of the loan, it was decided to grant a five-year extension, i.e. through November 29, 2006, with annual repayments of €2,778,518. The interest payable by Manga Films, S.L. will be calculated based on the loan principal at a rate tied to Euribor. This caption includes the portion of the loan which matures at over one year.

On September 10, 2002, a purchase and sale and loan transfer agreement was recorded in a public deed, effective January 1, 2002 for accounting purposes. This agreement enabled Publicidad 3, S.A. (a wholly-owned investor of Antena 3 de Televisión, S.A.) to acquire from Grupo Aditros, S.A. (now Telefónica de Contenidos, S.A., Socio-Sharholding Company) all the shares of Uniprex, S.A. and Cadena Voz de Radiodifusión, S.A. The goodwill arising from this transaction in relation to these two companies amounted to €146,624,393 and is being amortized by Publicidad 3, S.A. on a straight-line basis over 20 years.

In 2003 the Company approved the grant of a new participating loan to support the operations of these subsidiaries (see Note 20).

The Company has granted a ten-year loan of €233,000,000 to Publicidad 3, S.A. to enable it to meet its obligations under the purchase and sale and loan transfer agreement relating to Uniprex, S.A. and Cadena Voz de Radiodifusión, S.A. As of December 31, 2002, €204,724,000 had been drawn down against this loan.

B. INVENTORIES

The detail of the balance of this caption in the balance sheet as of December 31, 2002, is as follows:

The "Advances to Suppliers" caption in the accompanying balance sheet as of December 31, 2002, includes basically prepayments in connection with commitments to purchase sports broadcasting rights and rights on outside productions.

At 2002 year-end the Company had commitments, mainly for the purchase of audiovisual property rights, amounting to €157,500,000.

It is estimated that €134,655,000 of rights on in-house and outside productions will be amortized in 2003 (see Note 4-f).

9. TRADE RECEIVABLES

The balance of this caption in the balance sheet as of December 31, 2002, is made up of the following accounts, which were grouped together for presentation purposes:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables for sales</td>
</tr>
<tr>
<td>Barter trade receivables</td>
</tr>
<tr>
<td>Trade notes receivable</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
The detail of the balances of the “Receivable from Group and Associated Companies” and “Payable to Group and Associated Companies” captions on the asset and liability sides, respectively, of the accompanying balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Group companies</th>
<th>Short-term receivables (thousand of euros)</th>
<th>Short-term payables (thousand of euros)</th>
<th>Receivable from group and associated companies</th>
<th>Payable to group and associated companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alfa 320, S.A.</td>
<td>30</td>
<td>30</td>
<td>(1,200)</td>
<td>(1,200)</td>
</tr>
<tr>
<td>Antena 3 Editorial, S.A.</td>
<td>-</td>
<td>-</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Antena 3 Internacional, Inc.</td>
<td>5</td>
<td>5</td>
<td>135</td>
<td>135</td>
</tr>
<tr>
<td>Antena 3 Pirú, S.A.</td>
<td>46</td>
<td>46</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Antena 3 Televisión, S.A.</td>
<td>27</td>
<td>490</td>
<td>6,120</td>
<td>6,120</td>
</tr>
<tr>
<td>Gestión de Televisión S.A.</td>
<td>-</td>
<td>30</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Antena 3 y Claro, S.A.</td>
<td>540</td>
<td>180</td>
<td>4,400</td>
<td>4,400</td>
</tr>
<tr>
<td>Antena 4 Protecciones, S.A.</td>
<td>-</td>
<td>2,699</td>
<td>(9,940)</td>
<td>(9,940)</td>
</tr>
<tr>
<td>Antena 5 Televisión, S.A.</td>
<td>-</td>
<td>5,430</td>
<td>5,430</td>
<td>5,430</td>
</tr>
<tr>
<td>Antena 6 Televisión, S.A.</td>
<td>145</td>
<td>186</td>
<td>2,909</td>
<td>2,909</td>
</tr>
<tr>
<td>Ateliers Emisiones Audiovisuales, S.A.</td>
<td>-</td>
<td>92</td>
<td>92</td>
<td>92</td>
</tr>
<tr>
<td>Movistar Com, S.A.</td>
<td>30</td>
<td>6,032</td>
<td>7,151</td>
<td>7,151</td>
</tr>
<tr>
<td>Negocios, S.A.</td>
<td>125</td>
<td>3,131</td>
<td>(3,131)</td>
<td>(3,131)</td>
</tr>
<tr>
<td>Negocios, S.A.</td>
<td>185</td>
<td>190</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td>Telefónica, S.A.</td>
<td>885</td>
<td>386</td>
<td>1,271</td>
<td>1,271</td>
</tr>
<tr>
<td>Entel Films, S.L.</td>
<td>1,500</td>
<td>3,500</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Álvaro Comunicación Ambiental, S.A.</td>
<td>-</td>
<td>1,811</td>
<td>1,811</td>
<td>1,811</td>
</tr>
<tr>
<td>inversiones audiovisuales, S.L.</td>
<td>-</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Corporación Sanitaria-México, S.A.</td>
<td>3</td>
<td>1,254</td>
<td>1,254</td>
<td>1,254</td>
</tr>
<tr>
<td>Publicidad S.A.</td>
<td>2,597</td>
<td>545</td>
<td>3,142</td>
<td>3,142</td>
</tr>
<tr>
<td>Procter &amp; Gamble de España, S.A.U</td>
<td>-</td>
<td>151</td>
<td>(151)</td>
<td>(151)</td>
</tr>
<tr>
<td>Doping Tots, S.A.</td>
<td>742</td>
<td>742</td>
<td>1,484</td>
<td>1,484</td>
</tr>
<tr>
<td>Traherpa, S.L.U.</td>
<td>-</td>
<td>416</td>
<td>416</td>
<td>416</td>
</tr>
<tr>
<td>Publicidad, S.A.</td>
<td>6,450</td>
<td>6,504</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>Teleradio Factoría de Ficción, S.A.</td>
<td>2,190</td>
<td>2,190</td>
<td>2,190</td>
<td>2,190</td>
</tr>
<tr>
<td>Telefónica Independientes, S.A.</td>
<td>460</td>
<td>460</td>
<td>2,520</td>
<td>2,520</td>
</tr>
<tr>
<td>Media Facial, S.A.</td>
<td>35</td>
<td>154</td>
<td>154</td>
<td>154</td>
</tr>
<tr>
<td>Antena 3, S.A.</td>
<td>54</td>
<td>54</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Licia Films, S.A.U</td>
<td>860</td>
<td>860</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Empresa Audiovisual de Televisión, S.A.</td>
<td>180</td>
<td>180</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td>PTC, Filial de Televisión Digital, S.A.</td>
<td>367</td>
<td>367</td>
<td>734</td>
<td>734</td>
</tr>
<tr>
<td>Playa de las Dunas, S.A.</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Telefónica Multimedia, S.A.U</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Telefónica de España, S.A.U</td>
<td>125</td>
<td>125</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>Balu España, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Alitalia Sport, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Canal 11 Novo, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telefónica Investigación y Desarrollo, S.A.U.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telefónica Emisora Radio, S.A.</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Telefónica Emisora México, S.A.</td>
<td>737</td>
<td>737</td>
<td>737</td>
<td>737</td>
</tr>
<tr>
<td>Telefónica de España, S.A.</td>
<td>146</td>
<td>146</td>
<td>146</td>
<td>146</td>
</tr>
<tr>
<td>Grupo Alfa Media Media, S.A.U</td>
<td>2,136</td>
<td>2,136</td>
<td>2,136</td>
<td>2,136</td>
</tr>
<tr>
<td>Telefónica Ingeniería de Seguridad, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telefónica Salud, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Oncosalud, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Growth Media, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Instruk, S.A.</td>
<td>416</td>
<td>416</td>
<td>416</td>
<td>416</td>
</tr>
<tr>
<td>S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>10,554</td>
<td>41,968</td>
<td>52,522</td>
<td>(10,711)</td>
</tr>
</tbody>
</table>

(a) Companies related through common shareholders.
(b) Loan granted in U.S. dollars.
The company also has long-term notes payable to Lola Films, S.A. amounting to €3,999,000 of which €2,496,000 nature in 2004 and €1,503,000 in 2005.

The loans granted to the group companies earn average interest tied to Euribor:

The detail of the transactions carried out in 2002 with the Group and associated companies is as follows:

<table>
<thead>
<tr>
<th>Group companies</th>
<th>Sales</th>
<th>Financial revenues</th>
<th>Purchases of rights and other services</th>
<th>Financial expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nova Televisió, S.A.</td>
<td>3</td>
<td>-</td>
<td>269</td>
<td>-</td>
</tr>
<tr>
<td>Antena 3 Editorial, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td>Antena 3 Reus, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>54</td>
</tr>
<tr>
<td>Faraones, Artistas, Músicos y Actores, S.A.</td>
<td>199</td>
<td>86</td>
<td>-</td>
<td>3,710</td>
</tr>
<tr>
<td>Antena 3 Directo, S.A.</td>
<td>957</td>
<td>103</td>
<td>-</td>
<td>41</td>
</tr>
<tr>
<td>Guadiaro Producciones, S.A.</td>
<td>72</td>
<td>17</td>
<td>-</td>
<td>280</td>
</tr>
<tr>
<td>Gestión de Telecomunicaciones 2000, S.L.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Antena 3 Castilla y León, S.A.</td>
<td>803</td>
<td>-</td>
<td>-</td>
<td>1,293</td>
</tr>
<tr>
<td>Antena 3 Producciones, S.A.</td>
<td>-</td>
<td>86</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Antena 3 Vínculos Complementarios, S.A.</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>75</td>
</tr>
<tr>
<td>Antena 3 Interactiva, S.A.</td>
<td>54</td>
<td>195</td>
<td>-</td>
<td>438</td>
</tr>
<tr>
<td>Antena 3 Telemana, S.A.</td>
<td>890</td>
<td>187</td>
<td>-</td>
<td>719</td>
</tr>
<tr>
<td>Antena 3 Córdoba, S.A.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>45</td>
</tr>
<tr>
<td>Muñecos de Cera, S.A.</td>
<td>260</td>
<td>87</td>
<td>-</td>
<td>2,794</td>
</tr>
<tr>
<td>Hegalía, S.A.</td>
<td>99</td>
<td>316</td>
<td>-</td>
<td>8,226</td>
</tr>
<tr>
<td>Aitol S.L.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Licencias e imagen, S.A.</td>
<td>212</td>
<td>-</td>
<td>-</td>
<td>42</td>
</tr>
<tr>
<td>Encanta Films, S.L.</td>
<td>401</td>
<td>184</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balines Comunicación Alternativa, S.A.</td>
<td>-</td>
<td>66</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Inversiones Vales Inmobiliarios, S.L.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Compropiedad Telcoeléctrico, S.A.</td>
<td>2</td>
<td>44</td>
<td>-</td>
<td>11</td>
</tr>
<tr>
<td>Onda en Radio</td>
<td>-</td>
<td>49</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Publicidad 3, S.A.</td>
<td>1,373</td>
<td>545</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Telefonia, S.L.U.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Telefonia, S.L.</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Uregia, S.A.</td>
<td>577</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Associated and related companies:**

| Canal Factoría de Ficción, S.A. | 706 | - | - | - |
| TVI Televisión Independiente, S.A. | - | - | - | - |
| Media Park, S.A. | 117 | - | 276 | - |
| Telefónica, S.A. (a) | 97 | - | - | - |
| Lola Films, S.A.(a) | 565 | - | - | 1,243 |
| Gestión de Medios Audiovisuales de Fútbol, S.L. | - | - | 722 | - |
| DTS, Distribuidas de Televisión Digital, S.A. (a) | 2,581 | - | - | 49,947 |
| Play de Móvil, S.A. | 183 | - | 1,088 | - |
| Telefónica Multimedia, S.A.C. (a) | 63 | - | - | 45 |
| Telefónica de España, S.A. (a) | 78 | - | - | 2,994 |
| Zeilen España, S.A. | - | - | - | 37 |
| Adrana Sport, S.A. | - | - | - | 1,373 |
| Adrana Sport, S.L | - | 2 | - | - |
| Telefónica Investigación y Desarrollo, S.A.(a) | - | - | - | 45 |
| Telefónica Servicios Audiovisuales, S.A. | 13 | - | 5,071 | - |
| Telefónica Servicios Móviles, S.A. | 4,045 | - | - | 1,657 |
| Telefónica Data España, S.A. | - | - | - | 2,543 |
| Grupo Adrana Media Media, S.A.(a) | 2,775 | - | - | 1,403 |
| Telefónica Ingeniería de Seguridad, S.A. | - | - | - | 217 |
| Telefónica Sistemas | - | - | - | 294 |
| Audiovisual Sport, S.L. | - | - | - | 1,546 |
| Gestion Balcoes de Medios, S.A. | - | - | - | 339 |
| Canal Satélite Digital, S.L. | - | - | - | - |
| Tels Networks España, S.A. | 447 | - | - | - |
| Antena Telecommunication España | - | - | - | 50 |
| ZG. S.A. | - | - | - | 210 |
| BS. Televisión | - | - | - | - |
| Ageanteria Media (RPS Group) | - | - | - | 5,258 |

**TOTAL:** 18,450 2,004 41,888 59

(a) Companies related through common shareholders.
The balances with the related company GTS Distribución de Televisión Digital, S.A. relate to the sale of thematic channels and the acquisition of audiovisual rights to broadcast free-to-air TV.

The balances with Telefónica Servicios Audiovisuales, S.A. relate to the provision of signal transmission and news production services.

11. SHAREHOLDERS’ EQUITY

The transactions recorded under this caption in the accompanying balance sheet as of December 31, 2002, are summarized as follows:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Balances at December 31, 2001</td>
</tr>
<tr>
<td>Distribution of 2001 income</td>
</tr>
<tr>
<td>Distribution of dividends</td>
</tr>
<tr>
<td>2002 loss</td>
</tr>
<tr>
<td>Balances at December 31, 2002</td>
</tr>
</tbody>
</table>

Capital stock

The Company’s capital stock as of December 31, 2002, consisted of 166,668,000 fully subscribed and paid registered shares of €1 par value each.

All the shares carry the same rights.

The companies or corporate groups with an ownership interest of 5% or more in the capital stock of Antena 3 de Televisión S.A. are as follows:

<table>
<thead>
<tr>
<th>Percentage of ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telefónica de Contenidos, S.A.</td>
</tr>
<tr>
<td>Banco Santander Central Hispano, S.A.</td>
</tr>
<tr>
<td>Macame, S.A. (Banco Santander Central Hispano Group)</td>
</tr>
<tr>
<td>RTL Group Communications S.L.U.</td>
</tr>
<tr>
<td>Other shareholders</td>
</tr>
<tr>
<td>100.00</td>
</tr>
</tbody>
</table>

Legal reserve

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

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

Other reserves

The “Other Reserves” account includes restricted reserves of €2,811,141 relating to the “Reserve for the Adjustment of Capital Stock to Euros”.

Reserve for treasury stock

Under the revised Corporations Law, a restricted reserve must be recorded equal to the value of the treasury stock held by the Company. Also, the par value of the treasury stock cannot exceed 10% of the Company’s capital stock and the shares in question must be fully paid in.

As of December 31, 2002, the total cost of the shares of treasury stock amounted to €2,933,000 and related to 1,444,500 shares of €1 par value each.

12. PAYABLE TO CREDIT INSTITUTIONS

The breakdown of the balances of these captions on the liability side of the accompanying balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>Syndicated loan</td>
</tr>
<tr>
<td>Syndicated credit line</td>
</tr>
<tr>
<td>Credit lines</td>
</tr>
<tr>
<td>Demand deposit overdrafts</td>
</tr>
<tr>
<td>Accrued interest payable</td>
</tr>
<tr>
<td>246,010</td>
</tr>
</tbody>
</table>

2002 Legal Documentation
On October 28, 2002, Antena 3 de Televisión, S.A. arranged a syndicated loan and a syndicated credit line with various credit institutions, with J.P. Morgan Bank, S.A. as the agent bank, to enable it to purchase through its subsidiary Publicidad 3, S.A. all the shares of Unipes S.A. and Cadena Veo de Radiodifusión S.A. held by Grupo Admira Media, S.A., Sole-Shareholder Company (now Telefónica de Contenidos, S.A., Sole-Shareholder Company). The loan amounts to €140,000,000 and the limit of the credit line is €90,000,000. As of December 31, 2002, the Company had not drawn down any amount against this credit line, which is secured by the Company’s assets.

The agreement under which the loan and credit line were arranged established certain financial and operating conditions to be met by Antena 3 de Televisión S.A. The Company’s directors consider that as of December 31, 2002, the Company was meeting all these conditions.

The interest rate on this credit line is tied to EURIBOR plus a spread. There is also a fixed annual fee payable on the loan in addition to various fees paid by the Company at the date the credit line was arranged. The fees payable at over one year are recorded under the “Deferred Charges” caption in the accompanying balance sheet.

The interest rates paid by the Company in 2002 on the loans and credit facilities with credit institutions are mainly tied to Euribor plus a spread ranging from 0.1% to 1%.

13. TRADE ACCOUNTS PAYABLE

The detail of the balance of this caption in the balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payable to suppliers</td>
</tr>
<tr>
<td>Payable for unreceived invoices</td>
</tr>
<tr>
<td>Barter payables</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

14. OTHER PROVISIONS

The detail of the balance of the “Other Provisions” caption on the liability side of the accompanying balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other short-term provisions for contingencies and expenses</td>
</tr>
<tr>
<td>Trade discounts payable</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

15. TAX MATTERS

The detail of the balances of the “Prepaid Taxes”, “Taxes Receivable” and “Taxes Payable” captions on the asset and liability sides, respectively, of the accompanying balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term-</td>
</tr>
<tr>
<td>Prepaid taxes</td>
</tr>
<tr>
<td>Short term-</td>
</tr>
<tr>
<td>Prepaid taxes</td>
</tr>
<tr>
<td>2002 corporate income tax asset</td>
</tr>
<tr>
<td>Other taxes receivable</td>
</tr>
<tr>
<td><strong>Total taxes receivable</strong></td>
</tr>
<tr>
<td>Personal income tax withholdings payable</td>
</tr>
<tr>
<td>VAT payable</td>
</tr>
<tr>
<td>Accrued social security taxes payable</td>
</tr>
<tr>
<td><strong>Total taxes payable</strong></td>
</tr>
</tbody>
</table>
The difference between the tax charge allocated to the current year and to prior years and the tax charge already paid or to be paid for those years, which is recorded in the “Prepaid Income Taxes” (“Deferred Income Taxes”) account, arose as a result of the following timing differences:

<table>
<thead>
<tr>
<th>Prepaid income tax:</th>
<th>Thousand of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio provision</td>
<td>4,066</td>
</tr>
<tr>
<td>Provision for contingencies and expenses</td>
<td>1,923</td>
</tr>
<tr>
<td>Provision for operating bad debts</td>
<td>1,875</td>
</tr>
<tr>
<td>Provision for in-house productions</td>
<td>1,107</td>
</tr>
<tr>
<td>Provision for outside productions</td>
<td>92</td>
</tr>
<tr>
<td>Total</td>
<td>9,063</td>
</tr>
</tbody>
</table>

Based on the estimate made by the Company’s directors of when future income will arise to enable the offset and use of these prepaid taxes, 64,184,703 were recorded under the “Fixed and Other Noncurrent Assets – Prepaid Taxes” caption and the remainder under the “Current Assets - Taxes Receivable” caption.

On March 20, 2002 the Spanish Accounting and Audit Institute (ICAC) published a resolution establishing that whenever it is certain that tax losses will be recovered at short term, companies can recognize the tax assets earned in the year, thereby reducing the corporate income tax expense by the amount of these tax assets. In 2002, in accordance with this resolution, the Company recognized the tax assets earned during the year and those earned in 2001 that had not yet been recognized, the detail being as follow:

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousand of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>2,213</td>
</tr>
<tr>
<td>2002</td>
<td>7,318</td>
</tr>
</tbody>
</table>
17. FOREIGN CURRENCY BALANCES AND TRANSACTIONS

a) Foreign currency balances

The breakdown, by currency, of the equivalent euro value Company’s debts reflected on the liability side of the accompanying balance sheet as of December 31, 2002, is as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. dollars</td>
<td>44,886</td>
</tr>
<tr>
<td>Other currencies</td>
<td>104</td>
</tr>
<tr>
<td>Total</td>
<td>44,990</td>
</tr>
</tbody>
</table>

b) Foreign currency transactions

The foreign currency transactions in 2002 related mainly to transactions denominated in U.S. dollars; their equivalent euro values translated at the average exchange rates for the year being as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Dollars</td>
<td></td>
</tr>
<tr>
<td>Other currencies</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>2,458</td>
</tr>
<tr>
<td>Purchases and other expenses</td>
<td>90,690</td>
</tr>
<tr>
<td>Total</td>
<td>93,148</td>
</tr>
</tbody>
</table>

16. OTHER GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

a) Guarantee commitments to third parties

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

<table>
<thead>
<tr>
<th></th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group and associated companies</td>
<td>22,370</td>
</tr>
<tr>
<td>Other guarantees</td>
<td>17,747</td>
</tr>
<tr>
<td>Total</td>
<td>40,117</td>
</tr>
</tbody>
</table>

As of December 31, 2002, the guarantees provided for associated companies included basically the guarantee provided by the Company for Gestora de Medios Audiovisuales Fútbol, S.L. and Audiovisual Sport, S.L. amounting to €5,229,000 and €10,123,000, respectively, in connection with the normal operations of these companies.

The Company’s directors consider that the unforeseen liabilities, if any as of December 31, 2002, that might arise from the guarantees provided would not be material.

b) Other contingent liabilities

As of December 31, 2002, the only significant litigation pending was that relating to the complaint filed by various rights management entities amounting to €15,000,000. The Court of First Instance of San Sebastián de los Reyes found for the plaintiffs and the Company appealed against the decision of this Court.

The Company’s directors and their legal advisers do not expect any material liabilities to arise in addition to those already recorded from the outcome of the lawsuits in progress.
18. REVENUES AND EXPENSES

a) Net revenues

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

b) Program and other amortization

The detail of the “Program and Other Amortization” caption in 2002 is as follows:

<table>
<thead>
<tr>
<th>Professional category</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>24</td>
</tr>
<tr>
<td>Operations and programs personnel</td>
<td>1,167</td>
</tr>
<tr>
<td>Commercial personnel</td>
<td>199</td>
</tr>
<tr>
<td>Management personnel</td>
<td>192</td>
</tr>
<tr>
<td>Interns</td>
<td>34</td>
</tr>
<tr>
<td>Specific project contracts</td>
<td>289</td>
</tr>
<tr>
<td>Total</td>
<td>1,899</td>
</tr>
</tbody>
</table>

The “Addition to Inventories” account reflects the external expenses incurred in making programs. In accordance with the Company’s procedures, these expenses are capitalized and subsequently amortized by the method described in Note 4-f.

c) Personnel expenses

The breakdown of the personnel expenses in 2002 is as follows:

<table>
<thead>
<tr>
<th>Thousand of euros</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>76,884</td>
</tr>
<tr>
<td>Social security costs and other employee welfare expenses</td>
<td>16,842</td>
</tr>
<tr>
<td>Other personnel expenses</td>
<td>2,156</td>
</tr>
<tr>
<td>Total</td>
<td>95,882</td>
</tr>
</tbody>
</table>

d) Rent and fees

The “Rent and Fees” caption in the accompanying 2002 statement of operations includes, inter alia and as the most significant item, the amounts paid to Ente Público Retevisión as fees for the distribution of the audiovisual signal.

e) Other current operating expenses

The breakdown of the balance of this caption in the 2002 statement of income is as follows:

<table>
<thead>
<tr>
<th>Thousand of euros</th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work performed by other companies</td>
<td>14,385</td>
</tr>
<tr>
<td>Copyright</td>
<td>15,244</td>
</tr>
<tr>
<td>Communications</td>
<td>9,001</td>
</tr>
<tr>
<td>Advertising and publicity</td>
<td>7,376</td>
</tr>
<tr>
<td>Other expenses</td>
<td>41,298</td>
</tr>
<tr>
<td>Total</td>
<td>87,298</td>
</tr>
</tbody>
</table>
21. STATEMENTS OF CHANGES IN FINANCIAL POSITION FOR 2002 AND 2001

Following are the 2002 and 2001 statements of changes in financial position:

<table>
<thead>
<tr>
<th>Thousand of euros</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends distributed</td>
<td>19,627</td>
<td>-</td>
</tr>
<tr>
<td>Fixed asset additions</td>
<td>18,748</td>
<td>2,318</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>11,118</td>
<td>12,805</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>-</td>
<td>11,108</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>4,671</td>
<td>23,834</td>
</tr>
<tr>
<td>Investments in group, associated and other companies</td>
<td>204,810</td>
<td>2</td>
</tr>
<tr>
<td>Guarantees and deposits</td>
<td>258,003</td>
<td>2</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>-</td>
<td>3,606</td>
</tr>
<tr>
<td>Other accounts payable</td>
<td>601</td>
<td>1,130</td>
</tr>
<tr>
<td>Payable to group and associated companies</td>
<td>1,382</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL FUNDS APPLIED</td>
<td>261,147</td>
<td>43,695</td>
</tr>
<tr>
<td>FUNDS Obtained in Excess of Funds</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>APPLIED (INCREASE IN WORKING CAPITAL)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>261,147</td>
<td>85,877</td>
</tr>
</tbody>
</table>

f) Fees and other amounts paid to auditors

In 2002 the fees for financial audit services provided to Antena 3 de Televisión, S.A. and subsidiaries by the main auditor and entities related thereto amounted to €38,276, which included €150,256 for services provided to Antena 3 de Televisión, S.A. The fees for the same services relating to other auditors participating in the audit of various Group companies amounted to €57,931.

In 2002 the fees for other professional services provided to the Group companies by the main auditor and entities related thereto totaled €538,760, which related in full to services provided to Antena 3 de Televisión, S.A. The fees for the same services provided by other auditors participating in the audit of various Group companies amounted to €9,946.

g) Extraordinary expenses

The breakdown of this caption in the 2002 statement of operations is as follows:

<table>
<thead>
<tr>
<th>Thousands of euros</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period short-term provision for contingencies and expenses (Note 4-h)</td>
<td>28,477</td>
<td>-</td>
</tr>
<tr>
<td>Other extraordinary expenses</td>
<td>30,952</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>59,429</td>
<td>-</td>
</tr>
</tbody>
</table>

19. DIRECTORS’ COMPENSATION AND OTHER BENEFITS

The compensation earned in 2002 by the former and current directors for salaries and attendance fees amounted to €584,000.

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

20. SUBSEQUENT EVENTS

On January 7, 2003, the Spanish National Securities Market Commission (CNMV) was notified of the acquisition by the Telefónica Group company Corporación Admira Media, S.A.U. of 19,532,625 Company shares from Banco Santander Central Hispano, S.A., representing 11.719% of the capital stock of Antena 3 de Televisión, S.A. Once the transfer of these shares has been formalized, the Telefónica Group will own 59.229% of the capital stock of Antena 3 de Televisión, S.A.

Antena 3 de Televisión, S.A. increased the ten-year participating loan granted to Uniprex, S.A. to €67 million.
These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

<table>
<thead>
<tr>
<th>Variation in working capital</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variations in working capital</td>
<td>Increase</td>
<td>Decrease</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>20,731</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>7,278</td>
<td>-</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>-</td>
<td>2,851</td>
</tr>
<tr>
<td>Cash</td>
<td>-</td>
<td>17,487</td>
</tr>
<tr>
<td>Accrued accounts</td>
<td>639</td>
<td>-</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>65,705</td>
<td>30,881</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,917</td>
<td>106,774</td>
</tr>
<tr>
<td>VARIATION IN WORKING CAPITAL</td>
<td>-</td>
<td>98,857</td>
</tr>
</tbody>
</table>

The breakdown of the funds obtained from operations is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Thousands of euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>2001</td>
</tr>
<tr>
<td>Income (loss) for the year</td>
<td>(31,293)</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>19,351</td>
</tr>
<tr>
<td>Period provision for investment securities and treasury stock</td>
<td>31,338</td>
</tr>
<tr>
<td>Losses on tangible fixed assets</td>
<td>217</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Gains on control portfolio disposals</td>
<td>-</td>
</tr>
<tr>
<td>Gains on tangible fixed asset disposals</td>
<td>(217)</td>
</tr>
<tr>
<td>Reversal of provision for investment securities</td>
<td>-</td>
</tr>
<tr>
<td>Funds obtained from operations</td>
<td>19,396</td>
</tr>
</tbody>
</table>
As regards terrestrial digital TV, and as required by law, A3TV started digital broadcasting on April 3, 2002.

It must once again be pointed out that there is no possibility of obtaining any return on this significant additional expense either now or in the immediate and foreseeable future, since there are practically no receivers capable of capturing the digital signals and, as a result, no current or even potential audience to justify new revenue expectations.

Accordingly, the same rationale has been applied in structuring the digital broadcasting contents, which at the moment are confined to repeating the analog signal, as the only way of avoiding the addition of costs of a second programming grid specifically for terrestrial digital TV to the unavoidable new costs of TDT transmission and broadcasting.

Research and development activities

A3TV is continuing with the research, implementation and development of its technological adaptation projects for the full digitization and integration of all its equipment.

Treasury stock acquisitions

In 2002 no transactions involving shares of treasury stock were performed.

Business performance and situation of the Company

Net sales fell by 2.5% from €520 million in 2001 to €507 million in 2002, due largely to the negative situation of the advertising market.

Similarly, income from ordinary activities fell from €92 million in 2001 to €33 million in 2002 and the Company reported a loss after taxes of €31 million, after recording net extraordinary expenses of €66 million.

In 2002 the Spanish television industry scored a first in its history, when a private television network assumed responsibility for broadcasting the Soccer World Cup held in Korea and successfully met this challenge, after a major effort in production and programming, gaining the acknowledgement of viewers and specialist commentators alike.

Significant events subsequent to year-end

The Law accompanying the General State Budget Law for 2003 included amendments to the legislation applicable to private television networks, which, for the purposes of this report, included most notably the elimination of the ceiling on a shareholder’s ownership interest in a single concession-holder.

In January 2003 the Telefónica Group increased its investment in Antena 3 de Televisión, S.A. through the acquisition of shares representing 11.72% of the latter’s capital stock hitherto owned by the BSCH Group. At the date of preparation of this report, the Telefónica Group owned 59.23% of the capital stock of Antena 3 de Televisión, S.A.

Outlook for the Company

In 2002 the advertising market evolved as predicted, closely reflecting the general economic slowdown that had been forecast. At the same time, the public sector television networks stepped up their efforts for commercial viability and made a determined effort to increase their share of advertising expenditures, frustrating the private networks’ expectations.

From a global viewpoint, the television industry is undergoing a major upheaval, which has mainly affected pay-TV operators and the new terrestrial digital TV projects, most of which have been frozen, although it should not be forgotten that measures are being taken to merge the satellite-based pay-TV platforms.

The fact that there has been no increase in the number of competitors in the industry cannot be interpreted as an unexpected advantage, but rather it must be seen as further explicit and conclusive evidence of a market environment so tough that it can, by its very nature, put a stop to all these new operators’ plans for development.
CONSOLIDATED FINANCIAL STATEMENTS