

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

PARTICULARS OF THE ISSUER YEAR

2007

**COMPANY IDENTIFICATION
NUMBER: A-79075438**

Company Name:

Gestevisión Telecinco, S.A.

A **SHAREHOLDER STRUCTURE**

A.1 Fill in the following table on the company's share capital:

Date of last increase/reduction	Share capital (€)	Number of shares	Number of voting rights
29-03-2004	123,320,928.00	246,641,856	246,641,856

Indicate if there are different classes of shares with different associated rights:

Yes No

Class	Number of shares	Nominal value per share	Number of voting rights	Different rights

A.2 Give the breakdown of those – other than directors – who directly or indirectly owned major shareholdings in the company at the close of the business year:

Shareholder's name or company name	Number of voting rights held directly	Number of voting rights held indirectly (*)	% of total voting rights
Mr. Silvio Berlusconi	0	123,653,768	50.135
Vocento, S.A.	0	32,063,436	13.00
Barclays Global Investors UK Holdings LTD	0	5.063	5.063
Chase Nominees LTD	5.395	0	5.395
Harris Associates L.P.	5.038	0	5.038

(*) Held through:

Name of the individual or company directly holding the shares	Number of voting rights held directly	% of total voting rights
Mediaset Investimenti SPA	123,653,768	50.135
Corporación de Medios Audiovisuales, S.L.	32,063,436	13.00

Indicate the main changes in the shareholder structure seen during the year:

Shareholder's name or company name	Date of the transaction	Type of the transaction

A.3 Fill in the following tables on the members of the company's board of directors who hold voting rights on company shares:

Name or company name of the director	Number of voting rights held directly	Number of voting rights held indirectly (*)	% of total voting rights
Mr. Alejandro Echevarría Busquet	12,140	0	0.005
Mr. Paolo Vasile	6,369	0	0.003
Mr. Miguel Iraburu Elizondo	134,600	0	0.055
Mr. Ángel Durández Adeva	6,237	0	0.003
Mr. José Ramón Álvarez-Rendueles	7,000	0	0.003
Mr. Borja de Prado Eulate	490	5,050	0.002

(*) Held through:

Name of the individual or company directly holding the shares	Number of voting rights held directly	% of total voting rights
Bopreu, S.L.	5,050	0.002

% of total voting rights held by directors	0.071
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Fill in the following tables on the members of the Board of Directors who hold options on company shares:

Name or company name of the director	Number of options held directly	Number of options held indirectly	Equivalent number of shares	% of total voting rights
Mr. Alejandro Echevarría Busquet	198,588	0	198,588	0.081
Mr. Paolo Vasile	397,175	0	397,175	0.161
Mr. Guisepppe Tringali	397,175	0	397,175	0.161

- A.4 Mention any family, commercial, contractual or corporate links of which the company is aware between major shareholders, other than those which are immaterial or are part of their ordinary business or trade:

Name of related individual or company	Type of link	Brief description

- A.5 Mention any commercial, contractual or corporate links between major shareholders and the company and/or their group, other than those which are immaterial or are part of their ordinary business or trade:

Name of related individual or company	Type of link	Brief description

A.6 State whether the Company has been informed of any Shareholders' Agreements affecting it pursuant to Section 112 of the Stock Exchange Act. If yes, describe these Shareholders' Agreements briefly as well as the shareholders related thereunder:

Yes + No

Parties to shareholders' agreement	Percentage of company's share capital involved	Brief description of the shareholders' agreement
Mediaset Investimenti SpA Vocento, S.A. Corporación de Nuevos Medios Audiovisuales, S.L.	0	Regulation of relations among shareholders prior to the Company's listing on the stock exchange: composition of the Board of Directors, Committees and Non-competition Agreement (dated 17th March, 2004). The agreement expired on the 31st December 2007.

Mention any concerted actions between shareholders of which the company is aware. If so, briefly describe them:

Yes No +

Shareholders taking part in concerted actions	% of company's share capital involved	Brief description of the concerted action

Mention any of the above pacts, agreements or concerted actions that have been altered or cancelled during the year:

A.7 Mention any individual or juridical person who controls or may control the company pursuant to Section 4 of the Spanish Stock Market Act. If such a person exists, identify them:

Yes + No

Name or company name
Mediaset Investimenti SpA

Comments
Mr. Silvio Berlusconi, through Mediaset Investimenti SpA, is the owner of 50.135% of Telecinco's share capital

A.8 Fill in the following tables regarding treasury stock of the company:

At the year's close:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
3,014,813	0	1.22

(*) Held through:

Name of the individual or company directly holding the shares	Number of shares held directly
Total:	

Details of any material changes, pursuant to Royal Decree 1362/2007, which have taken place during the year:

Date of communication	Number of direct shares acquired	Number of indirect shares acquired	% of total share capital

Capital gains/losses on own shares disposed of during the period

- A.9. Describe the requirements and deadlines fixed by the Annual General Meeting in any resolutions authorizing the Board to acquire or transfer company shares.

The Annual General Meeting held on 11th April, 2007, approved, under item 7 of the agenda, the acquisition and transmission of own shares by an aggregate of 28,697,682 votes for, 100,521 votes against, 3,566 abstentions and 218 blank votes. This term shall remain effective until the next Annual General Meeting, scheduled for 2008.

Below is a word-for-word reproduction of the content of the approved resolution:

“To authorize the Board of Directors of Gestevisión Telecinco S.A., in accordance with the provisions of Article 75 and following of the Limited Companies Act currently in effect, to proceed to buy back shares of the company by any means, directly or through companies owned by it, subject to the following limits and requirements:

- The shares may be acquired by sale-and-purchase or any other form of transfer for valuable consideration.
- The maximum number of shares to be acquired, in addition to those owned by GESTEVISIÓN TELECINCO, S.A. or any of the companies under its control, shall not exceed five percent (5%) of the Company's share capital.
- The shares to be acquired shall be free of lien or charge, fully paid up, and subject to any other obligation.

- The minimum purchase price of the shares shall not be less than their nominal value, and the maximum price shall not exceed one hundred twenty per cent (120%) of their listed value on the purchase date.
- Effective period of the authorization: eighteen (18) months beginning the date of this agreement.
- These transactions shall furthermore be carried out in compliance with the relevant rules contained in the Company's Internal Code of Conduct.
- Void the authorization agreed on regarding this matter in the Annual General Meeting held April 5th 2006.
- To authorize the Board of Directors to use either all or part of the treasury shares acquired to execute remuneration plans whose purpose is or are designed to deliver shares or share options, or which are based in any way on the performance of the shares on the stock market, as established in paragraph 1st of article 75 of the Limited Companies Act.

To authorize the Board of Directors to fund, upon resolving to acquire own shares, a non-distributable reserve for an amount equal to the acquisition cost of the shares.”

A.10 Mention any legal or statutory restrictions or restrictions foreseen in the Articles of Association for exercising voting rights, as well as any statutory restrictions on acquiring or transferring shares in the company.

State whether there are legal restrictions on the exercise of voting rights:

Yes No

Maximum percentage of voting rights which a shareholder may be entitled to exercise under a legal restriction	
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State whether there are restrictions established in the Articles of Association on the exercise of voting rights

Yes No

Maximum percentage of voting rights which a shareholder may be entitled exercise under a restriction established in the Articles of Association	
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Description of legal restrictions and restrictions established in the Articles of Association on the exercise of voting rights

State whether there are legal restrictions on the acquisition or transmission of shareholdings in the share capital:

Yes No

Description of legal restrictions on the acquisition or transmission of shareholdings in the

share capital

Section 21 of Law 10/1988 of Private Television dated 3rd May, as amended, sets forth:

“1. Any individual or corporation with the intention of acquiring, either directly or indirectly, a significant shareholding in the capital of a concessionaire shall previously notify the Ministry of Industry of such intention, including the percentage of the shareholding, the terms and conditions of the acquisition and the maximum term within which the transaction is expected to be completed. A significant shareholding in a concessionaire providing essential television service shall mean a share reaching, either directly or indirectly, at least 5% of the capital or of the voting rights related to the shares of the entity.”

“2. Any individual or corporation with the intention of increasing its shareholding, either directly or indirectly, so that its percentage in the capital or voting rights reaches or exceeds any of the following percentages: 5, 10, 15, 20, 25, 30, 35, 40 and 45 percent shall also previously notify the Ministry of Industry of such intention, under the terms of paragraph 1 above.”

“3. The Ministry of Industry shall have a maximum term of three months as from the date on which the relevant information is entered on any of the registers of the Department to notify the acceptance or, if applicable, the refusal of the intended acquisition. The refusal may be based on lack of transparency of the structure of the group to which the acquiring entity will belong or the existence of links between the potential acquirer and any other concessionaire providing essential television service that may impair the principle of non-concentration inspiring this Law.”

“4. The acquisition shall be completed within a maximum term of one month after its acceptance.”

“5. The provisions of this Section shall be without prejudice to the provisions on significant shareholdings contained in the Stock Exchange Act 24/1988 dated 28th July.”

“6. Once the acquisition has been completed pursuant to the prior notice procedure set forth hereinabove, this acquisition shall be notified by the acquirer to the Ministry of Industry, which shall cause its registration with the Special Register of Concessionaires. The transferor shall also notify the Ministry of Industry of any transfer of shares in the concessionaire entailing the decrease of one of the shareholding percentages included in paragraph 2 above, in order for the Ministry of Industry to cause its registration. Any notice of acquisition or transfer referred to in this section shall be given within a month after such acquisition or transfer is completed.”

A.11 State if at the Annual General Meeting it was agreed that neutralization measures would be taken upon a takeover bid under Law 6/2007.

Yes No

If applicable, explain the measures approved and the terms under which the restrictions shall not apply:

B COMPANY GOVERNING BODIES

B.1 Board of Directors

B.1.1 Maximum and minimum number of directors according to the articles of association:

Maximum number of directors	19
Minimum number of directors	11

B.1.2 Fill in the following table on Board members:

Name or company name of the director	Proxy	Position on the Board	Date when first appointed	Date when last appointed	Method of appointment
Mr. Alejandro Echevarría Busquet		Chairman	15-05-1996	29-03-2004	General Meeting
Mr. Paolo Vasile		Chief Executive Officer	29-03-1999	29-03-2004	General Meeting
Mr. Giuseppe Tringali		Chief Executive Officer	29-03-2004	29-03-2004	General Meeting
Mr. Giuliano Adreani		Director	26-09-2001	29-03-2004	General Meeting
Mr. Pier Silvio Berlusconi		Director	07-05-2003	29-03-2004	General Meeting
Mr. Fedele Confalonieri		Director	21-12-2000	29-03-2004	General Meeting
Mr. Marco Giordani		Director	07-05-2003	29-03-2004	General Meeting
Mr. Alfredo Messina		Director	30-06-1995	29-03-2004	General Meeting
Mr. José M ^a Bergareche Busquet		Director	17-03-2000	29-03-2004	General Meeting
Mr. Ángel Duráñez Adeva		Director	20-05-2004	29-03-2004	General Meeting
Mr. Miguel Iraburu Elizondo		Director	20-05-2004	29-03-2004	General Meeting
Mr. José Ramón Álvarez-Rendueles		Director	28-07-2004	22-04-2005	Co-optation and subsequent ratification by the General Meeting
Mr. Borja Prado Eulate		Director	28-07-2004	22-04-2005	Co-optation and subsequent ratification by

					the General Meeting
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Total number of directors	13
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Mention any directors who have stepped down from the Board of Directors during the period:

Name or company name of the director	Status of director at time of stepping down	Date stepped down

B.1.3 Fill in the following tables on the members of the Board and the different capacities in which they serve:

EXECUTIVE DIRECTORS

Name or company name of the director	Committee that proposed appointing the director	Position within the organization
Mr. Paolo Vasile	Appointments and Remuneration Committee	Chief Executive Officer
Mr. Giuseppe Tringali	Appointments and Remuneration Committee	Chief Executive Officer

Total number of executive directors	2
Total % of the Board	15.384

OUTSIDE DIRECTORS REPRESENTING SUBSTANTIAL SHAREHOLDERS

Name or company name of the director	Committee that proposed appointing the director	Name of the individual or company who is a major shareholder and is represented by or has proposed the appointment of the outside director
Mr. Alejandro Echevarría Busquet	Appointments and Remuneration Committee	Corporación de Nuevos Medios Audiovisuales, S.L.
Mr. José M ^a Bergareche Busquet	Appointments and Remuneration Committee	Corporación de Nuevos Medios Audiovisuales, S.L.
Mr. Giuliano Adreani	Appointments and Remuneration Committee	Mediaset Investimenti SpA
Mr. Pier Silvio Berlusconi	Appointments and Remuneration Committee	Mediaset Investimenti SpA
Mr. Fedele Confalonieri	Appointments and Remuneration Committee	Mediaset Investimenti SpA
Mr. Marco Giordani	Appointments and	Mediaset Investimenti SpA

	Remuneration Committee	
Mr. Alfredo Messina	Appointments and Remuneration Committee	Mediaset Investimenti SpA

Total number of directors representing substantial numbers of shareholders	7
Total % of the Board	53.846

INDEPENDENT OUTSIDE DIRECTORS

Name or company name of the director	Profile
Mr. Ángel Duráñez Adeva	Member of the Board of Directors of Repsol YPF, SA; Executive Chairman of Información y Control de Publicaciones, SA (OJD); Member of the Board of Directors of Real Estate Equity Portfolio, S.A; member of the Board of Directors of Iroko Films, SL; member of the advisory Boards of FRIDE, Ambers & Co, SL and DBP Consultants, SA. Member of the Council of the Germán Sánchez Rupérez, Independiente and Euroamérica Foundations (he is also Vice Chairman of the last)
Mr. Miguel Iraburu Elizondo	Chairman of the Board of Directors of Azkoyen, SA; Vice Chairman Ambers & Co; Member of the Advisory Boards of PriceWaterhouseCoopers; Member of the Board of Directors of various portfolio companies of the private equity firm 3i.
Mr. José Ramón Álvarez-Rendueles	Chairman of ArcelorMittal España, S.A., Chairman of Peugeot España S.A. and Vice Chairman of Peugeot Citroën Automóviles España S.A.; Member of the Board of Directors of Mittal Steel, Sanitas, Asturiana de Zinc, Holcim España, Assicurazioni Generali España and Genworth Mortgage Insurance Ltd.; Chairman of the Prince of Asturias Foundation.
Mr. Borja Prado Eulate	Chairman of Mediobanca Sucursal en España, Director of Endesa, Director of Willis, Chairman of Almagro Asesoramiento e Inversiones, S.A.

Total number of independent directors	4
Total % of the Board	30.769

OTHER OUTSIDE DIRECTORS

Name or company name of the director	Committee that proposed appointing the director

Total number of other outside directors	
Total % of the Board	

Explain why these cannot be considered independent directors or directors representing substantial shareholders and their links, whether with the company and its senior management or with its shareholders:

Name or company name of the director	Motives	Company, senior manager or shareholder with which the link is maintained

Mention any changes that have taken place in the status of individual directors during the period:

Name or company name of the director	Date of change in status	Former status	Current status

B.1.4 Explain, where applicable, the reasons why directors representing substantial shareholders have been appointed upon request by shareholders whose shareholdings are lower than 5% of the share capital:

Shareholder's name or company name	Justification

State whether formal requests to be part of the Board of Directors filed by shareholders whose shareholding is equal to or greater than that of others upon whose request directors representing substantial shareholders have been appointed have not been met. If applicable, explain the reasons why they have not been met:

Yes

No

Shareholder's name or company name	Explanation

- B.1.5 State whether a director has ceased to hold office before completion of the term of office, whether it has provided reasons to the Board of Directors and, if applicable, what means it has used to do so, and, in the event of having provided reasons to the Board of Directors in writing, explain these reasons below:

Name of the director	Reason for stepping down

- B.1.6 Mention the powers, if any, delegated in the chief executive officer(s):

Name or company name of the director	Brief outline
Mr. Paolo Vasile	Delegation of all legally and statutorily delegable powers.
Mr. Giuseppe Tringali	Delegation of all legally and statutorily delegable powers.

- B.1.7 Mention any members of the Board who hold the position of directors or senior managers of other companies that form part of the same group as the listed company:

Name or company name of the director	Company name of the group member company	Position
Mr. Alejandro Echevarría Busquet	Publiespaña, SAU	Chairman of the Board
Mr. Alejandro Echevarría Busquet	Agencia de Televisión Latino-Americana de Servicios y Noticias España, SAU	Chairman of the Board
Mr. Paolo Vasile	Telecinco Cinema, SAU	Chairman of the Board
Mr. Paolo Vasile	Grupo Editorial Tele5, SAU	Chairman of the Board
Mr. Paolo Vasile	Publiespaña, SAU	Director
Mr. Paolo Vasile	Agencia de Televisión Latino-Americana de Servicios y Noticias España, SAU	Director
Mr. Paolo Vasile	Conecta 5 Telecinco, SAU	Chairman of the Board

Mr. Paolo Vasile	Publici Televisión, SA	Director
Mr. Giuseppe Tringali	Publiespaña, SAU	Chief Executive Officer
Mr. Giuseppe Tringali	Publimedia Gestión, SAU	Chairman of the Board/Chief Executive Officer
Mr. Giuseppe Tringali	Advanced Media, SAU	Chairman of the Board/Chief Executive Officer
Mr. Giuseppe Tringali	Publici Televisión, SA	Chairman of the Board

B.1.8 Mention any directors of the company of who the company is aware of being members of the Boards of Directors of non-Group companies listed on official Spanish stock markets:

Name or company name of the director	Company name of the listed company	Position
Mr. Alejandro Echevarría Busquet	Acciona, SA	Director
Mr. Alejandro Echevarría Busquet	C.U.N.E., SA	Director
Mr. Alejandro Echevarría Busquet	Tubacex, SA	Director
Mr. José M ^a Bergareche Busquet	Banco Guipuzcoano	Director
Mr. Miguel Iraburu Elizondo	Azkoyen, SA	Chairman
Mr. José Ramón Álvarez-Rendueles	Arcelor Mittal	Director
Mr. Ángel Durández Adeva	Repsol YPF, SA	Director
Mr. Borja Prado Eulate	Endesa	Director

B.1.9 State and explain whether the company has established rules on the number of Boards of Directors in which its directors may participate:

Yes No

Explanation of rules

B.1.10 In connection with recommendation no. 8 of the Unified Code, state the general policies and strategies of the company which the Board of Directors is entitled to approve:

	Yes	No
Investment and financing policy	+	
Definition of the group of companies' structure	+	
Corporate governance policy	+	
Corporate social responsibility policy	+	
Strategic or business plan, as well as the annual management and budget objectives	+	
Senior Management's remuneration and performance assessment policy	+	
Risk control and management policy, as well as periodic follow up of the internal information and control systems	+	
Dividend policy, as well as treasury stock policy, and particularly, the limits thereof.	+	

B.1.11 Fill in the following tables on the aggregate emoluments earned by the directors during the year:

a) a) In the company filing this report:

Pay item	Figures in thousands of euros
Fixed remuneration	1,776
Variable remuneration	2,576
Per diems	435
Statutory amounts	0
Options on shares and/or other financial instruments	Exercised 0
Other	29
TOTAL:	4,816

Other benefits	Figures in thousands of euros
Advances	
Loans granted	
Retirement Plans and Funds: Contributions	
Retirement Plans and Funds: Obligations undertaken	
Life insurance premiums	6
Guarantees constituted by the company in favour of directors	

b) By company directors belonging to other boards of directors and/or to the senior management of group member companies:

Pay item	Figures in thousands of euros
Fixed remuneration	1,718
Variable remuneration	480
Per diems	
Statutory amounts	
Options on shares and/or other financial instruments	
Other	35
TOTAL:	2,233

Other benefits	Figures in thousands of euros
Advances	
Loans granted	
Retirement Plans and Funds: Contributions	
Retirement Plans and Funds: Obligations undertaken	
Life insurance premiums	7
Guarantees constituted by the company in favour of directors	

c) Total remuneration paid by type of director:

Type of director	By company	By group
Top management	2,428	2,240
Outside directors representing substantial shareholders	2,033	-
Independent outside directors	361	-
Other outside directors	-	-
Total	4,822	2,240

d) With respect to the part of the company's profit allocated to the controlling company:

Total remuneration of the directors (in thousands of euros)	7,062
Total remuneration of the directors/company's profit allocated to controlling company (%)	2.21 %

B.1.12 Mention any senior managers who are not also executive directors and the total remuneration they have earned during the year:

Name or company name	Position
MUSOLINO, MASSIMO	Managing Director, Management and Operations
VILLANUEVA DE CASTRO, MANUEL	Managing Director, Contents
CARULLO, ALBERTO	Managing Director, TV Division
EXPÓSITO RODRIGUEZ, LUIS	Managing Director, HR and Services Division
FERNÁNDEZ ARANDA, EUGENIO	Managing Director, Technology Division
RODRIGUEZ VALDERAS, MARIO	Secretary General
URIA IGLESIAS, FRANCISCO JAVIER	Managing Director, Economic and Finance Division
AGUSTÍN REGAÑÓN, ALVARO	Managing Director, Telecinco Cinema
PIQUERAS GOMEZ, PEDRO MARÍA	Managing Director, News Programmes
BAUTISTA PEREZ, JESUS M ^a	Managing Director, Business Development and Multi-Platform
SILVESTRONI, GIUSEPPE	Managing Director, Commercial
ALUM LÓPEZ, FRANCISCO	Managing Director, Marketing
CHIRIATTI, SALVATORE	Managing Director of Publimedia
GONZÁLEZ COMAS, OSCAR	Commercial Director, Clients
JIMÉNEZ GONZÁLEZ, MIGUEL ANGEL	Commercial Director, Special Initiatives
VILLA ALEGRE, JOSÉ LUIS	Director, Media Buyers
GARCÍA HERRERO, LÁZARO	Director, Corporate Marketing
BENITO FERNÁNDEZ, ANTONIO	Managing Director of Cinematext

Total remuneration of senior managers (in thousands of euros)	6,787
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B.1.13 Mention the aggregate number of guarantee or golden handshake clauses agreed in benefit of senior management persons, including the executive directors, of the company or Group. Mention if these agreements are

required to be reported to and/or approved by the governing bodies of the company or Group:

Number of beneficiaries	4
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	Board of Directors	Annual General Meeting
Governing body that approves such arrangements	+	

	YES	NO
Are such arrangements reported to the Annual General Meeting?		+

B.1.14 Describe the process used for establishing the remuneration of the directors and the main provisions of the Articles of Association on the subject:

Process used for establishing the remuneration of the directors and the main provisions of the Articles of Association
<p>Article 56 of the Articles of Association and Article 28 of the Regulations of the Board of Directors describe the process to set the directors' remunerations and conditions to be met.</p> <p>As stated in the latest Annual Corporate Governance Report, both articles have been modified at the Annual General Meeting held in 2007 so as to meet the recommendations of the Unified Code. In general, the modifications introduced have incorporated the following obligations: (i) for the purposes of providing more publicity and transparency to the entire process for the preparation of the directors' remuneration policy, the obligation of including in the Report of the Annual Accounts a broken down description of the remuneration earned, explaining all the items for which some amount has been perceived, (ii) for the purposes of guaranteeing that the criteria used to determine that the variable remunerations are objective and clearly determined, the variable part of the remuneration perceived by the directors performing executive duties is related to the director's or company's performance indicators; in this case, the qualifications appearing on the Audit Report and reducing the results, if any, should be considered. Besides, it is stated that the directors' remunerations are granted based on their degree of dedication and without compromising their independence in any event.</p> <p>Additionally, at the Annual General Meeting held in 2008, a Report on the directors' Remuneration Policy shall be put to vote as a separate item in the Agenda and for consultation purposes.</p> <p>The process initiates with the Appointments and Remuneration Committee, which is responsible for preparing the proposed remunerations policy for directors and senior management of the Telecinco Group. Approval of legally required aspects falls to the Board of Directors and the Annual General Meeting.</p> <p>The Annual General Meeting is responsible for fixing the maximum</p>

amounts that the company can pay to directors as and for fixed remuneration and per diems for their attendance, as well as for approving the delivery of options over shares of the company. Once the maximum amount has been determined, the Board of Directors is responsible for making the division among the directors based on their dedication throughout the financial year.

Article 56 of the Articles of Association determines the manner in which the system of remuneration to directors is established, differentiating between executive directors and all other directors. In this way the members of the Board of Directors who are executive directors shall receive, in addition to the remuneration corresponding to them as directors, remuneration comprised of (a) a fixed part, appropriate to the services and responsibilities assumed by them; (b) a variable part correlated to some indicator of performance of the director or the company; and (c) a benefit-related amount for welfare and insurance purposes. It may also include the delivery of shares or options over them.

The Board of Directors shall be responsible for determining the amount of the remuneration concepts integrating the fixed part, configuration modalities and indicators for calculating the variable part (which in no case may consist of an interest in Telecinco's profits) and benefits, upon report to the Appointments and Remuneration Committee.

The Annual General Meeting of Shareholders shall have jurisdiction over the decision whether the remuneration is to be complemented with the delivery of shares of Telecinco or options over shares. The agreement will, as applicable, state the number of shares to be delivered, the strike price for exercising the option rights, the value of the shares taken as reference and the duration of this form of remuneration.

Outside directors shall receive remuneration consisting of a fixed annual amount and per diems for their attendance. Said amounts shall be approved by the Annual General Meeting of Shareholders at the request of the Board of Directors, upon report to the Appointments and Remuneration Committee.

Telecinco is furthermore authorized to purchase civil liability insurance for its directors.

Section G of this document includes detailed information regarding Point B.1.11 relating to the amount received for each of the directors during the 2007 financial year.

State whether the Board meeting has reserved the right to approve the following decisions:

	Yes	No
Upon request by the Company's chief executive officer, the appointment and termination of the senior managers as well as the compensation clauses.	+	
The directors' remuneration and, in the case of executives, additional remuneration for their executive functions and other conditions to be met by their agreements.	+	

B.1.15 State whether the Board of Directors approves a detailed remuneration policy and specify the items covered by it:

Yes + No

	Yes	No
Amount of the fixed components, including a breakdown, if any, of the per diem allowances for participating in the Board of Directors and Committees thereof and an estimate of the fixed annual remuneration they originate.	+	
Variable remuneration items	+	
Main characteristics of the benefits systems, including an estimate of their amounts or equivalent annual costs.	+	
Conditions to be met by the agreements of those holding senior management positions such as executive directors, including:	+	

B.1.16 State whether the Board of Directors puts to vote at the Annual General Meeting, as a separate item in the agenda, and for consultation purposes, a report on the directors' remuneration policy. If applicable, explain the aspects of the report regarding the remuneration policy approved by the Board of Directors for future years, the most significant changes of these policies to that applied during the year and a global summary of how the remuneration policy was applied during the year. Detail the role played by the Remuneration Committee and whether external consultancy services have been used and, in that event, the identity of the external consultants:

Yes + No

Items covered by the report on the remunerations policy
The report on the directors' remuneration policy includes a detailed and itemized description of all the amounts earned during year 2007 and all the

items generating that right. Then, the following information is included: (i) the individual remuneration earned by each of the directors, (ii) the amounts of the per diem allowances for attendance, (iii) the additional remuneration earned in the capacity as chairman or member of some committee of the Board of Directors, (iv) the amount of any remuneration for participation in profits or premiums and the reason for their grant, (v) the amount of contributions to fixed-contribution pension plans, (vi) the amount of any compensation agreed upon or paid in the event of termination of office, (vii) the amount of the remunerations earned as directors for other companies in the group, (viii) the amount of the remuneration for holding senior management offices by executive directors, (ix) any other remuneration item different from those mentioned above, irrespectively of the nature or entity of the group paying them, particularly where it is considered a related-party transaction or where its omission distorts the true image of the total remunerations perceived.

The Report also contains information on the remuneration system which shall determine the directors' remuneration for year 2008.

Role played by the Remuneration Committee
As established in its Regulations, the Appointments and Remuneration Committee has participated in the preparation of the Report on the Directors' Remuneration Policy before submitting it for approval by the Board of Directors and at the Annual General Meeting.

	Yes	No
Have external consultancy services been used?		+
Identity of external consultants		

B.1.17 Mention any directors who, at the same time, are members of boards of directors or senior managers or employees of companies that hold material shareholdings in the listed company and/or in Group member companies:

Name or company name of the director	Company name of the major shareholder	Position
Mr. Alejandro Echevarría Busquet	Vocento, S.A.	Director
Mr. José M ^a Bergareche Busquet	Vocento, S.A.	Senior Vice Chairman

Mention any significant links other than those foreseen in the previous point between members of the Board of Directors and major shareholders and/or with member companies of their groups:

Name or company name of the related director	Name or company name of the related major shareholder	Description of link
Mr. Alejandro Echevarría Busquet	Vocento, S.A.	Owner of 0.1236% of the company's shares

Mr. José M ^a Bergareche Busquet	Vocento, S.A.	Owner of 0.006% of the company's shares
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B.1.18 State whether there has been any modification to the Regulations of the Board of Directors during the year:

Yes + No

Description of modifications
<p>During year 2007 and for the purposes of adapting our Board of Directors' Regulations to the recommendations of the Unified Code, the modification of eighteen (18) articles has been approved. The complete text of the articles is available on our website (www.telecinco.es/corporate) for which we consider it convenient to provide a brief summary of the main modifications:</p> <p><u>Article 2.-</u> Scope of application: the meaning of senior manager is expanded so as to include those exercising their duties directly under the charge of the Board of Directors and Managing Directors and, if applicable, the internal auditors.</p> <p><u>Article 5.-</u> Regulatory hierarchy: any reference to Olivencia and Aldama's Report has been replaced by the new Unified Code of Good Governance.</p> <p><u>Article 6.-</u> Powers of the Board of Directors: They have been extended so as to include the powers contained in Recommendation No. 8; thus, the Board of Directors shall have exclusive power to decide on the following: (i) approval of annual budgets and strategic plan, (ii) supervision of Telecinco Group's corporate structure and investment and financing policy, (iii) approval of the corporate governance policy, (iv) supervision of the Corporate Social Responsibility policy, (v) approval of executive directors' remuneration policy and the main conditions to be met by their contracts, (vi) evaluation of the executive directors' performance, (vii) follow-up of the risk control and management policy as well as internal information and control systems, (viii) approval of Telecinco's treasury stock policy, (ix) it shall be informed of the termination and appointment of the senior managers and of hiring conditions thereof, (x) approval of periodical financial information to be published by Telecinco, (xi) approval of the creation or acquisition of shareholdings in special-purpose entities or entities established in tax haven countries or territories as well as any other dealings that may affect the Group's transparency, (xii) authorization of Telecinco's related-party operations, except for the cases mentioned in Recommendation No. 8 and incorporated hereto.</p> <p><u>Article 7.-</u> Creation of value: As regards the criteria governing the acts by the Board of Directors and the way it performs its functions, the following has been included: independence of its actions, the obligation to provide the same treatment to all shareholders, to comply in good faith with its obligations and agreements, to see that the relations with its groups of interest abide by the laws and regulations and meet the accepted principles of additional corporate responsibility. (Recommendation No. 7).</p>

Article 9.- Qualitative composition of the Board of Directors: The definitions of executive directors, directors representing substantial shareholders and independent directors as contained in the Unified Code have been included; Recommendation No. 13 has been introduced so that the capacity of each director may be explained by the Board of Directors before the Annual General Meeting, which shall effect or ratify its appointment, and shall be confirmed or, as the case may be, annually reviewed in the Annual Corporate Governance Report, upon verification by the Appointments and Remuneration Committee. Likewise, the Annual Corporate Governance Report shall explain the reasons why, as the case may be, directors representing substantial shareholders have been appointed upon request by shareholders not holding a significant shareholding in the share capital. The Annual Corporate Governance Report shall also state the reasons why, as the case may be, formal requests to be part of the Board of Directors filed by shareholders whose shareholding is equal to or greater than that of others upon whose request directors representing substantial shareholders were appointed have not been met.

This article also includes Recommendation No. 11 establishing that, in the case where there are other outside directors who are not considered as directors representing substantial shareholders or independent directors, Telecinco shall be under the obligation to explain these circumstances and their relation with the management, the shareholders or itself.

Article 10.- Appointment of directors: For the appointment of new directors, the article required a prior report by the Appointments and Remuneration Committee; at present, new independent directors shall be appointed upon request by the Committee mentioned above. (Recommendation No. 26).

Article 12.- Designation of directors: Telecinco's obligation to establish orientation programmes on the Company and its Group and the rules of the Corporate Governance for new members of the Board of Directors is added. (Recommendation No 24).

Article 13.- Term of office: The independent director's term of office is limited to a period of twelve (12) years. (Recommendation No 28).

Article 14.- Termination of directors' office: Several modifications have been introduced: (i) on the one hand, should any of the directors cease to hold office before the completion thereof, Telecinco's obligation to publicly inform the reasons originating this decision is established. (Recommendation No 33); (ii) the obligation of reducing the number of directors representing the substantial shareholders in proportion to the percentage of the share capital sold by the shareholder represented by them (Recommendation No. 29); (iii) and, last, the Board of Directors may only propose the independent director's termination of office upon non-compliance with the conditions required under the Unified Code to act in such capacity, which the Regulations have been incorporated into their articles. (Recommendation No 30).

Article 16.- Chairman of the Board of Directors: Its obligations include providing all directors sufficiently in advance of the Board of Directors' meetings with all the necessary information on the items of the Agenda to be transacted. (Recommendation No 15).

Article 18.- Secretary and Vice-secretary of the Board of Directors: The changes introduced cover their appointment and termination, which must be informed by Telecinco's Appointments and Remuneration Committee and approved by the Board of Directors. Likewise, the modifications have extended their obligations by requiring them to register in the Minutes any unsolved issue and to guarantee that the agreements of the Board of Directors adjust to the spirit of Telecinco's Laws and Regulations, are consistent with Telecinco's Articles of Association and Regulations and to consider the corporate governance recommendations applicable at any relevant time. (Recommendation No 17).

Article 23.- Board of Directors' meetings: By virtue of the latest modifications, the Board of Directors shall periodically evaluate its performance and that of their Committees. (Recommendation No 21).

Article 24.- Call for Board of Directors' meeting: Apart from the requirements already set forth, any of the Directors, may propose the transaction of any item not originally provided for in the Agenda. (Recommendation No 18).

Article 27.- Board of Directors' minutes: The Minutes shall incorporate any concerns expressed by directors or the Secretary on any of the issues not solved during the session. (Recommendation No 20).

Article 28.- Directors' remuneration: To incorporate the recommendations of the Unified Code in this regard, the remuneration system adopted by the Articles of Association and the Regulations has been modified. Major modifications have been introduced in the Articles of Association, which serves as reference to establish the directors' remuneration system. The Regulations directly refer to the Articles of Association. However, the changes in the Regulations establish that the directors' remunerations shall be consistent with their commitment to Company, and that the executive directors' remuneration related to the Company's performance shall take into consideration the qualifications included in the Audit Report which reduce the Company's results. (Recommendation No. 34 and following.).

Article 31.- Directors' general obligations: Their obligations have been extended to include the obligation to inform the Board of Directors of criminal cases in which they are the accused party and the status of the proceedings thereof, the obligation to inform the Appointments and Remuneration Committee of its remaining professional obligations and particularly of other Board of Directors in which they may participate. (Recommendation No 31).

Article 36.- Communication duties: Those mentioned in the section above have been included: communication of pending criminal cases and other

professional obligations.

Article 41.- Website: The website shall include any information on the directors mentioned in Recommendation No. 27.

Describe the procedures for appointing, re-electing, evaluating and dismissing directors:

As stated above, there have been a great number of thorough modifications in line with our commitment to continue our progress in terms of corporate governance, adapting the Board of Directors' Regulations as far as possible to the new recommendations, in addition to those adopted.

B.1.19 Describe the procedures for appointing, re-electing, evaluating and dismissing directors. Mention the responsible governing bodies, the procedure to be followed and the criteria to be used in each case.

The processes for the appointment, re-election, evaluation and removal of directors set forth in the Articles of Association, the Board of Directors' Regulations, and the Appointments and Remuneration Committee, as recently approved, have been significantly modified to conform to the Unified Code. Some of these processes have already been commented on. Before going into details, we will briefly highlight the most important modifications:

- Appointment and termination of Secretary and Vice-Secretary's office: They shall be informed by the Appointments and Remuneration Committee and approved by the Board of Directors.
- Termination of directors' office: Telecinco's obligation to publicly inform the reasons deriving in the termination of some incumbent director before completion of its office.
- Obligation by directors representing substantial shareholders to resign in proportion to the percentage of share capital sold by the shareholder represented by them.
- Independent directors may only be proposed to cease to hold office before the completion thereof where they fail to comply with the conditions set forth by the Unified Code to act in said capacity.
- Extended functions of the Appointments and Remuneration Committee: It shall prepare a report prior to the appointment of new directors and propose the appointment of new independent directors.
- Limitation to 12 years of independent directors' term of office.
- New definitions of directors representing substantial shareholders and independent directors have been introduced as well as the obligation to review on annual basis compliance therewith.
- Independent directors not complying with the conditions set forth to act in said capacity shall be removed from their position.
- Diversity of gender: There is an obligation by the Appointments and Remuneration Committee to ensure that, upon the need to fill in new vacancies, the selection of female directors is not hindered. The search for women meeting the professional profile sought must be encouraged.

The procedure for the appointment, selection, re-election and removal of Telecinco's directors is clearly governed by the Articles of Association and the Board of Directors' Regulations and the new Regulations of the Appointments and Remuneration Committee.

The body with jurisdiction to appoint and remove directors is the Annual General Meeting, except that appointment shall be through the proportional system described in the Companies Act, at the proposal of the Board of Directors and with the report and advice of the Appointments and Remuneration Committee.

The Regulations of the Appointments and Remuneration Committee, based on the Unified Code, includes the areas of jurisdiction of the Appointments and Remuneration Committee with regard to the appointment, re-election and evaluation of the directors as well as members of senior management.

Article 5 of the Regulations establishes the obligation by the Appointments and Remuneration Committee to:

- Protect the integrity of the selection process for directors and senior executives, defining the profile (knowledge, experience and skills) of the candidates and in particular, making proposals to the Board with regard to the appointment and removal of Directors, either by co-optation, at the proposal of the Board to the Annual General Meeting, and proposing to the Board which members should belong to each of the Committees. In the case of independent directors, the appointment shall be made upon proposal by the Committee.

- Advise the Board of Directors on the succession of the Chairman and Chief Executives of the company, formulating the suggestions it deems pertinent.

- Inform the Board of Directors of the appointment and termination of Telecinco's senior managers.

- Inform the Board of Directors of matters of gender diversity, assuring that new selection procedures initiated upon the event of new vacancies do not hinder the selection of female directors. The Committee shall furthermore motivate the company to search for and include in the list of candidates women who meet the professional profile sought.

- Advise the Board of Directors on the removal and propose the appointment of the Secretary and, if applicable, the Vice Secretary.

As such, proposed appointments of directors submitted to the Annual General Meeting by the Board of Directors and decisions adopted by the Board with regard to appointment, by virtue of its powers of co-optation, shall be preceded by the corresponding report from the Appointments and Remuneration Committee. The report shall assign the new director to one of the categories contemplated in the Regulations of the Board of Directors. In the event the Board decides not to follow the recommendations of the Appointments and Remuneration Committee, it shall state its reasons for this decision, leaving them recorded in the minutes.

In this regard, the Board of Directors and, within the sphere of its jurisdiction, the Appointments and Remuneration Committee, shall see that the candidates proposed to the Annual General Meeting, and the appointments made directly to cover vacancies exercising its powers of co-optation, fall on individuals of recognized solvency, competence and experience, especially when dealing with the appointment of independent directors. In any event, a description of the professional experience of the candidates is required, emphasizing the circumstances that justify their appointment as independent.

In no case shall companies, either national or alien, of the competing audiovisual sector and its directors or senior management be appointed as directors, unless said companies form part of the same group to which Gestevisión Telecinco S.A. belongs. Neither shall individuals that are in any other way incompatible or prohibited as set in the general provisions of the regulation.

The Board of Directors shall assure that outside or non-executive directors represent a majority over executive directors, and further that the Board includes a reasonable number of independent directors. The Board shall furthermore assure that the majority group of outside directors includes independent directors and directors representing substantial shareholders.

With regard to removal, in addition to the cases set by Law, directors shall submit their resignation to the Board of Directors in the cases listed in the following section of this Report.

B.1.20 Mention the circumstances in which directors are required to resign.

As mentioned in the preceding paragraph of this report, there have been many modifications to incorporate the greatest number of recommendations into the Articles of Association and the Board of Directors' Regulations.

In the case of resignations, apart from those already provided for, the new introductions have extended the need for directors representing the shareholders and independent directors to resign in the events mentioned in items f) and g) below:

In addition to the causes of incompatibility mentioned in the section above (directors of national or alien companies of the competitor audiovisual sector and their directors or senior management, except when said companies form part of the same group to which Gestevisión Telecinco S.A. belong; individuals who comply with any of the other causes of incompatibility which prohibit their acting as directors, as regulated in the general provisions), directors shall place their position at the disposal of the Board of Directors and formalize, if deemed appropriate, the corresponding resignation in the following cases:

(a) When they reach 70 years of age. Their removal as director and resignation from their position shall occur during the first meeting of the Board of Directors held after the Annual General Meeting which approves the financial records for the financial year in which the director reaches said age.

(b) When they have been removed from the executive positions associated with his appointment as director;

(c) When incurred in any of the conditions of incompatibility or prohibition applicable;

(d) When the Appointments and Remuneration Committee issues a serious warning for infringing their obligations as directors;

(e) When remaining on the Board may endanger the interests of Telecinco or when the reasons for which he was appointed (for example when a director representing a substantial shareholder disposes of his shareholding in the company) disappear);

(f) Where the shareholder represented by them wholly sells or reduces its shareholding in Telecinco below the relevant threshold; in this case, the number of resignations shall be proportional to the reduction in the shareholding;

(g) The Board of Directors may propose the termination of any independent director before expiration of the term of office established under the Articles of Association only where there exists reasonable cause; reasonable cause shall be deemed to exist where a director fails to comply with the duties inherent to its position or falls under any of the grounds contemplated in the Regulations which prevent it from being appointed independent director.

For more information, see article 15 of the Board of Directors' Regulations.

B.1.21 Explain whether the chairman of the board also performs the duties of chief executive officer. If so, mention the measures taken to limit the risk of accumulation of power in a single person:

Yes + No +

Actions limiting risks

State and, where applicable, explain whether regulations have been established to allow one of the independent directors to call a Board of Directors' meeting or include new items in the agenda, to coordinate and get involved in the concerns of the outside directors and to direct the evaluation by the Board of Directors.

Yes + No

Explanation of regulations
<p>Article 24 of the Board of Directors' Regulations has been modified so as to provide that not only independent directors but any of the members of the Board of Directors may call for a meeting or include new items in the Agenda.</p> <p>Petitions shall be made in writing, electronically or by fax, and shall be addressed to the Secretary and the Chairman of the Board of Directors. The reasons for the petition shall be filed accompanied by a brief explanation. Immediately afterwards, notice shall be given to the remaining directors and a date for the meeting shall be set.</p> <p>The process for the evaluation of the directors, including the obligation in Article 23 of the Regulations, as amended, is commenced and coordinated from the Appointments and Remuneration Committee, to which any relevant petition and comment shall be made. (Article 5 of the Appointments and Remuneration Committee's Regulations).</p>

B.1.22 Is there any type of decision for which a special majority is required, other than those foreseen by law?

Yes No +

Describe how resolutions are approved by the Board of Directors, mentioning at least the quorum required to hold the meeting and the type of majority required for approving resolutions:

Approving resolutions		
Type of resolution	Quorum	Type of majority
Ordinary	Board of Directors will be validly constituted when the majority of its members attend, present either personally or through a representative.	Absolute majority of the directors who are present personally or by proxy.

B.1.23 State whether there are any special requirements to be met to be appointed chairman, other than those for directors.

Yes No

Description of requirements

B.1.24 State whether the chairman has a casting vote:

Yes No

Issues where the chairman has a casting vote

B.1.25 State whether there is any age limit for directors under the articles of association or Board Regulations:

Yes No

Age limit for chairman 70 years

Age Limit for chief executive officer 70 year Age limit for directors 70 years

B.1.26 Mention whether the articles of association or the regulations of the Board provide for any limit on the term in office of independent directors:

Yes No

Maximum number of years in office	12 years

B.1.27 Should the number of female directors be scarce or null, explain the reasons and initiatives adopted to correct this situation.

Explanation of reasons and initiatives
There is no female director at Telecinco's board of directors. The initiatives adopted during year 2007 to correct this situation have been introduced in the Appointments and Remuneration Committee's Regulations should a

vacancy arise. The Regulations incorporate the obligation to inform the Board of Directors of issues relating to gender diversity, ensuring that, upon offering new vacancies, the selection procedures do not hinder the selection of female directors. Likewise, the Committee shall encourage Telecinco to search for and include in the list of candidates women meeting the professional profile sought

Particularly, state whether the Appointments and Remuneration Committee has established procedures so that the selection processes lack implied slants hindering the selection of female directors and deliberately search for female candidates meeting the profile sought:

Yes No

State main procedures

B.1.28 State whether there are any formal procedures for granting proxies for voting in the Board of Directors. If so, briefly describe them.

The Regulations of the Board of Directors provide that the directors shall do their best to attend board meetings personally. If they cannot attend, they may grant proxies only to other directors. The proxies must be in writing and specifically for each meeting. A director may hold proxies for several other directors at the same time.

B.1.29 Mention the number of meetings held during the year by the Board of Directors. Also indicate, if relevant, the times that the Board has met without the presence of the Chairman:

Number of Board meetings	6
Number of Board meetings from which the Chairman has been absent	None

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

Number of meetings of the Executive or Delegate Committee	5
Number of meetings of the Audit Committee	4
Number of meetings of the Appointments and Remuneration Committee	4
Number of meetings of the Appointments Committee	
Number of meetings of the Remuneration Committee	

B.1.30 State the number of meetings held by the Board of Directors during the year without all its members being present. For the purposes of calculation, any proxy which fails to meet specific instructions shall be considered as non-attendance:

Number of times directors have not attended during the year	6
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% of non-attendance out of total votes during the year	7.69%
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B.1.31 State whether the individual and consolidated annual accounts are certified prior to being submitted for approval by the Board:

Yes No

Mention the person or persons who have certified the individual and consolidated annual accounts of the Company prior to being submitted for approval by the Board:

Name	Position

B.1.32 Describe any procedures instituted by the Board of Directors to prevent an audit report with qualifications from being submitted to the Annual General Meeting concerning the individual and consolidated accounts.

To the current date, Telecinco's Annual Accounts, both individual and consolidated, have never been presented with qualifications. In any event, there are mechanisms to prevent this from happening.

The individual and consolidated annual accounts, as well as the financial statements, breakdowns and additional information are prepared by the Financial Division of the Company and are examined by the Audit and Compliance Committee to ensure compliance with the statutory requirements and that the accounting principles applying in Spain as well as International Financial Reporting Standards (IFRS) are applied correctly.

Besides, the Committee acts as a channel of communication between the Board of Directors and the Auditors, evaluating the results of each audit and the management response to their recommendations, as well as mediating as an arbitrator, if necessary, when there is any disagreement between management and auditors on the criteria applying to the financial statements.

The Regulations of the Audit and Compliance Committee includes the following among its functions. To: "Act as a communications channel between the Board of Directors and the Auditor, evaluate the results of each audit and response of the Telecinco management staff to its recommendations, and mediate and act as arbiter in the event of discrepancies between Telecinco management and the auditor with regard to the principles and criteria applicable in preparing the financial statements. It shall see that the accounts prepared by the Board of Directors are not subject to any qualifications by the auditor."

B.1.33 Does the Secretary of the Board have the status of director?

Yes No

B.1.34 Explain the procedures for the appointment and termination of the Secretary of the Board, stating whether its appointment and termination

have been informed by the Appointments Committee and approved by the meeting of the Board.

Appointment and termination procedure
In order to incorporate Recommendation 17 of the Unified Code and guarantee the impartiality and objectivity of the Secretary of the Board of Directors of Telecinco, the process of appointment and termination has been modified (article 17). Following this modification, it is necessary for both the appointment and termination to be reported to the Appointments and Remuneration Committee before being approved by the Board. As indicated previously, the current Secretary is not a member of Telecinco's Board of Directors.

	<u>Yes</u>	<u>No</u>
Did the Appointments Committee announce the appointment?	+	
Did the Appointments Committee announce the termination?	+	
Did the Board meeting approve the appointment?	+	
Did the Board meeting approve the termination?	+	

Is the secretary of the Board entrusted with specifically monitoring good governance recommendations?

Yes + No

Comments
Article 18 of the Regulations of the Board of Directors, modified in the year 2007, include among the Secretary's obligations monitoring to ensure that the actions of the Board follow the letter and spirit of the Law and the Regulations, conform to Telecinco's Articles of Association and Regulations and have present the good governance recommendations contained in the Unified Code or in any other code approved by the CNMV (Spanish stock market regulatory body).

B.135 Describe any procedures implemented by the Company to protect the independence of the auditors, financial analysts, investment bankers and rating agencies.

The independence of Telecinco and its Group's auditor is guaranteed by means of the control and follow-up conducted by the Audit and Compliance Committee and ultimately by the Board of Directors.

According to the Audit and Compliance Committee's Regulations, one of the functions of the Committee is that of being in charge of any matters related to the Group's external auditor. Apart from proposing to the Board of Directors the auditor's appointment, hiring conditions, duration of professional activities and termination or non-renewal of its appointment, the Committee is also the communications channel between the auditor and Telecinco. If necessary, it shall be in charge of receiving information on issues which may endanger its independence, though this has not occurred to date.

The Committee is also in charge of authorising any contracts between the auditor and Telecinco outside the scope of accounts auditing and shall not propose the

appointment of any auditing firm when fees payable by Telecinco to the auditor exceed 5% of its total revenues for the previous fiscal year.

There exist different mechanisms guaranteeing the independence of financial analysts, investment bankers and rating agencies, through the simultaneous publication and distribution of quarterly results. The publication consists of a detailed release with key highlights and events for the period and a graphic presentation of the company's main activities and areas of interest. Firstly, the release in Spanish is filed with the Spanish Securities Market Regulator (CNMV), for subsequent distribution through the entity's website. When the release is posted on the CNMV's website, the company posts the same information, both in Spanish and English, in its own website (www.inversores.telecinco.es), in the investor relations section. Additionally, and in parallel to publication on Telecinco's website, the presentations in Spanish and English are e-mailed to those shareholders, institutional investors and analysts who request it.

After publication, results are usually presented through a conference call and webcast so that shareholders, institutional investors, and analysts so requiring may have precise information on the activities and results, as well as the opportunity to pose questions to the Company's management team for it to clarify doubts not explained during the presentations. This conference call shall be recorded and published on the Company's website in the investor relations section for a term of three months following the event.

In the case of communication of any relevant event related to the Company, this event shall be notified to the CNMV and then published on Telecinco's website. It shall be simultaneously sent by e-mail to all shareholders, institutional investors, and analysts.

B.1.36 State whether, during the year, the Company has changed its external auditor. If yes, identify the outgoing and incoming auditor:

Yes No

Outgoing auditor	Incoming auditor

In the event of disagreements with the outgoing auditor, explain them:

Yes No

Explanation of disagreements

B.1.37 State whether the audit firm performs non-audit work for the Company and/or its Group and, if so, mention the fees paid for such work in absolute figures and as a percentage of the total fees charged to the Company and/or its Group:

Yes No

	Company	Group	Total
Fees paid for non-audit work (in thousands of euros)	31	-	31
Fees paid for non-audit work as a percentage of the total fees charged by the audit firm (%)	11.61%	-	8.81%

B.1.38 State whether the audit report on the Annual Accounts for the previous year shows reservations or qualifications. If yes, state the reasons provided by the Chairman of the Audit Committee explaining the contents and scope of these reservations or qualifications.

Yes

No

Explanation of reasons

B.1.39 For how many years has the current audit firm been continuously auditing the annual accounts of the Company and/or its Group? Also give the number of years that the Company has been audited by the current audit firm as a percentage of the total number of years since the Company's annual accounts are being audited:

	Company	Group
Unbroken number of years	11	11

	Company	Group
Number of years audited by the current audit firm as a percentage of the total number of years since the Company is being audited	91.666	91.666

B.1.40 List the shareholdings of Company directors in companies engaging in a similar, analogous or comparable business as that which is the corporate purpose of the Company and its Group, which have been reported to the Company. Also mention the positions or duties they have in those companies:

Name or company name of the director	Name of the company in question	% shareholding	Position or duties
Mr. Alejandro Echevarría Busquet	Vocento, S.A.	0.1236%	Director
Mr. Alejandro Echevarría Busquet	Diario ABC, SL	0.0002%	Director
Mr. Alejandro Echevarría Busquet	Sociedad Vascongada de Publicaciones, SA	0.172%	Director
Mr. José M ^a Bergareche Busquet	Vocento, S.A.	0.006%	Senior Vice Chairman
Mr. José M ^a Bergareche Busquet	Sociedad Vascongada de	0.2780%	Vice Chairman

B.1.41 State whether there is any procedure for directors to receive external advice and, if so, describe it:

Yes +

No

Explanation of the procedure
<p>The Board of Directors' Regulations and the Audit and Compliance Committee's Regulations establish the mechanisms for any director to call for external audit services. Thus, the director willing to be assisted in the exercise of its functions may request the hire of legal, accounting, technical, financial, commercial or any other kind of consultancy service at Telecinco's cost. The assistance requested shall only deal with specific problems of a given relevance and complexity.</p> <p>The mechanism set forth is started upon an application by the director filed through the Board of Directors' Chairman or Secretary. This request may only be rejected on reasonable grounds, including:</p> <ul style="list-style-type: none"> (a) a) If the request for and assistance from experts are not necessary for the proper performance of duties entrusted to directors. (b) If the associated cost of expert assistance is unreasonable considering the importance of the problem and Telecinco's financial situation. (c) If the technical assistance which could be offered can be adequately provided by experts and specialists within Telecinco. (d) If for reasons of confidentiality it is not advisable that the expert in question have access to sensitive information.

B.1.42 State whether there is any procedure for directors to receive the information they need to prepare for meetings of the Board and its committees in good time:

Yes +

No

Explanation of the procedure
<p>The procedure ensuring that all directors receive the necessary information to prepare for meetings of the Board and its committees is set forth in the Regulations of the Board of Directors (article 16). In 2007, the procedure has been strengthened by incorporating the obligation to ensure that all directors receive the information they may need for these meetings sufficiently in advance into the Chairman's duties.</p> <p>The procedure, now guaranteed by the direct oversight of the Chairman, begins with the meeting notice itself: article 24 establishes that the notice will always include the agenda for the meeting with the relevant information attached, duly prepared and summarized. The notice and relevant information will be sent five (5) days in advance.</p> <p>Article 29 further amplifies the director's right to receive not just information referring to the agenda of the meeting of the board, but any aspect of Telecinco, including examining its books, records, documents and other background to corporate operations. The possibility of inspecting the facilities, as well as communicating with Telecinco's management at any time, is also included.</p>

The mechanism to exercise the said powers shall be channelled through the chairman, the chief executive officer, or the Secretary to the Board of Directors, who shall satisfy the requests by directly providing the information, offering the appropriate interlocutors at the organizational level or arbitrating the measures, so that the desired examination and inspection can be performed in situ.

The procedures intended to guarantee that the directors receive information on a timely manner are clearly established in the Regulations, but, apart from these mechanisms, the directors' general obligations include that of being aware of Telecinco's performance and adequately prepare the Board of Directors' meetings and the meetings of the committees in which they participate.

B.1.43 State and, if applicable, detail whether the Company has established rules forcing its directors to inform of and, if applicable, resign upon, events which may adversely affect the Company's credit and reputation:

Yes + No

Explanation of the rules
Articles 31 and 36 of the Board of Directors' Regulations, as amended in 2007 to include new recommendations on corporate governance, establish a two-way obligation: by the directors, the obligation to inform about any criminal case in which they are the accused party as well as the status of the proceedings, and by Telecinco, the obligation to communicate in the Annual Corporate Governance Report any criminal proceedings of which it has become aware.

B.1.44 State whether some member of the Board of Directors has informed the Company that it has been formally accused or that an order for the commencement of oral proceedings against it has been issued for some of the crimes mentioned in Section 124 of the Limited Companies Act:

Yes No +

Name of director	Criminal case	Comments

State whether the Board of Directors has analysed the case. If yes, explain in a reasonable manner the decision made on whether it is convenient or not for the director to remain in office.

Yes No

Decision made	Reasonable explanation
May/ May not remain in office	

B.2. Board committees

B.2.1 Provide details of all the Committees of the Board of Directors:

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Type
Mr. Alejandro Echevarría Busquet	Chairman	Director representing substantial shareholders
Mr. Paolo Vasile	Director	Executive director
Mr. Giuseppe Tringali	Director	Executive director
Mr. Fedele Confalonieri	Director	Director representing substantial shareholders
Mr. Giuliano Adreani	Director	Director representing substantial shareholders
Mr. José M ^a Bergareche Busquet	Director	Director representing substantial shareholders
Mr. Miguel Iraburu Elizondo	Director	Independent director

AUDIT COMMITTEE

Name	Position	Type
Mr. Ángel Durández Adeva	Chairman	Independent director
Mr. Fedele Confalonieri	Director	Director representing substantial shareholders
Mr. Giuliano Adreani	Director	Director representing substantial shareholders
Mr. José M ^a Bergareche Busquet	Director	Director representing substantial shareholders
Mr. Marco Giordani	Director	Director representing substantial shareholders
Mr. Alfredo Messina	Director	Director representing substantial shareholders

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Mr. Miguel Iraburu Elizondo	Chairman	Independent director
Mr. Fedele Confalonieri	Director	Director representing substantial shareholders
Mr. Guiliano Adreani	Director	Director representing substantial shareholders
Mr. José M ^a Bergareche Busquet	Director	Director representing substantial shareholders

APPOINTMENTS COMMITTEE

Name	Position	Type

REMUNERATION COMMITTEE

Name	Position	Type

_____ COMMITTEE

Name	Position	Type

B.2.2 State whether the below functions are under the Audit Committee's remit:

	Yes	No
Supervise the process for the preparation and integrity of financial information on the Company and the Group and, if applicable, review compliance with statutory requirements, adequate limitation of the scope of consolidation and proper application of accounting criteria.	+	
Periodically review internal risk management and control systems so as to identify, manage and properly inform the main risks.	+	
See to the independence and effectiveness of the internal audit functions; Propose the selection, appointment, re-election and dismissal of the head of the Internal Audit Department; propose a budget for that service; receive periodic information on its activities; and verify that the senior management considers the conclusions and recommendations of its reports.	+	
Establish and supervise a mechanism allowing employees to communicate, in a confidential manner and, if applicable, anonymously, any potentially important irregularities, particularly financial and accounting irregularities, detected in the Company.	+	
File with the Board of Directors any proposal for the selection, appointment, re-election, and replacement of the external auditor as well as the hire conditions thereof.	+	
Regularly receive from the external auditor information on the audit plan and the results for the year and verify that the senior management considers its recommendations.	+	
Ensure the independence of the external auditor.	+	
In the case of groups, cause the group's auditor to assume liability on the audits of the companies which make it up.	+	

- B.2.3 Describe the organization and operating rules as well as the responsibilities allocated to each of the committees of the Board of Directors.

EXECUTIVE COMMITTEE

Composition:

The Committee is comprised of seven (7) members, all directors of Telecinco, appointed by the Board of Directors by a majority vote of at least two thirds of the members.

In any case, the chairman of the Board of Directors and the chief executive officers shall be members of the Committee, being the Secretary the Secretary to the Board of Directors. Members shall be renewed in the time, form and number decided on by the Board.

Functioning:

The Committee shall meet at least four (4) times per year and as many other times as the chairman considers appropriate. The chairman may also decide to suspend any of the ordinary meetings when he considers it appropriate. The Executive Committee shall have all the powers inherent to the Board, except those which cannot be delegated. Resolutions adopted by the Executive Committee are referred to the Board of Directors at its first meeting.

The Articles of Association and the Regulations of the Board shall apply to the Executive Committee, insofar as they are not incompatible with its specific nature.

Sphere of influence:

The Executive Committee shall have all the powers inherent to the Board, except those which pursuant to law or the bylaws cannot be delegated.

Minutes were prepared for all meetings held by the Executive Committee during the 2007 financial year, and reported to the Board of Directors.

AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is regulated by the Regulations of the Board of Directors and by its own Regulations, which were approved in 2006 and include the functions previously extended with the recommendations of the Unified Code. As a result, the functioning, organization and responsibilities of the Committee are regulated as follows:

Composition:

The Committee is comprised of six (6) outside directors, all appointed by the Board of Directors.

The Chairman of the Committee is appointed by the Board from among its independent members, and shall be substituted every four years. He may be re-elected after one year has passed from his removal.

The independent director acting as chairman shall be an accredited expert in accounting, auditing and risk management.

The Committee also has a secretary who is not a member, appointed by the Committee.

Functioning:

The Audit and Compliance Committee shall meet at least once per quarter and whenever deemed appropriate, upon notice from the Chairman, on its own decision, or in response to three (3) of its members, members of the Executive Committee or the Board of Directors. It shall in any case meet when the Board of Directors requires it to do so to issue reports, present proposals or adopt agreements.

One of its meetings shall be dedicated to evaluating the efficiency of and compliance with the Telecinco rules of governance and procedures, and to prepare the information to be approved by the Board of Directors and included as part of the annual public documentation.

Notice shall be given maximum seven (7) days in advance, and in any case minimum forty eight (48) hours in advance, and may be sent by fax, telegram, or e-mail.

Without prejudice to the foregoing, the Audit and Compliance Committee shall be constituted with no need for notice if all the members are present either personally or by representation, and unanimously accept that the meeting be held and the points listed on the agenda heard.

When circumstances justify, the Chairman may call a meeting of the Audit and Compliance Committee by telephone and the advance notice and other requirements indicated above shall not apply.

Meetings of the Audit and Compliance Committee shall be held in the legal offices of the company, or in any other place decided on by the Chairman and stated in the notice.

Sphere of influence:

Regarding the external auditor:

The Audit and Compliance Committee shall be responsible for all matters related to the external auditor of the Telecinco Group, and specifically shall:

- a) Propose that the Board of Directors appoint an accounts auditor, specifying the conditions for his hiring, length of his professional duties, and if applicable, the cancellation or non-renewal of the appointment. The Audit Committee shall abstain from proposing the appointment of any audit firm when it is aware (i) that it is incompatible pursuant to current audit legislation, or (ii) that the fees anticipated to be

paid by the Company for all concepts exceed five percent (5%) of its total income during the financial year.

The Audit and Compliance Committee shall propose the same accounts auditor for Telecinco and for companies in the Telecinco Group.

In the event the auditor resigns, the Committee shall examine the reasons for it.

b) Act as a communications channel between the Board of Directors and the Auditor, evaluate the results of each audit and response of the Telecinco management staff to its recommendations, and mediate and act as arbitrator in the event of discrepancies between Telecinco's management and the auditor with regard to the principles and criteria applicable in preparing the financial statements. It shall see that the accounts prepared by the Board of Directors are not subject to any qualifications by the auditor.

c) The Audit and Compliance Committee shall propose any follow up on the recommendations issued by the auditor, unless the Committee considers that it should keep its own criteria, in which case it shall explain the content and scope of its discrepancy.

d) Supervise compliance with the auditors' contract and see that the auditor's opinion on all financial statements and principal contents of the auditor's report are drafted clearly and precisely;

e) Maintain contact with the accounts auditor to receive information on any matters that may place the auditor's independence at risk, and any other matters related to the account auditing process, as well as receive information and maintain with the accounts auditor the communications specified in audit law and technical audit standards;

f) Supervise the independence of the accounts auditor, paying special attention to circumstances or matters that may present a risk to said independence and to any others related to the process carried out by the accounts auditor.

g) Verify that the accounts auditor respects current legislation regarding the provision of services other than audit service, the limits to the concentration of the auditor's business and any other standard that may represent a risk to his independence.

h) Verify that Telecinco reports the change of the accounts auditor to the CNMV as a relevant fact, accompanying, as applicable, a declaration with any possible discrepancies with the existing auditor and their content.

i) The Audit and Compliance Committee shall authorize contracts between the company and the accounts auditor for any activities outside those of account auditing.

Regarding the financial information:

The Audit and Compliance Committee shall see that the financial information, both periodic and annual, complies with all legal requirements, and is responsible for and shall:

- a) Supervise the accounts of Telecinco and its Group, in compliance with legal requirements and the correct application of accounting principles used in Spain and International Accounting Standards (IAS), and issuing opinions on management proposals to modify accounting principles and criteria;
- b) Supervise periodic as well as annual financial information prior to its publication, to ensure that it is provided to the markets and their supervising bodies, and see that it is prepared in accordance with the same principles and practices as the annual accounts;
- c) Supervise the correct delimitation of the scope of consolidation of the Telecinco Group.

With regard to internal control and relations with the Internal Audit Department:

The Audit and Compliance Committee shall oversee the correct functioning of the internal control and information systems, and shall supervise the functioning of the Internal Audit Department of Telecinco. In connection with this, it shall:

- a) Propose the selection, appointment and re-election and removal of the person responsible for the Telecinco Internal Audit Department.
- b) Oversee that the Internal Audit Department performs its functions with full freedom and independence, assuring that the Telecinco management takes its recommendations into account.
- c) Periodically learn of the actions and studies performed by the Internal Audit Department and propose its budget.
- d) Approve the Annual Internal Audit Plan as well as any other additional plan required in response to the needs of the organization. The person responsible for the Internal Audit Department shall inform the Committee of the development and possible incidents regarding its execution, and shall present a report of its activities at the end of each financial year. The Annual Plan shall be submitted to the Board of Directors for approval, with appropriate publicity.
- e) Be informed of the extent to which the different departments comply with the recommendations of the Internal Audit Department, informing the Board of Directors of cases which may present a risk to Telecinco or its Group.
- f) Review compliance with the actions and measures resulting from the reports or inspection activities of the supervisory and control administrative authorities.

With regard to risk management and control policy:

The Audit and Compliance Committee is the body responsible for supervising and controlling the Telecinco policy regarding the identification, management and reporting of any possible risks, and in terms of said policy it is responsible for and shall:

- a) Determine the types of risk for Telecinco, both operating as well as technological, financial, legal, and any other, including contingent liabilities and other economic and financial risks.
- b) Set a risk level acceptable for Telecinco.
- c) If risks materialise, set mechanisms to precisely determine the measures to mitigate the impact of the risks identified.
- d) Establish internal communication and control measures to control and manage any risk.

With regard to transactions between related parties while these are not attributed to any other Committee, the Audit and Compliance Committee shall be responsible for proposing policies regarding this type of transactions, informing the Board of Directors of them. The policy on related-party transactions should be made public in the Annual Corporate Governance Report.

With regard to shareholders of Telecinco:

The Audit and Compliance Committee shall maintain a continuous flow of communications with the shareholders. In this sense it shall inform the Annual General Meeting of any matters presented by the shareholders which fall under its sphere of influence, as well as hear and, if applicable, respond to the initiatives, suggestions or complaints presented by shareholders with regard to the sphere of action of the Committee and which are submitted to it by the Board of Directors.

With regard to transparency and rules of corporate governance:

The Compliance and Audit Committee shall oversee compliance with transparency standards and application of the rules of corporate governance and corporate social responsibility, and as such shall be responsible for:

- a) Monitor and inform the Board of Directors on observance of the transparency standards.
- b) Supervise the company's compliance with the Internal Code of Conduct in the stock markets and, in general, rules of governance and propose any improvements necessary.
- c) Verify timely compliance with the rules in force relating to communicating Relevant Events.
- d) Advise the Board of Directors, in advance, of the creation or acquisition of shareholdings in special entities or those with domicile in countries or territories considered tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, could lessen the transparency of the group.
- e) Supervise compliance with the Telecinco Rules of Corporate Governance and Corporate Social Responsibility.

The functions stated above shall be merely consultative and for proposal, except for those established in Article 61.3 of the Corporate

Bylaws which provide that the Audit and Compliance Committee shall authorize contracts between Telecinco and the accounts auditor for activities other than accounts auditing, as well as any other matter established by the Annual General Meeting and the Articles of Association.

The Secretary has prepared minutes for all the meetings of the committee in 2007, which have been submitted to Telecinco's auditors and Board of Directors.

APPOINTMENTS AND REMUNERATION COMMITTEE

As with the Audit and Compliance Committee, in addition to the Regulations of the Board of Directors, there exists a specific Set of Regulations governing this Committee which includes all the existing recommendation as well as the new recommendations following the publication of the Unified Code.

Composition:

Members of the Appointments and Remuneration Committee will be appointed by the Board of Directors from among members with the knowledge and experience necessary.

The Appointments and Remuneration Committee shall be comprised of four (4) outside directors, and the Board of Directors will see that a balance will be maintained between directors representing substantial shareholders and independent directors. Without prejudice to the above, the executive directors and senior management shall attend the meetings if expressly requested to do so by the Committee.

The Chairman of the Appointments and Remuneration Committee shall be appointed by the Board of Directors from among its independent members, and shall be substituted every four years. He may be re-elected after one year has passed from his removal.

The Appointments and Remuneration Committee shall have a Secretary, who is not necessarily a member of it, but who may not be an executive director.

Members of the Appointments and Remuneration Committee shall be appointed and removed by the Board of Directors, and in any case shall resign simultaneous with their resignation as directors.

In the event of his vacancy, absence, or illness, the Chairman shall be substituted by the oldest member present; and the Secretary, as required, shall be substituted by the youngest member.

Functioning:

The Appointments and Remuneration Committee shall meet whenever deemed appropriate, upon notice from the Chairman, its own decision, or in response to three (3) of its members, members of the Executive Committee or the Board of Directors. In any event, the Committee shall

meet twice (2) per year to prepare the information regarding directors' remuneration, to be approved by the Board of Directors and included within the annual public documentation.

Notice shall be provided at least forty eight (48) hours in advance.

Without prejudice to the foregoing, the Appointments and Remuneration Committee shall be constituted with no need for notice if all the members are present either personally or by representation, and unanimously accept that the meeting be held and the points listed on the agenda.

When circumstances justify, the Chairman may call a meeting of the Appointments and Remuneration Committee by telephone and the advance notice and other requirements indicated above shall not apply.

Meetings of the Appointments and Remuneration Committee shall be held in the registered offices of the company, and in any other place decided on by the Chairman and stated in the notice.

Constitution and adoption of resolutions

The Appointments and Remuneration Committee shall be validly constituted with the attendance, either personal or through representative, of at least half plus one of its members; and resolutions shall be adopted by a majority vote of those attending.

In case of tie, the Chairman shall have the deciding vote. The members of the Committee may grant proxies to other members, with a maximum of two (2) proxies being held by any one member.

All members of the management team or the company's staff shall be required to attend the meetings of the Appointments and Remuneration Committee and to collaborate and provide access to information in their power, if requested. Any person not a member of Telecinco may also attend meetings of the Committee when considered appropriate.

The Secretary of the Appointments and Remuneration Committee shall take the minutes of each meeting, which shall then be reported to the Board of Directors.

Sphere of influence:

The spheres of influence of the Committee, of a consultative nature, are as the following:

- a) Protect the integrity of the selection process for directors and senior executives, defining the profile (knowledge, experience and skills) of the candidates and in particular, making proposals to the Board with regard to the appointment and removal of Directors, either by co-optation, at the proposal of the Board to the Annual General Meeting, and proposing to the Board which members should belong to each of the Committees.
- b) To advise on the dedication required from the directors in carrying out their duties.

- c) Advise on the number of directors who may form part of the Board of Directors. A report shall be issued by the Committee on members of the Board of Directors before they join the boards of directors of other companies.
- d) Collect information regarding other professional obligations of the Directors.
- e) Advise the Board of Directors of the succession of the chairman and top executives of the company, formulating the suggestions it deems pertinent.
- f) Inform the Board of Directors of the appointment and removal of members of senior management occurred within the company.
- g) To inform the Board of Directors about questions relating to gender diversity, ensuring that the selection procedures for filling new vacancies do not result an obstacle for the selection of female directors. The Committee shall furthermore motivate the company to search for and include in the list of candidates, women who meet the professional profile sought.
- h) Oversee compliance with rules regarding conflict of interest.
- i) Advise the Board of Directors on the removal and appointment of the Secretary.
- j) Oversee the compliance of the Directors with the obligations and duties established in the Regulations and in the Articles of Association.
- k) Oversee the transparency of remunerations and inclusion of information regarding remunerations to Directors in the Annual Report and Annual Corporate Governance Report, submitting all the information appropriate to the Board for said effect.
- l) Assist the Board of Directors in evaluating the Chairman of the Board and the top executives of the company, and specifically in setting and supervising the remuneration policy for directors and senior management, proposing the modality, procedures and amounts of annual remuneration to the Directors (including, as appropriate, proposed incentives such as stock option plans), periodically reviewing the remuneration programmes and seeing that remunerations paid to Directors comply with the criteria of moderation and are in accordance with the results of the company.
- m) Draft a report on Directors' Remuneration Policy, to be approved by the Board of Directors and presented to the Annual General Meeting.
- n) Advise the Board of Directors in assigning the deserved status to each director at the time of his appointment or renewal and review the said status on an annual basis at the time of preparing the Annual Corporate Governance Report.

As with the rest of committees, minutes were prepared for all meetings held by the Appointments and Remuneration Committee during the 2007 financial year, and reported to the Board of Directors.

B.2.4 Mention any advisory and consulting powers of the individual committees, and any authorities delegated in them:

Name of the committee	Brief outline
Executive Committee	See section B.2.3 above.
Audit and Compliance Committee	See section B.2.3 above.
Appointments and Remuneration Committee	See section B.2.3 above.

B.2.5 State whether the Committees of the Board of Directors have any regulations, where these may be consulted, and any changes made in the regulations during the year. Also state whether any annual reports have been voluntarily drawn up on the activities of the individual committees.

As mentioned in our Annual Report last year, during 2006, two new Regulations were passed for the Audit and Compliance Committee and the Appointments and Remuneration Committee, which regulations adopt the provisions on composition, functioning, and powers contained in the Board of Directors' Regulations and extended in the new Regulations after the approval of the Unified Code.

We have tried to provide a description of their contents in B.2.3. of this Report and both regulations are available for consultation on our website www.telecinco.es/corporate.

Likewise, and for the purposes of continuing our transparency commitment in the performance of our governance bodies a report for each of the committees has been prepared. These reports contain a description of the meetings held, the agreements adopted, attendances, etc.

B.2.6 State whether the composition of the executive committee reflects the participation of the various directors in the Board according to their status:

Yes + No

If not, explain the composition of the Executive Committee

C TRANSACTIONS WITH RELATED PARTIES

C.1 State whether the Board of Directors has reserved the power to approve, upon favourable report from the Audit Committee or any other committee entrusted with the task, the transactions the company may conduct with directors, significant shareholders, shareholders represented on the Board or with people linked to these shareholders:

Yes + No

C.2 Detail any material transactions involving the transfer of resources or liabilities between the company or Group member companies and major shareholders of the company:

Name of the individual or company who is a major shareholder	Name of the company or Group member company	Nature of the relation	Type of transaction	Amount (thousands of euros)
GRUPO MEDIASET	ARNOLDO MONDADORI EDITORE SPA	Contract	Purchase of goods	37
GRUPO MEDIASET	MEDIASET INVESTMENT SARL	Contract	Interests charged	1,492
GRUPO MEDIASET	MEDUSA FILM SPA	Contract	Purchase of intangible fixed assets	650
GRUPO MEDIASET	PUBLIEUROPE INTERNACIONAL LTD	Business	Receipt of services	419
GRUPO MEDIASET	PUBLIEUROPE INTERNACIONAL LTD	Business	Provision of services	340
GRUPO MEDIASET	PUBLITALIA 80	Business	Receipt of services	506
GRUPO MEDIASET	RETI TELEVISIVE ITALIANE SPA	Business	Provision of services	566
GRUPO MEDIASET	RETI TELEVISIVE ITALIANE SPA	Business	Receipt of services	292
GRUPO VOCENTO	BOCA BOCA PRODUCCIONES S.L.	Contract	Purchase of intangible fixed assets	9,466
GRUPO VOCENTO	CANAL BILBOVISIÓN, S.L.	Business	Receipt of services	246
GRUPO VOCENTO	DV MULTIMEDIA COMUNICACIONES Y SERVICIOS, S.L.	Business	Provision of services	22
GRUPO VOCENTO	INVERSOR EDICIONES S.L.	Contract	Collaboration agreements	1,678
GRUPO VOCENTO	INVERSOR EDICIONES S.L.	Business	Provision of services	14

GRUPO VOCENTO	SOCIEDAD GESTORA DE SERVICIOS PARA TELEVISIÓN, S.L.	Business	Provision of services	25
GRUPO VOCENTO	TELEDONOSTI, S.L.	Business	Provision of services	24
GRUPO VOCENTO	TELEDONOSTI, S.L.	Business	Receipt of services	82
GRUPO VOCENTO	TRIPICTURES, S.A.	Contract	Purchase of intangible fixed assets	11,036
GRUPO VOCENTO	TRIPICTURES, S.A.	Business	Provision of services	286
GRUPO VOCENTO	VIDEOMEDIA, S.A.	Contract	Purchase of intangible fixed assets	25,559
GRUPO VOCENTO	VOCENTO MEDIATRADER, S.L.U.	Business	Provision of services	203
GRUPO ENDEMOL	DIAGONAL TELEVISIÓN, S.A.	Business	Receipt of services	30
GRUPO ENDEMOL	GESTMUSIC ENDEMOL, S.A.	Business	Provision of services	157
GRUPO ENDEMOL	GESTMUSIC ENDEMOL, S.A.	Business	Receipt of services	5,148
GRUPO ENDEMOL	ZEPPELIN TELEVISIÓN, S.A.	Business	Provision of services	117
GRUPO ENDEMOL	ZEPPELIN TELEVISIÓN, S.A.	Business	Receipt of services	20,689

C.3 Mention any material transactions involving a transfer of resources or liabilities between the company or Group member companies and directors or senior managers of the company:

Name of the individual or company who is a director or senior manager	Name of the company or Group member company	Nature of the transaction	Type of transaction	Amount (thousands of euros)

C.4 Mention any material transactions between the company and other Group member companies which are not written off in drawing up the consolidated financial statements and do not form part of the company's ordinary business because of their scope or terms:

Name of the Group member company	Brief description of the transaction	Amount (thousands of euros)

C.5 State whether the members of the Board of Directors have been involved, throughout the year, in some conflict of interest, as provided for in Section 127 of the Limited Companies Act.

Yes No

Name or company name of the director	Description of conflict of interest
	The company is not aware of any director having been involved in any conflict of interest during year 2007 as provided for in Section 127 of the Limited Companies Act.

C.6 Describe the arrangements in force for discovering, determining and settling possible conflicts of interest between the company and/or the Group and their directors, senior managers or major shareholders.

The mechanisms established to detect and solve any possible conflict of interest are governed by the Board of Directors' Regulations and the Appointments and Remuneration Committee's Regulations. The Appointments and Remuneration Committee is the body in charge of guaranteeing compliance with the provisions governing these cases. The directors shall avoid getting involved in conflicts of interest and, should they fail to do so, they shall communicate such situation to the Board of Directors' Secretary.

Based on the foregoing, the directors undergoing this situation shall refrain from attending and participating in discussions which may interfere with their personal interests.

The Regulations extend the cases where a director may get involved in a conflict of interest to include not only the existence of a personal interest but also situations in which the person affected is related to a director.

Once the situation is detected, the director affected may not conduct any type of operations with Telecinco, neither directly nor through persons related there to it, unless it notifies the Board of Directors of such situation and the Board of Directors, upon a report by the Appointments and Remuneration Committee, approves the operation.

C.7 Is more than one company in the Group listed in Spain?

Yes No

Identify the affiliates listed in Spain:

Listed affiliates

State whether the relevant activities areas and the business relations among them as well as the relations of the listed company with the other companies in the group have been publicly and accurately defined.

Yes

No

Define the business relations between the parent company and the listed affiliate and, between the latter and other companies in the group.

Identify the mechanisms provided for to solve any potential conflicts of interest between the listed affiliate and the other companies in the group:

Mechanisms to solve potential conflicts of interest

D RISK CONTROL SYSTEMS

- D.1 General description of the risk policy of the company and/or its group, detailing and evaluating the risks covered by the system, and showing that those systems are well-suited to the profile of each type of risk.

Telecinco Group perform continuous follow-up of the most relevant risks affecting any of the companies in the Group.

As part of its general supervision functions, the Board of Directors particularly reserves the power to identify the main risks for Telecinco Group, as well as the implementation and follow-up of suitable internal control and information systems. Moreover, one of the Audit and Compliance Committee's basic responsibilities is that of being aware of and proving the adequacy and integrity of the financial information process and the internal control systems.

As support to the Audit and Compliance Committee, the Internal Audit Office has developed a Risk Management Corporate System which applies homogeneously to all the companies in the Group and is subject to review and periodic update.

This Risk Management System described above allows evaluating the relevance of each of the risks identified which may adversely affect the companies in the Group, the probability of occurrence and the existing degree of control exercise on each of them.

The corporate risks management is based on the methodology of Integral Risk Management COSO II (Committee of Sponsoring Organizations of the Tradeway Commission).

Thus, Telecinco Group has, at all relevant times, an updated risks map where different potential risks identified are classified based on their probability of occurrence and their impact measured in economic terms. The risks map allows identifying those risks which call for specific control and follow-up, classified

based on their degree of relevance. These risks are prioritised and managed internally or passed to a third party.

Within the reference frame implied in the Corporate Risk Management System, the following principles have been established:

- Establish the degree of risk accepted by the management in line with Telecinco Group's objectives.
- Strictly identify potential responses to risks and selection thereof.
- Increase the capacity to identify potential events, evaluate risks and establish responses thereto.
- Identify and manage the risks in all companies in the Group, profiting from any opportunity which may arise.

Based on the Corporate Risk Management System, the types of risks identified and managed in Telecinco Group can be classified into the following categories:

- Strategic risks: Directly related to high-level objectives, in line with and supporting the company's mission.
- Operating risks: Related to the effective and efficient use of resources of companies in the Group.
- Reporting risks: Related to the reliability and integrity of the internal and external reporting, whether of a financial nature or not, prepared and provided by the Company to its stakeholders.
- Compliance risks: Related to compliance by the Group's companies with any applicable laws or regulations.

The risks identified and managed by the Companies in Telecinco Group are as follows:

- Risks deriving from the obligation to annually invest a percentage of the gross income in Spanish and European films.
- Absence of a reliable legal framework on the rights which may be claimed by associations, companies and entities that handle intellectual property rights.
- Advertising investment's sensitivity to the economic cycle and domestic and international economic developments.
- Variation of market conditions, incorporation of new supports implying a competitor for analogue open television, changes in the manner in which contents are consumed.

Telecinco Group encourages and supports risks management by the Internal Audit Office through the preparation of an Annual Audit Plan, which is filed with the

Managing Directors and the Audit and Compliance Committee for its explanation and approval.

The Internal Audit Office is responsible for evaluating, controlling and conducting a follow-up of the business risks identified and managed by each of the different areas and departments of the companies in Telecinco Group. For that purpose, it uses an ad hoc computer tool providing a dynamic view of the risks affecting the companies in the Group.

Telecinco Group's risk management model is based on the COSO II methodology and defines the policies, practices, procedures, managers and owners of the risks, the tools provided for a correct development of the model implemented and the Group's risk management processes. These processes are as follows:

- The owners of the processes are responsible for identifying the risks, which are verified by the senior management.
- The risks are evaluated to determine how they are to be managed and which objectives they may compromise. The risk evaluation is made in terms of probability of occurrence and impact on the companies in Telecinco Group.
- Response to the risks on the part of the senior management.
- Setting of control activities by the different Offices supported and coordinated by the Internal Audit Office.
- Supervision and follow-up of risks.

As regards the control systems intended to evaluate, mitigate or reduce the main risks for Telecinco and its Group, as stated above, Telecinco Group's risk management model is based on the COSO II methodology whose main objectives are as follows:

1. Efficiency and effectiveness of its operations.
2. Safeguard of assets.
3. Reliability of financial information.
4. Compliance with applicable laws and regulations.

On the other hand, apart from the controls established for each of the operating processes, Telecinco Group counts on the following control elements:

- Internal Audit Office, covering all the activities conducted by Telecinco Group and developing its functions pursuant to the best practices and professional criteria and standards set forth by the Internal Auditors Institute.
- Companies in Telecinco Group, based on the separation of functions and responsibilities assigned and supervision and authorization levels. The internal procedures developed for all processes shall serve as support to the Organization to define and design the control related to the risks in different value added activities.

- The Annual Accounts of all significantly important companies in the Group are subject to review by a recognized external auditing firm.
- As regards Information Technology management, the Internal Audit Office supervises and coordinates the activities related to the safety of the computer systems and the initiatives for improvement.
- Furthermore, Telecinco continues conducting controls relating to the budget management, expenses, compliance with objectives and performance through the Control Units under the charge of the Management and Operations General Office.
- The Acquisitions and Sales Committee supervises purchase and sale transactions on goods and services whose amount exceeds €20,000.

D.2 State whether any of the different types of risk (operative, technological, financial, legal, reputation, fiscal) affecting the company and/or its group has materialized during the year:

Yes No

If yes, state the circumstances motivating them and whether the control systems established have worked.

Risk materialized during the year	Circumstances motivating it	Functioning of the control systems

D.3 Mention any committee or other governing body responsible for implementing and monitoring these control arrangements:

Yes No

If yes, describe its functions.

Name of committee or body	Description of functions
Audit and Compliance Committee	<p>Among the new functions introduced in the Committee's Regulations, inspired by the recommendations of the Unified Code, is to supervise and control Telecinco's risk policy in order to adequately identify, manage and report any possible risks, and in terms of said policy it is responsible for:</p> <p>a) Determine the types of risk for Telecinco, both operating as well as technological, financial, legal, and any other, including contingent liabilities and other economic and financial risks.</p> <p>b) Set a risk level acceptable for Telecinco.</p> <p>c) If risks materialise, set mechanisms to precisely determine the measures to mitigate the impact of the risks identified.</p> <p>d) Establish internal communication and control measures to control and manage any risk.</p>

	The Audit and Compliance Committee is responsible for proposing a policy regarding this type of transactions and reporting them to the Board of Directors.
Board of Directors	Following the reforms approved by the Annual General Meeting held in 2007 and the Board, this body is entitled to approve, upon favourable report from the Audit and Compliance Committee, the related-party transactions which Telecinco may conduct with directors or people linked to them or with significant shareholders.
Internal Audit Office	Department within Telecinco responsible for supervising control systems; it reports directly to the Secretary General and is under the remit of the Audit and Compliance Committee.

D.4 Mention and describe the process of compliance of the various regulations applying to your company and/or group.

The compliance processes for the regulations affecting the Telecinco Group are laid out in the “Internal Code of Conduct of Gestevisión Telecinco, S.A. and its group of companies in Stock Exchange Activities”, which applies to any department that may have access to privileged information.

This document is available on our website at www.telecinco.es/corporate.

As stated in point G of this Report, the modification of this Code is found within the changes approved by Telecinco's executive bodies in 2007.

E ANNUAL GENERAL MEETING

E.1 State and, if applicable, detail whether there are any differences from the regulations on the minimum provided for by the Limited Companies Act regarding the quorum necessary to hold the Annual General Meeting.

Yes + No

	% of quorum different from that established in Section 102 of the Limited Companies Act for general cases	% of quorum different from that established in Section 103 of the Limited Companies Act for special cases under Section 103
Quorum required on 1st call	25%	0%
Quorum required on 2nd call	0%	0%

Description of differences
The only difference between the provisions of Sections 102 and 103 of the Limited Companies Act and the Articles of Association is the need for present shareholders or shareholders represented by a proxy to hold at least 50% of the share capital entitled to vote, instead of holding the 25% required under the law, for the Annual General Meeting to be validly held on the first call. The percentages required by the Articles of Association for a validly held meeting on a second call coincide with those

set forth in the Limited Companies Act.

The quorum required on the first and second call for the Annual General Meeting to validly agree on the issuance of obligations, a capital increase or reduction, transformation, merger or spin off of the Company and, in general, any modification to the Articles of Association (Section 103 of the Limited Companies Act) coincides with that established in Article 25 of the Articles of Association.

- E.2 State and, if applicable, detail whether there exist differences from the provisions set forth in the Limited Companies Act for the adoption of company's agreements:

Yes No

Describe any differences with the rules foreseen in the Limited Companies Act.

	Reinforced majority different from that established in Section 103.2 of the Limited Companies Act for the cases set forth under 103.1	Other reinforced majority events
% established by the entity for the adoption of agreements		
Describe the differences		

- E.3 Mention any rights of shareholders concerning the Annual General Meeting which are different from those foreseen in the Limited Companies Act.

The rights of the shareholders of Telecinco, included in the Articles of Association and the recently amended Regulations of the Annual General Meeting, coincide with those set forth in the Limited Companies Act and in many cases are extended.

As stated in the paragraphs above, among the modifications to the Articles of Association and the Annual General Meeting's Regulations approved in 2007 to adjust them to the new corporate governance recommendations, there are several modifications directly affecting shareholders' rights:

- Right to attend: The need to be the holder of one hundred (100) shares to be entitled to attend the Annual General Meeting sessions is eliminated; after the modification, the holding of one voting share is enough to attend.
- Right to vote: The fractional vote of financial intermediaries is allowed if they represent several shareholders.
- Call: Shareholders representing, at least, five per cent of the share capital may ask for the publication of a supplement to the call for the Annual General Meeting, including one or several items in the Agenda. The call shall be published one month in advance of the date set for the Annual General Meeting.

The scope of Telecinco's shareholders' rights is described below:

Right to information prior to the Annual General Meeting.

The call for the Annual General Meeting is published pursuant to legal requirements and requirements set forth in the Articles of Association one month in advance of the date scheduled for the meeting on first call. The call is sent to the Spanish Stock Exchange Commission and published through national written means of communication and is also included on Telecinco's website.

The notice of the call shall inform shareholders of the possibility of consulting the website or requesting a free copy of the documents to be discussed at the Annual General Meeting:

- 1.- Documents related to the items included in the agenda (annual reports, management report for Telecinco and its group corresponding to the financial year, auditor's report, management report and any other document related to the items included in the agenda).
- 2.- Full text of the proposed resolutions corresponding to the items included in the agenda, submitted by the Board of Directors.
- 3.- The Annual Corporate Governance Report for the financial year 2007.
- 4.- Corporate Responsibility Report.
- 5.- Explanatory report in accordance with the provisions of Section 116 of the Securities Market Act.
- 6.- Report on the remuneration policy for directors.

The call informs shareholders of their right to request clarifications or to ask questions in writing regarding matters included in the agenda provided by Telecinco to the Spanish Stock Exchange Commission from the date of the last Annual General Meeting. Responses would be published in the Telecinco website.

To date, no shareholder has exercised this right.

The Notice shall also include the right of shareholders representing at least 5% (five percent) of share capital to request that a complementary notice be published, including one or more points in the agenda.

Telecinco shall also make the following information available to its shareholders through the website, on the date of publication of the notice:

- (i) Form of the attendance and proxy card and, as applicable, the remaining documents to be used to delegate the vote, with an explanation of the procedure to obtain the corresponding originals.
- (ii) Information about the site or sites where the meeting is to take place, describing where relevant how to access the venue.
- (iii) Description of proxy or remote voting mechanisms available for use.

(iv) Information on systems or procedures selected to facilitate following the meeting, such as simultaneous interpretation mechanisms, broadcasting through audiovisual media, information in other languages, etc.

All information is available in English and in Spanish.

Right to information during the Annual General Meeting.

Shareholders appearing at the place where the meeting is to be held will receive at the time they enter all the documentation to be debated during the meeting, together with the Annual Corporate Governance Report, the Corporate Social Responsibility Report, and in general all documentation placed at the disposal of shareholders since the publication date of the notice.

Shareholders may request to speak at the meeting to raise issues for clarifications, pose questions or request information that they consider appropriate. Article 22 of the Regulations for the Annual General Meeting broadly regulates this right to intervene during the Annual General Meeting.

To facilitate the exercise of this right, the Secretary-General of the Meeting will provide an area in the place where the meeting is to be held, where shareholders who wish to intervene shall identify themselves at the time indicated by the Secretary. Interventions shall be made in the order in which they are called by the Secretary.

Responses to the interventions shall be provided by the members of the Board of Directors, the Secretary, or any director expert in the matter.

The policy followed until today is that all interventions are answered, except those which fall under the terms of Article 22 of the Regulations. However it must be noted that to date all interventions made during the meetings have been dealt with and answered.

In the event that it is not possible to satisfy the shareholder's right at that moment, directors shall provide the information requested in writing within 7(seven) days following the conclusion of the meeting.

Right to attend.

As stated above, shareholders holding at least one share and whose shareholding is registered in the accounting record at least five (5) days in advance of the date for the Meeting shall be entitled to attend. The right of share pooling to be entitled to attend is then eliminated.

The members of the Board of Directors as well as its Secretary may also attend. The managers, technicians, and other individuals with an interest in the correct advance of corporate matters shall also attend the Annual General Meeting. In no case shall the failure of any of these individuals to attend affect the valid constitution of the Annual General Meeting. Access shall also be facilitated to the economic press and analysts.

Right to representation

Representation of the shareholders in the Annual General Meeting is regulated in Article 27 of the Articles of Association and 10 of the Regulations.

Since 2006, shareholders who cannot attend and wish to be represented by another person, are allowed to proxy their vote through remote communications means, either by post or by e-mail.

Proxies in favour of third parties, not necessarily shareholders, may be granted as follows:

(i) By notarized document containing the agenda, the request for instructions to exercise the right to vote, and indicating the vote to be cast by the representative. In the event no precise instructions are given, then this shall be subject to law.

In the event that instructions cannot be given as the matters are not included in the agenda, the representative shall vote in the way he deems most appropriate in accordance with the interests of the company, and his client.

The requirements to be fulfilled, if representation is granted to a third-party, shall not apply when the representative is a spouse, defendant, or ascendant; or when the representation was granted in a notarized document with a general power of attorney for broad powers to administer the property of the party represented.

(ii) By remote communications means: mail or e-mail.

By mail:

- Shareholders wishing to proxy their vote shall complete the attendance and proxy card sent by Telecinco to their domicile.

Powers of representation may be granted to the Chairman of the Board of Directors or to a third party. In both cases, any proxy not expressly stating the name of the shareholder to whom the vote is proxied, shall be understood as conferred to the Chairman of the Board of Directors.

If the representative incurs in a conflict of interest with regard to the vote on any of the proposals submitted to the meeting either as part of or outside of the agenda, then the representation will be understood as granted to the Secretary of the Board of Directors.

In granting his instructions, the shareholder proxying his vote shall mark the corresponding cell with an "x" demonstrating the vote that he wishes cast.

In the event there is a vote on matters not listed in the agenda sent with the notice, then the proxy will also be understood to extend to these matters unless the shareholder proxying his vote states otherwise by marking the corresponding cell. In this case, the representative shall vote in the form he deems the most convenient.

Once he has granted his representation as stated above, the attendance and proxy card shall be sent to the General Secretary of Telecinco either by mail, using the stamped

prepaid envelope attached and personally delivered to all shareholders, or delivered to the corporate offices.

In order to be valid, the proxy shall be received at least twenty four (24) hours prior to the day preceding the date scheduled for the meeting in the first notice.

By remote communications means:

- A section of the corporate website will be prepared so that shareholders who have identified themselves by certified electronic signature can delegate their representation.

In either case, personal attendance of the shareholder will revoke the representation.

Right to vote

Neither the Articles of Association nor the Annual General Meeting's Regulations contain any limitations on the exercise of voting rights. Each share grants its owner the right to one vote. The exercise of this right is regulated in Articles 32 -33 and 26 of the Articles of Association and the Regulations of the Annual General Meeting, respectively.

Proposed resolutions will be voted on separately during the Annual General Meeting, following the agenda provided in the notice. The Chairman shall decide the order of voting on resolutions not included in the agenda. The Secretary shall indicate each of the items in the agenda referring to the proposed resolution submitted for vote. It is therefore not necessary to read the proposed resolutions, as the texts have been provided to the shareholders upon their entry into the place where the Annual General Meeting is held.

Generally speaking, resolutions included in the agenda shall be voted on using the negative deduction system, i.e. considering the votes corresponding to each of the shares present or represented to be in favour, and deducting from them votes against, blank votes and abstentions of the shareholders who so stated before the notary public present during the meeting or included in the attendance and proxy card. The procedure for voting on resolutions not included in the agenda shall be the opposite: Votes for the shares present or represented shall be computed as against, except for those of shareholders expressly stating otherwise.

As in the case of the representation during the Annual General Meeting of 2007, in addition to the vote of those present, mechanisms were provided to facilitate a vote prior to holding the meeting, using remote communications means: mail or electronic means.

The form of remote voting by sending the attendance and proxy card by mail to Telecinco, or via electronic means is similar to the process already described for the right to representation.

All the rights mentioned above have been adopted by the Articles of Association and the Annual General Meeting's Regulations available on our website (www.telecinco.es/corporate).

E.4 Mention any steps taken to encourage shareholders to take part in Annual General Meetings.

The measures adopted to encourage the participation of the shareholders at the Annual General Meeting are included in the paragraphs above; among them, the elimination of the need to hold a certain number of shares to attend a meeting should be noted.

Apart from the increased dissemination of the call for the Annual General Meeting through publications on major media, publications of information on our website, a phone number for shareholders to call and ask for additional information, make questions, and ask for clarifications, etc, Telecinco shall send through ordinary mail to each of its shareholders a letter informing the date, place and time of the Annual General Meeting on first and second call, the possibility of voting and arranging representations through remote means of communication, and attach an attendance and delegation card should shareholders not be able to attend. A stamped prepaid envelope is also included so that in the event they decide to exercise their right to remote or proxy vote by regular mail, they may easily send the card to the company at no additional cost.

As regards the precinct where the Annual General Meetings are to be held, since the first Annual General Meeting, held in 2005, meetings have been held in the same precinct, situated in the centre of Madrid, favoured by good public transport connections, easily accessed by the handicapped, and by sufficient space, where specific technical means shall be installed to ensure the proper follow-up of the meeting by the shareholders present. The website includes information and a plan which allows knowing how to access the precinct where the meeting shall be held.

E.5 State whether the positions of chairman of the Annual General Meeting and of chairman of the Board of Directors are held by the same person. If so, mention any measures taken to assure the independence and sound performance of the Annual General Meeting:

Yes +

No

Detail of measures
<p>The Chairman of the Board of Directors presides over the meetings of the Annual General Meeting in compliance with Article 15 of the Annual General Meeting's Regulations.</p> <p>This does not preclude the ordinary development or independence of the Annual General Meeting. However, to reinforce the guarantees of proper operation and independence, two measures have been incorporated:</p> <p>1.- The participation of a specialized entity totally independent from the Board of Directors and Telecinco in the preparation of the attendance list and the calculation of the quorum, thus avoiding the intervention of the Chairman and Secretary of the Board of Directors.</p> <p>2.- The presence of a Notary Public to draft the Minutes of the meeting and record interventions.</p>

- E.6 Mention any amendments made in the regulations of the Annual General Meeting during the year.

During year 2007, the modification of several articles in the Regulations was submitted to the Annual General Meeting for approval, the modifications being approved by 99.8735% of votes for. The modifications, described by the Board of Directors in the Report prepared pursuant to the provisions of Section 144 of the Limited Companies Act, were justified by the need of materializing the commitment assumed by Telecinco to make progress in terms of governance as well as to conform to the recent changes to the Limited Companies Act after the publication of Law 19/2005 dated 14th November.

The modifications affected not only the Regulations but also the Articles of Association.

The changes approved at the Annual General Meeting have implied the modification of the following articles in its Regulations:

Article 5.- Powers of the Annual General Meeting: They are extended so that the Annual General Meeting is the only body entitled to approve the incorporation of those essential activities carried out up until that time by the Corporation itself into dependent entities, even where the said Corporation maintains complete control of these activities; and approve those operations with effects equivalent to that of the liquidation of the Corporation.

Article 7.- Notice of the meeting: Those shareholders who represent at least five per cent of the share capital, will be able to request the publication of a supplement to the call for the Annual General Meeting, including one or more points on the Agenda. This right should be exercised through an irrefutable notification which should be received at the address of the corporation within the first five days following the publication of the call. The supplement to the call should be published at least fifteen days before the date envisaged for the General Meeting.

Article 13.- Right to attend: The need to hold a certain number of shares to be entitled to attend the Annual General Meeting is eliminated. The article reads as follows: “According to the terms set forth in the Law and in the Articles of Association, shareholders holding any number of shares have the right to attend General Meetings.”

Article 26.- Voting of proposed resolutions: When voting, those financial intermediaries lawfully representing various shareholders will be able to divide their votes in such a way as to allow them to vote according to the instructions conferred on them.

- E.7 Provide the following figures on attendance to the annual general meetings held during the year covered by this report:

Date of the Annual General Meeting	Attendance figures				Total
	Attended personally (%)	Attended by proxy (%)	Remote voting (%)		
			Electronic vote	Other	
05/04/07	63.239%	10.9	0.108%		74.247%

E.8 Briefly describe the resolutions approved at the annual general meetings held during the year covered by this report and the percentage of the votes by which each resolution was approved.

Item one.- Approval of the Annual Accounts (Balance Sheet, Profit and Loss Account, as well as the Notes to the Annual Financial Statements) and of the Management Report of both GESTEVISIÓN TELECINCO, S.A. and its Consolidated Group of Companies for the year to 31st December 2006.

Approved by 182,442,851 vote for, representing 98.5269%, 708 votes against, representing 0.0004%, 2,725,765 abstentions, representing 1.4720%; and 1,280 blank votes, representing 0.0007%.

Item two.- Approval of the distribution of profit for 2006.

The distribution of the profit for 2006, amounting to €318,710,000, was approved as follows:

(thousands of euros)

To Legal Reserve	€0
To Voluntary Reserves	€4,461
To Dividend	€314,249
Total	€318,710

Approved by 185,161,442 votes for, (99.9952%), 708 votes against (0.0005 %), 7,351 abstentions, (0.0040 %) and 953 blank votes (0.0005%).

Item three.- Approval of the management of the company's business by the Board of Directors during 2006.

Approved by 184,715,279 votes for, (99.7542 %), 1,361 votes against (0.0007 %), 452,829 abstentions, (0.2445 %) and 1,135 blank votes (0.0006%).

Item four.- Determination of the maximum overall annual remuneration payable to the Company's Directors.

In accordance with Article 56 of the Articles of Association, the maximum amount that may be paid by the Company in 2007 to its Directors as (i) fixed annual remuneration and (ii) per diem allowances is established at €1,800,000.

Approved by 185,133,665 votes for, (99.9802%), 20,166 votes against (0.0109 %), 15,284 abstentions, (0.0083 %) and 1,489 blank votes (0.0008%).

Item five.- Delivery of company shares to Directors with executive functions and members of the senior management of the company, as part of their remuneration.

The Annual General Meeting was asked to approve whether a portion of the variable remuneration earned by the Chief Executives and Managing Directors,

which may not be greater than €12,000 per capita, may be paid through delivery of company shares. This system does not imply an additional remuneration but a method of payment of the relevant remunerations.

Approved by 184,889,886 votes for, (99.8484%), 58,769 votes against (0.0317 %), 219,206 abstentions, (0.1184 %) and 2,743 blank votes (0.0015%).

Item six.- Approval of the implementation of a remuneration scheme for Executive Directors and Senior Managers of the Company and Group member companies.

The Annual General Meeting resolved to approve the creation of a remuneration scheme (the “Remuneration Scheme”) for Executive Directors and Senior Managers of the Consolidated Group, tied to the value of the Company’s shares as well as to the Group’s results and to such specific objectives as may be fixed for each participant. The basic features of the proposed Remuneration Scheme are as follows:

- Recipients: Executive directors and managers of the Group determined in each case by the Board of Directors.
- Purpose: To grant an incentive consisting of the payment of a variable remuneration with reference to the value of the company's shares.
- Number of shares: The maximum number of shares to be used as reference in setting the amount of the incentive to be paid to beneficiaries of the Remuneration Scheme shall be the equivalent of 1% of the company's share capital; up to a maximum of 16% of said 1% shall correspond to the executive directors of the company. The Company may not increase its share capital to meet payments under this Remuneration Scheme.
- Date of delivery: Any date agreed upon by the Board of Directors, which shall be within 6 months of the date that the Remuneration Scheme was approved by the Annual General Meeting.
- Strike price: The value of the shares to be used as reference shall be equivalent to the average list price of the shares during the thirty days prior to the date of granting the incentive.
- Duration: Up to five (5) years from the date that they are granted; the incentives may be made effective when determined by the Board of Directors.

Approved by 184,835,687 votes for, (99.8191%), 110,522 votes against (0.0597%), 221,625 abstentions, (0.1197%) and 2,770 blank votes (0.0015%).

Item seven.- Authorisation so that the company may buy back shares directly or through Group member companies, according to the provisions of Section 75 and related provisions of the Limited Companies Act, cancelling similar authorisations previously granted by the General Meeting, as well as granting authority for using treasury stock in implementing remuneration plans.

The Annual General Meeting resolved to authorize the Board of Directors of Gestevisión Telecinco S.A., in accordance with the provisions of Article 75 and following of the Limited Companies Act currently in effect, to proceed to buy back shares of the company by any means, directly or through companies owned by it, subject to the following limits and requirements:

- The shares may be acquired by sale-and-purchase or any other form of transfer for valuable consideration.

- The maximum number of shares to be acquired, in addition to those owned by GESTEVISIÓN TELECINCO, S.A. or any of the Companies under its control, shall not exceed five percent (5%) of the Company's share capital.
- The shares to be acquired shall be free of burden or lien, fully paid up, and not tied to meeting any commitment or liability.
- The minimum purchase price of the shares shall not be less than their nominal value, and the maximum price shall not exceed one hundred twenty per cent (120%) of their listed value on the purchase date.
- Effective period of the authorization: Eighteen (18) months beginning the date of this agreement.
- These transactions shall furthermore be carried out in compliance with the relevant rules contained in the Company's Internal Code of Conduct.

Approved by 185,053,620 votes for, (99.9368 %), 105,585 votes against (0.0570 %), 9,760 abstentions, (0.0053 %) and 1,639 blank votes (0.0009%).

Item eight.- Designation of auditors, both for "GESTEVISIÓN TELECINCO S.A." as well as its consolidated group of companies.

The re-appointment of Deloitte, S.L. as auditors of the annual accounts of Gestevisión Telecinco, S.A and its group of companies was put to the vote.

The proposal was approved by 185,160,218 votes for, (99.9945 %), 2.108 votes against (0.0011 %), 7,473 abstentions, (0.0040 %) and 805 blanks votes (0.0004%).

Item nine.- Approval of the modification of several articles in the Articles of Association.

As a result of the approval of the Unified Code and for the purposes of conforming the Articles of Association and the Annual General Meeting's Regulations to the new recommendations and the new introductions to the regulations of corporations after the publication of Law 19/2005 dated 14th November, the modification of several articles was submitted for approval by shareholders.

For the avoidance of repetitions, and given that these modifications together with the Board of Directors' Regulations are further analysed herein, we will briefly summarize the main modifications:

- Article 19.- Distribution of competencies: The Annual General Meeting is the body with jurisdiction to approve the incorporation of those essential activities carried out up until that time by the Corporation itself into dependent entities, even where the said Corporation maintains complete control of the activities; and approve those operations with effects equivalent to that of the liquidation of the Corporation.
- Article 23.- Annual General Meeting notice: the notice shall be given one month in advance. Shareholders representing, at least, five per cent of the share capital may ask for the publication of a supplement to the call for the Annual General Meeting, including one or several items in the Agenda.

- Article 26: Right to attend: shareholders holding at least one share shall be entitled to attend the Annual General Meeting.

- Article 32.- Right to vote: Those financial intermediaries lawfully empowered to represent various shareholders will be able to divide their votes in such a way that they will be able to vote according to the instructions conferred on them.

- Article 37.- Administration and supervision powers: The Board of Directors' powers are extended pursuant to the provisions of the recommendations in the Unified Code.

- Article 42.- Director's general obligations: They are extended so as to include the duty to inform any criminal cases in which they may be involved.

- Article 54.- Director's term of office: Independent directors' term of office is limited to a period of twelve years.

- Article 55.- Termination of directors' office: Whenever a director voluntarily ceases to hold office before completion of the term thereof, it shall inform the company in writing of the reasons for its termination and the company shall inform the Spanish Stock Exchange Commission of such termination as a relevant event.

- Article 56.- Directors' remuneration: It conforms to the recommendations of the Unified Code: obligation to prepare a remuneration policy report, inclusion in the annual accounts of information on individualized remunerations for all directors, variable remunerations subject to objective criteria.

- Article 58.- Information on the website: Obligation to include any new information on directors as may be required by the Code.

The agreement was approved by 184,936,417 votes for, (99.8735%), 5,104 votes against (0.0028 %), 223,562 abstentions (0.1207 %) and 5,521 blank votes (0.0030%).

Item ten.- Modification of the Annual General Meeting's Regulations.

Likewise, the modification of articles 5, 7, 13 y 26 of the Annual General Meeting's Regulations relating to previous changes explained in E.6 above was submitted for approval by the Annual General Meeting.

The agreement was approved by 184,936,370 for, (99.8735 %), 3,926 votes against (0.0021 %), 224,828 abstentions (0.1214 %) and 5,480 blank votes (0.0030%).

Item eleven.- Delegation of powers to sign, interpret, correct and execute previous resolutions, as well as to substitute the powers received by the Board of Directors from the Meeting.

The agreement was approved by 185,151,422 votes for, (99.9896%), 4,251 votes against (0.0023 %), 12,023 abstentions (0.0065 %) and 2,908 blank votes (0.0016%).

E.9 Indicate whether there is any restriction in the Articles of Association establishing a minimum number of shares necessary to attend the Annual General Meeting:

Yes No

Number of shares necessary to attend the Annual General Meeting	1 share
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E.10 Describe the company's policy on the granting of proxies for voting at the Annual General Meeting and the reasons for such policy.

In accordance with the Articles of Association and the Annual General Meeting's Regulations, any shareholder may delegate its voting rights upon a third party which shall not necessarily be a shareholder. Several means are made available to the shareholders: send through regular mail the attendance and delegation card including the necessary particulars and duly signed or use the remote communication means. For the avoidance of repetitions, all the proceedings to be followed in both cases are detailed in E.3 above.

E.11 State whether institutional investors have a policy of taking part or not taking part in company decisions, as far as the company is aware:

Yes No

Describe the policy

E.12 Mention the URL and way of accessing the corporate governance pages on your website.

Corporate governance materials are available at www.telecinco.es/corporate.

F DEGREE OF ADHERENCE TO THE RECOMMENDATIONS ON CORPORATE GOVERNANCE

State the company's degree of adherence to the recommendations on good governance included in the Unified Code.

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

- 1. That the Articles of Association of listed companies not limit the maximum number of votes to be issued by a single shareholder or contain other restrictions hindering the take over of the company through the acquisition of its shares in the market.**

See: A.9, B.1.22 , B.1.23 and E.1, E.2.

Complies + Explain

Telecinco's Articles of Association contain no limitation whatsoever to the maximum number of votes to be issued by a single shareholder or restrictions hindering the take over.

As set forth in E.1, the only difference under the provisions of the Limited Companies Act and solely as far as the call is concerned is that the first call requires all attending or represented shareholders to hold, at least, fifty per cent of the share capital entitled to vote instead of the twenty-five per cent shareholding required under the Law.

- 2. That where the main offices and a dependant company are listed, they both accurately define:**

a) The relevant areas of activities and business relations between them and between the dependant listed company and the other companies of the group;

b) The mechanisms provided for to solve any conflict of interest which may arise.

See: C.4 and C.7

Complies Partially complies Explain Not applicable +

- 3. That, although not expressly required under the business Laws, the operations involving a structural modification to the company and, particularly, the following modifications be subject to the approval by the Annual General Meeting:**

a) The transformation of listed companies into holding companies by way of "affiliation" or incorporation to entities depending on essential activities conducted up to that moment by the company itself, even where they are fully owned by the company;

b) The acquisition or sale of essential operating assets when involving an actual modification to the corporate purpose;

c) Any operations whose effect is equivalent to the liquidation of the company.

Complies + Partially complies Explain

- 4. That the proposals detailed in the agreements to be adopted at the Annual General Meeting including the information referred to in Recommendation No. 28 be made public upon publication of the notice of the call for the Meeting.**

Complies + Explain

5. That at the Annual General Meeting, any substantially independent matters be voted separately so that shareholders may separately exercise their voting preferences. This regulation shall apply, particularly, to:

a) The appointment or confirmation of directors, which shall be voted individually;

b) In the case of modifications to the Articles of Association, each article or set of articles which are substantially independent.

See: E.8

Complies + Partially complies Explain

6. That the companies allow the fractioning of votes so that the financial intermediaries authorized as shareholders but acting on behalf of different clients may issue their votes pursuant to their instructions.

See: E.4

Complies + Explain

7. That the Board of Directors conduct its operations for a single purpose and using independent criterion, provide the same treatment to all shareholders and follow the interest of the company which is understood as a maximization of the company's sustained economic value.

Moreover, it shall see that, in its relations with the stakeholders, the company abides by the laws and regulations, complies in good faith with its obligations and agreements, adheres to the uses and good practices of the sectors and territories where it does business and observes any additional principles on corporate responsibility voluntarily accepted by it.

Complies + Partially complies Explain

8. That the Board of Directors assume, as the core of its mission, the approval of the company's strategy and accurate organization for its implementation and supervise and control compliance by the Board of Directors with the objectives established and observe the corporate purpose and interest of the company. For this purpose, the Board of Directors reserves the right to approve:

a) The company's general policies and strategies and, particularly:

i) The strategic or business plan as well as the management and annual budget objectives;

ii) Investment and financing policy;

iii) The definition of the structure of the group of companies;

iv) The corporate governance policy;

v) The corporate social responsibility policy;

vi) The senior management's remuneration and performance evaluation policy;

vii) The risk management and control policy as well as the periodic follow-up of information and control internal systems;

viii) **The dividends policy as well as the treasury stock policy and, particularly, their limits.**

See: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

i) **Upon request by the Company's chief executive officer, the appointment and termination of the senior managers as well as the compensation clauses.**

See: B.1.14.

ii) **The directors' remuneration and, in the case of executives, additional remuneration for their executive functions and other conditions to be met by their agreements.**

See: B.1.14.

iii) **The financial information that the company must publish on a periodic basis given its condition as listed company.**

iv) **Any kind of investments or operations which, given their great amount or special features, are strategic in nature, except approval thereof by the Annual General Meeting;**

v) **The creation or acquisition of shareholdings in entities having a special purpose or domiciled in tax haven countries and territories, as well as any other similar transaction or operation which, given its complexity, may impair the transparency of the group.**

c) Any transactions between the company and its directors, significant shareholders or shareholders represented in the Board of Directors or related entities ("related-party transactions").

This authorization by the Board of Directors shall not be construed, however, as accurate in related operations simultaneously complying with the following three conditions:

1st. To be executed under the agreements whose conditions are standardized and to be applied massively to many clients;

2nd. To be executed at prices or rates established as general by anyone acting as supplier of the good or service in question;

3rd. Their amount must not exceed 1% of the company's annual income.

It is advisable that the Board of Directors approves the related operations upon a favourable report by the Audit Committee or, as the case may be, by any other body entrusted with this task, and that the directors affected do not exercise or delegate their voting rights and leave the meeting room during the deliberations and voting thereon by the Board of Directors.

It is advisable that the powers hereby granted to the Board of Directors may not be delegated except those mentioned in b) and c), which may be adopted upon emergencies by the Delegate Committee followed by ratification of the Board of Directors.

See: C.1 and C.6

Complies + Partially complies Explain

9. **That the Board of Directors have the proper number of members to achieve an effective and participating operation; it is advisable that it be made up of no less than five members and no more than fifteen.**

See: B.1.1

Complies + Explain

10. **That the outside directors, the directors representing substantial shareholders and the independent directors constitute a vast majority in the Board of Directors and that the number of executive directors be the necessary minimum, considering the complexity of the group of companies and the shareholding percentage of executive directors in the company's share capital.**

See: A.2, A.3, B.1.3 and B.1.14.

Complies + Partially complies Explain

11. **That should there be any outside director who may not be considered a director representing substantial shareholders or an independent director, the company explain this circumstance and its relations whether with the company or with its directors or shareholders.**

See: B.1.3

Complies Explain Not applicable +

12. **That, within the group of outside directors, the relation between the number of directors representing substantial shareholders and the number of independent directors reflects the existing proportion between the company's share capital represented by directors representing substantial shareholders and the remaining share capital.**

This strict proportion criterion may be reduced so that the relevance of directors representing substantial shareholders is greater than the relevance that would correspond to the total percentage of the company's share capital represented in:

1° Highly capitalized companies in which there are scarce or no shareholdings legally considered significant but there are shareholders holding shares of stock of high absolute value.

2° Companies where there is plurality of shareholders represented in the Board of Directors not related to each other.

See: B.1.3, A.2 and A.3

Complies Explain +

Telecinco has two majority shareholders: Mediaset Investimenti SPA, holder of 50.135% of the share capital, and Vocento, SA (through Corporación de Nuevos Medios Audiovisuales, SL) holder of 13%. The fact that 63.135 % of the share capital is held by two shareholders determines the number of directors representing substantial shareholders (53.846%) and independent directors (30.769%) in the Board of Directors. The ratio between these two categories of directors accurately reflects the actual shareholders of the company mentioned above.

13. **The number of independent directors shall account for less than one third of the total directors.**

See: B.1.3
Complies Explain +

As mentioned in the paragraph above, Telecinco's shareholdings determine the composition of the Board of Directors; however, it should be pointed out that the number of independent directors accounts for 30.769% of the total members.

- 14. That the capacity of each director be explained by the Board of Directors before the Annual General Meeting which shall effect or ratify its appointment, and be confirmed, or, as the case may be, annually reviewed in the Annual Corporate Governance Report upon verification by the Appointments and Remuneration Committee. Likewise, the Annual Corporate Governance Report shall explain the reasons why directors representing substantial shareholders have been appointed upon request by shareholders whose shareholding is lower than 5% of the share capital; the Annual Corporate Governance Report shall also state the reasons why, as the case may be, formal requests to be part of the Board of Directors filed by shareholders whose shareholding is equal to or greater than that of others upon whose request directors representing substantial shareholders were appointed have not been met. v**

See: B.1.3 and B.1.4
Complies + Partially complies Explain

- 15. That, should the number of female directors be scarce or null, the Board of Directors explain the reasons and initiatives adopted to correct this situation, particularly, the Appointments Committee shall see that, upon the opening of new vacancies:**
- a) The selection procedures lack implied slants hindering the selection of female directors;**
 - b) The company deliberately searches for and includes among the potential female candidates meeting the professional profile sought.**

See: B.1.2, B.1.27 and B.2.3.
Complies Partially complies + Explain Not applicable

There is no female director at Telecinco's Board of Directors. The appointments were conducted in 2004 for a five-year (5) period and no suspension or resignation has occurred to date. During 2007, different measures were adopted in an attempt to establish the necessary mechanisms that allow coping with this situation in the future. In this regard, the obligation to inform the Board of Directors of the matters regarding the diversity of genders has been incorporated into the Appointments and Remuneration Committee's Regulations so as to ensure that, upon the need to fill in new vacancies, the selection procedures do not hinder the selection of female directors. Moreover, the Committee shall encourage Telecinco to search for and include in the list of female candidates meeting the professional profile sought.

- 16. That the Chairman responsible for the effective operation of the Board of Directors make sure that directors receive in advance sufficient information, encourage the discussion and active participation of directors during the sessions of the Board of Directors meetings safeguarding their capacity and right to speak**

and organize and coordinate together with the chairmen of the relevant Committees the periodic evaluation of the Board of Directors as well as of the managing director or chief executive.

See: B.1.42

Complies + Partially complies Explain

Even though the Chairman of the Telecinco's Board of Directors is not the company's chief executive, articles 24 and 23 of the Board of Directors' Regulations have been modified so that any of its members, not only the independent directors, may call for a meeting or include new items to be transacted in the Agenda and so that the Appointments and Remuneration Committee may incorporate into the evaluation process any suggestion or comment it deems necessary.

- 17. That, where the Chairman of the Board of Directors is also the company's chief executive, one of the independent directors be authorized to call for a meeting of the Board of Directors or include new items in the agenda, coordinate and get involved in any concerns by outside directors and direct the evaluation of the Chairman by the Board of Directors.**

See: B.1.21

Complies Partially complies Explain Not applicable +

- 18. That the Secretary of the Board of Directors particularly see that the acts by the Board:**

- a) Conform to the provisions and spirit of the Laws and their regulations, including those passed by the regulatory entities;**
- b) Are consistent with the company's Articles of Association and the Annual General Meeting's Regulations, the Board of Directors' Regulations and other regulations in the company;**
- c) Consider the recommendations on good governance included in the Unified Code accepted by the company.**

That in order to safeguard the Secretary's independence, impartiality and professionalism, its appointment and removal be informed by the Appointments Committee and approved by the Board of Directors; this appointment and removal procedure shall be recorded in the Board of Directors' Regulations;

See: B.1.34

Complies + Partially complies Explain

- 19. That the Board of Directors meets frequently enough to effectively perform its functions following the schedule and items established by it at the commencement of the year; each Director may propose other items in the agenda not originally included.**

See: B.1.29

Complies + Partially complies Explain

20. That non-attendances by directors be reduced to essential cases and be quantified in the Annual Corporate Governance Report and that if the proxy is essential, it be made under instructions.

See: B.1.28 and B.1.30

Complies + Partially complies Explain

21. That where the directors or the Secretary express their concern about any proposal or, in the case of directors, about the operation of the company and these concerns are not solved in the Board, upon request by the person who expressed them, these concerns must be recorded in the minutes.

Complies Partially complies Explain Not applicable +

During year 2007, neither the directors nor the secretary expressed any concern regarding any proposal made in the Board of Directors or on the operation of the company. That notwithstanding, Article 27 of the Board of Directors' Regulations has been amended to include the obligation to record in the Minutes this type of situations, if any.

22. That once a year, the Board of Directors evaluate:

- a) **The quality and efficiency of the Board of Directors' operation;**
- b) **Based on the report sent by the Appointments Committee, the performance of functions by the Chairman of the Board of Directors and the company's chief executive;**
- c) **The operation of its Committees, based on the report the Committees may send.**

See: B.1.19

Complies + Partially complies Explain

23. That all directors exercise their right to collect any additional information they deem necessary on the Board of Directors' matters. Unless the Articles of Association or the Board of Directors' Regulations establish otherwise, this request shall be sent to the Board of Directors' Chairman or Secretary.

See: B.1.42

Complies + Explain

24. That all directors be entitled to obtain from the company the necessary advice to comply with their duties. The company shall arbitrate the suitable means for the exercise of this right which, in special circumstances, may include external advice charged to the company.

See: B.1.41

Complies + Explain

25. That the companies establish an orientation program providing new directors with fast and sufficient knowledge of the company as well as of its rules of corporate

governance. This program shall also provide directors with knowledge update programs where the circumstances so require.

Complies + Partially complies Explain

26. That the companies require directors to devote to their duties the time and efforts that are necessary to perform it efficiently and therefore:

- a) That directors inform the Appointments Committee of the rest of their professional duties in case these may interfere with the dedication required;**
- b) That the companies establish rules regarding the number of boards of directors in which directors may participate.**

See: B.1.8, B.1.9 and B.1.17

Complies Partially complies + Explain

All the members of the Board of Directors communicate the professional obligations they perform outside Telecinco and this information is detailed in B.1.9 of this Report. However, the rules on the number of Boards of Directors in which directors may participate have not been defined yet.

27. That the directors appointment and re-election proposal filed with the Annual General Meeting by the Board of Directors as well as their temporary appointment upon co-optation be approved by the Board of Directors:

- a) Upon proposal filed by the Appointments Committee in the case of independent directors.**
- b) Upon report by the Appointments Committee in the case of the remaining directors.**

See: B.1.2

Complies + Partially complies Explain

28. That the companies make public through their websites and keep updated the following information on their directors:

- a) Professional profile and biography;**
- b) Other Boards of Directors in which they participate, whether in listed companies or not;**
- c) Category of director, as may be applicable, establishing, in the case of directors representing substantial shareholders, the shareholding represented by them or whoever they have relations with.**
- d) Date of their first appointment as director in the company as well as any subsequent appointment, and;**
- e) Company shares and share options thereon.**

Complies + Partially complies Explain

The last technical proceedings are being completed for publication in the website.

29. That the independent directors not remain as such during a continued period exceeding 12 years.

See: B.1.2
Complies + Explain

- 30. That the directors representing substantial shareholders file their resignation where the shareholder they represent fully sells its shareholding. They shall also do so, in the proper number, where the shareholder reduces its shareholding to a level requiring a reduction in the number of directors representing substantial shareholders.**

See: A.2, A.3 and B.1.2
Complies + Partially complies Explain

- 31. That the Board of Directors not propose the termination of any independent director before expiration of the term of office established under the Articles of Association only where there exists reasonable cause at the Board of Directors' discretion upon report by the Appointments Committee; reasonable cause shall be deemed to exist where a director fails to comply with the duties inherent to its position or falls under any of the grounds described in 5 of paragraph III of the definitions in this Code.**

Furthermore, the termination of independent directors resulting from takeover bids, mergers or other similar company-related operations implying a change in the company's capital structure may also be proposed where these changes in the structure of the Board of Directors are favoured by the proportion criteria set forth in Recommendation 12.

See: B.1.2, B.1.5 and B.1.26
Complies + Explain

- 32. That the companies establish rules requiring directors to inform and, if applicable, resign upon occurrence of events that may adversely affect the credit and reputation of the company and, particularly, requiring directors to inform the Board of Directors of any criminal cases in which they are the accused party as well as any subsequent procedural events.**

If a director is prosecuted or if an order for the opening of oral proceedings is issued against it due to any of the crimes detailed in section 124 of the Limited Companies Act, the Board of Directors shall review the case as soon as possible and, in view of the particular circumstances, decide whether it is convenient for the director to continue holding office. The Board shall reasonably record all these proceedings in the Annual Corporate Governance Report.

See: B.1.43, B.1.44
Complies + Partially complies Explain

- 33. That all directors clearly express their opposition where they consider that any proposal for decision submitted to the Board of Directors may be contrary to the interest of the company. The same applies to independent directors and directors not affected by the potential conflict of interest where the decisions in question may cause a detriment to the shareholders not represented in the Board of Directors.**

Where the Board adopts significant or repeated decisions which have been challenged by the director, the director shall draw any relevant conclusions and, should it choose to resign, it shall explain the reasons thereof in the letter referred to by the following recommendation.

This Recommendation also covers the Board of Directors' Secretary even where it is not a director.

Complies Partially complies Explain Not applicable +

- 34. That where, due to resignation or due to any other reason, a director ceases to hold office before the expiration thereof, the reasons for this be explained in a letter to be sent to all the members of the Board of Directors. Even where this termination is communicated as a relevant event, the reason for it shall be accounted for in the Annual Corporate Governance Report.**

See: B.1.5

Complies Partially complies Explain Not applicable +

None of the directors has filed its resignation or ceased to hold office during year 2007. Article 28 of the Board of Directors' Regulations has been amended to incorporate this new recommendation.

- 35. That the remuneration policy approved by the Board of Directors be passed, at least, regarding the following matters:**

- a) **Amount of the fixed components, including a breakdown, if any, of the per diem allowances for participating in the Board of Directors and Committees thereof and an estimate of the fixed annual remuneration they originate;**
- b) **Variable remuneration items, including, particularly:**
 - i) **Types of directors to which they apply as well as an explanation of the relative relevance of the variable remuneration items with respect to fixed remuneration items.**
 - ii) **Criteria for the evaluation of results on which any right to remuneration in shares, share options or any variable component is based;**
 - iii) **Main parameters and grounds for any annual premium system (bonus) or for any other benefits not paid in cash; and**
 - iv) **An estimate of the absolute amount of variable remunerations to which the remuneration plan proposed shall give origin based on the level of compliance with the hypotheses or objectives taken as reference.**
- c) **Main characteristics of the social security systems (such as, supplementary pensions, life insurance and the like) with an estimate of their value or equivalent annual cost.**
- d) **Conditions to be met by the agreements of senior managers such as executive directors, including:**
 - i) **Duration;**
 - ii) **Pre-notice terms; and**

- iii) **Any other clause relating to hiring premiums as well as compensations or golden parachutes upon early dissolution or termination of the contractual relation between the company and the executive director.**

See: B.1.15

Complies + Partially complies Explain

- 36. That the remunerations be limited to the executive directors through the delivery of company shares or shares of the group of companies, share options or instruments referring to the share value, variable remunerations related to the company's performance or social security systems.**

This recommendation does not cover the delivery of shares where directors are required to keep them until they cease to act as directors.

See: A.3, B.1.3

Complies Explain +

The delivery of share option rights is limited to the two executive directors of the Board of Directors. However, and following the provisions of Article 56 of the Articles of Association, based on the special dedication demanded by the office of Chairman of the Board of Directors without any executive powers, the Board of Directors approved the delivery of a certain number of Telecinco share option rights detailed in paragraph G of this Report.

- 37. That the remuneration of outside directors be that which is necessary to remunerate the dedication, qualification and responsibility required by the office in question without being as high as to compromise its independence.**

Complies + Explain

- 38. That the remunerations related to the company's results consider the exceptions included in the external auditor's report and reduce these results.**

Complies + Explain Not applicable

This obligation has been included after the modification of the Articles of Association without the external auditor including to date any qualification in the Auditor's Report.

- 39. That in the case of variable remunerations, the remuneration policies include precise technical precautionary measures to ensure that these remunerations are in pace with the professional performance of its beneficiaries and do not simply derive from the general evolution of markets or the company's activity sector or similar circumstances.**

Complies + Explain Not applicable

- 40. That the Board submit to vote by the Annual General Meeting a report on the directors' remuneration policy, as a separate item in the agenda, and for consultation purposes. This report shall be made available to the shareholders whether separately or in any other manner the company deems convenient.**

This report shall focus, particularly, on the remuneration policy approved by the Board of Directors for the current year and, as the case may be, for future years. The report shall contemplate all matters relating to Recommendation 35, except

for extreme situations which may imply the disclosure of commercially sensitive information. It shall stress the most significant changes in such policies based on the policy applied during the previous year mentioned at the Annual General Meeting. It shall also include a global summary of how the remuneration policy was applied during the previous year.

Likewise, the Board shall report the role played by the Remuneration Committee in the preparation of the remuneration policy and, if external consultancy services were used, the identity of the external consultants providing such services.

See: B.1.16

Complies + Partially complies Explain

41. That the Annual Report detail the individual remunerations of directors during the year, including:

a) The itemized breakdown of the remuneration of each director including, if applicable:

- i) The per diem allowances for attendance or other fixed remuneration as director;**
- ii) Any additional remuneration as chairman or member of any committee of the Board;**
- iii) Any remuneration for participating in profits or premiums and the reason for their grant;**
- iv) The contributions made in favour of the director to defined contribution pension plans or the increase of consolidated rights of director in the case of contributions to defined social security plans;**
- v) Any compensations agreed upon or paid in the case of termination of office;**
- vi) Remunerations received as director from other companies of the group;**
- vii) Remunerations received from the performance of high managerial powers by the executive directors;**
- viii) Any other remuneration item different from those mentioned above irrespectively of the nature or entity of the group paying them, particularly where it is considered a related transaction or where its omission distorts the true image of the total remunerations received by director.**

b) An itemized breakdown of deliveries of shares, share option rights or any other instrument referring to the value of shares to directors, including details on:

- i) The number of shares or share options granted during the year and conditions for their exercise;**
- ii) The number of share option rights exercised during the year indicating the number of shares affected and the exercise price;**
- iii) The number of options whose exercise is still pending at the end of the year indicating price, date and other exercise requirements thereof;**

- iv) **Any modification made throughout the year to the conditions to exercise options already granted.**
- c) **Information on the relation, in such previous year, between the remuneration obtained by the executive directors and the results or other measures of performance of the company.**

Complies Partially complies Explain +

The remunerations received by each of the company's directors during year 2007, including all items, are mentioned in this Annual Corporate Governance Report and in the Remuneration Policy Report to be filed at the Annual General Meeting scheduled for 2008. The Report of the annual accounts reflects the total amounts received by directors during the previous year.

- 42. That where there is a Delegate or Executive Committee (hereinafter, "Delegate Committee"), the shareholding structure of the different categories of directors be similar to that of the Board of Directors itself and the Secretary be that of the Board of Directors.**

See: B.2.1 and B.2.6

Complies Partially complies + Explain Not applicable

The composition of the Executive Committee adjusts to the provisions of the Articles of Association. With respect to the Board of Directors, the relevance of executive directors is greater than that of independent directors and the number of directors representing substantial shareholders is similar to that of the Board of Directors. The Secretary of the Executive Committee is the same as that of the Board of Directors and in both cases, it is not a member of any of the two bodies.

- 43. That the Board of Directors be always aware of the items transacted and decisions adopted in the Managing Committee and that all its members receive a copy of the minutes of the Managing Committee sessions.**

Complies + Explain Not applicable

- 44. That the Board of Directors creates from among its members the Audit Committee required under the Stock Exchange Act and the Appointments and Remuneration Committee (or two separate Committees).**

The rules governing the composition and operation of the Audit Committee and the Appointments and Remuneration Committee or Committees shall appear on the Board of Directors' Regulations and include the following:

- a) **The Board of Directors shall appoint the members of these Committees considering the knowledge, skills and experience of directors and the goals of each Committee, decide on their proposals and reports; directors shall report before the entire Board of Directors following their meetings on their activities and the work performed;**
- b) **These Committees shall be exclusively made up of outside directors (at least three). The foregoing applies notwithstanding the attendance by executive directors or senior managers upon express agreement by the members of a Committee.**

- c) **The Chairmen of these Committees shall be independent directors.**
- d) **They may call for external counselling where they deem it necessary for the performance of their duties.**
- e) **Their meetings shall be recorded in minutes, a copy of which shall be sent to all members of the Board of Directors.**

See: B.2.1 and B.2.3

Complies + Partially complies Explain

- 45. That the supervision of compliance with the internal codes of conduct and the rules of corporate governance be entrusted to the Audit Committee, the Appointments Committee or, if separate from the latter, the Corporate Governance or Compliance Committee.**

Complies + Explain

The Audit and Compliance Committee shall be in charge of supervision.

- 46. That the members of the Audit Committee and, particularly, its chairman, be appointed considering their knowledge and experience in terms of accounting, auditing or risk management.**

Complies + Explain

- 47. That the listed companies have an internal auditing body which, under the supervision of the Audit Committee, sees to the proper operation of the internal information and control systems.**

Complies + Explain

- 48. That the person in charge of the internal audit file its annual working plan with the Audit Committee and inform directly inform the Committee of any problems found in its preparation and submit a report of activities at the end of each year.**

Complies + Partially complies Explain

- 49. That the risk management and control policy identify, at least, the following:**

- a) **The different types of risks (operating, technological, financial, legal, reputation, etc.) faced by the company, including, among the financial or economic risks, any contingent liabilities and other off-balance risks;**
- b) **The establishment of the risk level considered acceptable by the company;**
- c) **The measures provided for to mitigate the impact of the risks identified in case they materialize;**
- d) **The internal information and control systems to be used to control and manage the risks mentioned, including any contingent liabilities or off-balance risks.**

See: D

Complies + Partially complies Explain

- 50. That the Audit Committee:**

- 1 - As to the internal information and control systems:**

- a) **Supervise the preparation process and the integrity of the financial information regarding the company and, if applicable, the group,**

reviewing compliance with the regulatory requirements, the proper limitation of the consolidation perimeter and the proper application of the accounting criteria.

- b) Periodically review internal risk management and control systems so as to identify, manage and properly inform the main risks.
- c) See to the independence and effectiveness of the internal auditing function; propose the selection, appointment, re-election and dismissal of the head of the Internal Audit Department; propose a budget for that service; receive periodic information on its activities; and verify that the senior management considers the conclusions and recommendations of its reports.
- d) Establish and supervise a mechanism that allows employees to communicate, on a confidential basis and, if deemed appropriate, anonymously, any potentially significant irregularities, particularly financial and accounting irregularities noted within the company.

2 - As to the external auditors:

- a) File with the Board of Directors any proposal for the selection, appointment, re-election, and replacement of the external auditor as well as the hire conditions thereof.
- b) Receive, on a regular basis, from the external auditor information on the audit plan and the results derived from its execution, *and* verify that the senior management considers its recommendations.
- c) Ensure the independence of the external auditor and, for such purpose:
 - i) That, as a relevant event, the company inform the Spanish Stock Exchange Commission of any change of auditor including a declaration on the existence of disagreements with the outgoing auditor and, if any, its content thereof.
 - ii) That it make sure that the company and the auditor abide by the applicable regulations on the provision of services other than the auditing services, the limits to the concentration of the auditor's business and, in general, any other regulation established to ensure the independence of auditors;
 - iii) That, should the external auditor resign, it must review all circumstances giving rise to this resignation.
- d) In the case of groups, cause the auditor of the group to assume responsibility for the audits to the companies that make up this group.

See: B.1.35, B.2.2, B.2.3 and D.3

Complies + Partially complies Explain

51. That the Audit Committee be authorized to call any employee or director of the company and even order their appearance without the presence of any other manager.

Complies + Explain

52. That the Audit Committee inform the Board of Directors, before the adoption by the Board of the relevant decisions, of the following issues mentioned in Recommendation No. 8:

- a) **The financial information which, given its status as a listed company, the company shall make public periodically. The Committee must make sure that the intermediate accounts are calculated based on the same accounting criteria as the annual accounts and, for this purpose, it shall consider whether it is proper to conduct a limited review by the external auditor.**
- b) **The creation or acquisition of shareholdings in special-purpose entities or in entities whose domicile is established in tax haven countries and territories as well as any other transaction or dealing of similar nature which, given its complexity, may impair the transparency of the group.**
- c) **The related dealings, except where the duty of prior report has been entrusted to a Committee other than the Supervision and Control Committee.**

See: B.2.2 and B.2.3

Complies + Partially complies Explain

53. That the Board of Directors file the accounts with the Annual General Meeting without reservations or exceptions in the audit report; should there be any reservation or exception, both the Audit Committee's Chairman and the auditors shall clearly explain to shareholders the contents and scope of these reservations or exceptions.

See: B.1.38

Complies + Partially complies Explain

54. That the majority of the members of the Appointments Committee (or Appointments and Remuneration Committee, if only one) be independent directors.

See: B.2.1

Complies Explain + Not applicable

Pursuant to the provisions of article 51 of the Articles of Association, the Appointments and Remuneration Committee shall be made up of four outside members and chaired by an independent director. Among its members, there shall be only one independent director as the proportion existing in the Board of Directors of the different categories of directors, excluding the executive directors, has been considered for its composition. As it has already been explained in different paragraphs, the composition of the Board of Directors is established by the composition of the share capital, made up of two shareholders representing 63.135% of the share capital respectively.

55. That the following duties, apart from those set forth in the preceding Recommendations, be met by the Appointments Committee:

- a) **Evaluate the necessary powers, knowledge and experience of the Board of Directors and define the necessary functions and skills of candidates to fill in each position and evaluate the time and dedication necessary for them to properly perform these duties.**

- b) **Review or organize, as the case may be, the succession of the Chairman and chief executive and, if applicable, file proposals with the Board of Directors so that this succession is conducted in an orderly and planned manner.**
- c) **Inform the appointments and terminations of senior managers proposed by the chief executive to the Board of Directors.**
- d) **Inform the Board of Directors of gender diversity matters as set forth in Recommendation No. 14 of this Code.**

See: B.2.3

Complies + Partially complies Explain Not applicable

56. That the Appointments Committee consults the Chairman and the company's chief executive, particularly regarding issues affecting the executive directors.

Any director may request the Appointments Committee to consider, if suitable, potential candidates to fill in vacancies of directors.

Complies + Partially complies Explain Not applicable

57. Apart from the duties set forth in the Recommendations above, the Remuneration Committee shall:

a) Propose to the Board of Directors:

- i) **The remuneration policy for directors and senior managers;**
- ii) **The individual remuneration of executive directors and other conditions of their agreements.**
- iii) **Basic conditions in the agreements of senior managers.**

b) See to the observance of the remuneration policy set forth by the company.

See: B.1.14, B.2.3

Complies + Partially complies Explain Not applicable

In the case of Telecinco, it is the Appointments and Remuneration Committee the one that performs these duties as well as those set forth in paragraphs 55 and 56 above.

58. That the Remuneration Committee consults the Chairman and the company's chief executive, particularly regarding issues affecting executive directors and senior managers.

Complies + Explain Not applicable

OTHER INFORMATION OF INTEREST

If you consider there is any significant aspect or principle concerning the corporate governance practices of your company that has not been dealt with in this Report, describe it below.

Any other information, clarification or qualification relating to the above sections of this report may be included here.

Specifically, state whether the company falls under any legislation on corporate governance, other than that in force in Spain and, if so, include any information that the company is required to provide under such legislation apart from that requested in this form.

As mentioned in the Report above, Telecinco has promised to go into corporate governance issues and to incorporate the greatest number possible of recommendations proposed by the new Unified Code. For this purpose, during 2006 and 2007, the mechanisms necessary to achieve a gradual incorporation were commenced. During year 2006, two new Regulations for the Audit and Compliance Committee and the Appointments and Remuneration Committee were passed. These Regulations govern their composition and incorporate the new powers provided for in the Unified Code, explained in detail in paragraph B.2.3. and in the Annual Report for this year.

During year 2007, a series of modifications to the Articles of Association and the Annual General Meeting's Regulations were subjected to approval by the Annual General Meeting held on 5th April. In order to complete the process, the Board of Directors passed, upon an absolute majority of the votes, the adaptation of its Regulations to the new recommendations on the corporate governance and the Regulations of Internal Conduct of Gestevisión Telecinco, S.A and its Group of companies in trading on the Stock Market to the latest legal modifications. In aggregate, nine articles in the Articles of Association have been modified, four articles in the Annual General Meeting's Regulations and eighteen in the Board of Directors' Regulations. Moreover, and in order to incorporate the modifications passed under Law 19/2005, an article in the Articles of Association and the relevant article in the Annual General Meeting's Regulations were modified.

The new modifications and the proper governance practices already existing turn a great number of recommendations into obligations for Telecinco's governance bodies.

The different items of the Report have explained the changes introduced and their extent; still, it is important to briefly summarize in this section each of the modifications made.

Annual General Meeting

1.- Sphere of influence:

Two new powers are included: (i) approve the incorporation into dependent entities of essential activities developed by Telecinco, even where they are fully owned by Telecinco and (ii) approve the dealings whose effect is equivalent to that of the company's liquidation.

2.- Shareholders' rights:

The need to hold hundred (100) shares to be entitled to attend the Annual General Meeting has been suppressed. In this way, any shareholder holding at least one voting share may attend the next meeting.

3.- Fractional vote:

The financial intermediaries attending the Annual General Meeting on behalf of several shareholders may vote pursuant to the different instructions received so that given a certain situation they may cast their votes in different directions based on the instructions given by the shareholders they represent.

Board of Directors

1.- Definition: senior manager, independent director and director representing substantial shareholders:

The term senior manager is extended to cover the executives acting under the immediate control of the Board of Directors and the Managing Directors as the Company's chief executives and, ultimately, the internal auditor.

Moreover, the definitions of executive director, director representing substantial shareholders and independent director as set forth in the Unified Code have been incorporated. The need for the Board of Directors to explain the capacity of directors before the Annual General Meeting which shall effect or ratify their appointment has been included. Upon these new modifications, the capacity of each of the directors shall be confirmed or, if applicable, reviewed annually through the Annual Corporate Governance Report following verification by the Appointments and Remuneration Committee of the capacity of each of the directors.

Even though this situation has not occurred, if directors representing substantial shareholders upon initiative by shareholders not holding a significant participation in the share capital have been appointed, the Annual Corporate Governance Report shall explain the reasons for this appointment and the reasons why no formal requests to be part of the Board of Directors filed by shareholders whose shareholding is equal to or greater than that of others upon whose initiative directors representing substantial shareholders have been appointed, if any, were treated.

Should there be other outside directors not considered directors representing substantial shareholders or independent shareholders, the obligation by Telecinco to explain this situation and its relations with directors, shareholders or itself has been established.

2.- Appointment of directors:

The approval for the incorporation of new Independent Directors shall be conducted upon proposal by the Appointments and Remuneration Committee.

3.- Sphere of influence:

The powers of the Board of Directors is extended; the Board shall exclusively deal with the following issues without being able to delegate their treatment to any other decision-making body: (i) approval of annual budgets and the strategic plan, (ii) supervision of Grupo Telecinco's corporate structure and investment and financing policy, (iii) approval of the corporate governance policy, (iv) supervision of Corporate Social Responsibility policy, (v) approval of executive directors' remuneration policy and main conditions to be met by their agreements, (vi) evaluation of the executive directors' performance, (vii) follow-up of the risk management and control policy as well as internal control and information systems, (viii) approval of Telecinco's treasury stock policy, (ix) it shall be informed of the termination and appointment of the senior management and of the hiring conditions thereof, (x) approval of periodic financial information to be published by Telecinco, (xi) approval of the creation or acquisition of shareholdings in special purpose entities or entities established in tax haven countries and territories as well as any other dealing that may affect the Group's transparency, (xii) authorization of Telecinco's related dealings except for the cases mentioned in Recommendation No. 8 and incorporated hereto.

4.- Directors' obligations:

The directors' obligations include, among others: (i) inform the Board of Directors of any criminal cases in which they are the accused party and the status of the proceedings, and (ii) inform the Appointments and Remuneration Committee of their remaining professional obligations including any other Board of Directors in which they may participate.

5.- Directors' term of office:

The Board of Directors' independent members' term of office has been limited to twelve (12) years as it is assumed that an excessively long-term office may compromise their independence.

In the case of the Audit and Compliance Committee and the Appointments and Remuneration Committee's chairmen, the limit has been set to four (4) years.

6.- Directors' termination of office:

In this paragraph, the modifications have different scopes: first, in the case of a director's voluntary termination before the completion of its term of office, it is necessary for it and for Telecinco to comply with new requirements so that now the director shall inform in writing the reasons for termination and the company shall make public the decision and the reasons motivating it.

Second, the obligation to reduce the number of directors representing substantial shareholders in proportion to the percentage of share capital sold by the shareholder represented has been incorporated.

Last, the termination of the independent director before the completion of its term of office may only be proposed by the Board of Directors where it fails to comply with the conditions required under the Unified Code to be considered as such, introduced in the Regulations.

7.- Directors' remuneration:

The modifications aim to: (i) give greater publicity and transparency to the entire process of defining the remuneration policy for directors, (ii) facilitate the availability of detailed and individualized information pertaining to the remuneration received by each of the directors and (iii) guarantee that the criteria used to establish variable remunerations are objective and clearly established.

This year, a Report on the directors' remuneration policy prepared by the Appointments and Remuneration Committee shall be filed with the Annual General Meeting; this Report shall include all the recommendations by the Unified Code.

8.- Chairman of the Board of Directors:

The Board of Directors' chairman's obligations include, among others, provide all directors sufficiently in advance of the meetings with all the necessary information on the items of the Agenda to be transacted.

9.- Secretary of the Board of Directors

Its appointment and termination shall be informed by Telecinco Appointments and Remuneration Committee and approved by the Board of Directors.

Its obligations include, among others, record any pending issue in the Minutes and guarantee that the Board of Directors' agreements adjust to the spirit of the Laws and Regulations, the Articles of Association and Telecinco's Regulations considering all corporate governance recommendations applicable in each case.

The Secretary shall include in the call for a Board of Directors' meeting the discussion regarding an item in the Agenda not provided for initially and proposed by any of the directors.

10.- Directors' orientation:

For the new Board of Directors' members, Telecinco shall provide orientation programs on the company and the Group as well as any Corporate Governance regulations.

11.- Periodic evaluation:

The Board of Directors shall periodically evaluate its operation and the operation of its Committees.

12.- Website information:

The minimum content of the company's website shall be extended with details of directors including: (i) a brief professional and biographic profile; (ii) outline of all Boards to which they belong; (iii) indication of the type of director role; (iv) indication of the date of first or subsequent appointments; (v) number of shares and option rights held.

13.- Diversity of gender:

When filling in vacancies, the Appointments and Remuneration Committee shall ensure there are no difficulties in the selection of female directors and shall promote the search for women who meet the professional profile required.

SECTION A.1.-

Since the Company went public on June 24th, 2004 there has been no modification to share capital. Since January 3rd, 2005 Gestevisión Telecinco, S.A. is a company listed on IBEX 35.

SECTION A.2.-

With regard to shares, Telecinco is represented in book entries; as such the registration of shareholders is the responsibility of an entity which is not part of the company, and the ownership structure cannot be listed. Information contained in this section comes from the information published in the CNMV's website, according to which owners of significant shareholdings as of December 31st, 2007, are the individuals listed in point A.2.

SECTION A.3.-

Option rights on shares granted to directors:

As approved by the Annual General Meeting of April 11th, 2007, during the financial year covered by this report the Chairman and Chief Executive Officers were granted the following options over shares:

(i) Alejandro Echevarría (Chairman): During the 2007 financial year was granted 77,338 options, equivalent to 77,338 shares, exercisable after July 25th, 2010, and which can be liquidated by delivery of the securities upon payment of a fixed price of €20.82.

Options granted in 2007 in addition to those previously granted to Mr. Echevarría come to a total of 198,588, equivalent to 198,588 Telecinco shares.

(ii) Mr. Paolo Vasile (Chief Executive Officer): During the 2007 financial year was granted 154,675 options, equivalent to 154,675 shares, exercisable after July 25th, 2010, and which can be liquidated by delivery of the securities upon payment of a fixed price of €20.82 .

After this, Mr. Vasile is the owner of a total of 397,175 options, equivalent to 397,175 shares of Telecinco.

(iii) Mr. Giuseppe Tringali (Chief Executive Officer): During the 2007 financial year was granted 154,675 options, equivalent to 154,675 shares, exercisable after July 25th, 2010, and which can be liquidated by delivery of the securities upon payment of a fixed price of €20.82 .

Total options granted to Mr. Tringali to date come to a total of 397,175, equivalent to 397,175 shares of Telecinco.

SECTION A.8

As mentioned in our Corporate Governance Report for the previous financial year, the number of treasury shares as of 31/12/2006 was 1,411,540, representing 0.572% of share capital. Pursuant to the authorization granted by the Annual General Meeting to the Board of Directors in the 2007 financial year, a total of 1,613,867 shares of the company were purchased for the company's remuneration plans.

SECTION B.- BOARD OF DIRECTORS' STRUCTURE

SECTION B.1.4.

The directors representing substantial shareholders who are members of the present Board of Directors represent the company's two main shareholders: Mediaset Investimenti, S.p.a, holder of 50.135% of the share capital and Corporación de Nuevos Medios Audiovisuales, S.L. holder of 13%. Thus, there are no directors representing substantial shareholders appointed upon the initiative by shareholders holding less than 5% of the share capital.

Likewise, the Company has received no formal request to be part of the Board of Directors filed by shareholders whose shareholding is equal to or greater than that of others upon whose request any of the directors representing substantial shareholders has been appointed.

SECTION B.1.5.

Even though, during the previous year, no director has been terminated, it should be noted that, among the modifications approved at the Annual General Meeting held during year 2007 intended to incorporate the new corporate governance recommendations, there is the obligation by the directors who cease to hold before completion of their term of office to explain the reasons for taking this decision and the obligation by Telecinco to make its decision and reasons thereof public through the Annual Corporate Governance Report and to send any relevant event to the Spanish Stock Exchange Commission.

SECTION B.1.10

The Board of Directors' new powers mentioned in this paragraph were introduced upon agreement at the Annual General Meeting held in April 2007. The provisions set forth in Recommendation No. 8 of the Unified Code are applied upon this modification.

SECTION B.1.11

To complement the information contained in this section, following is a breakdown of remuneration paid to each of the directors:

Mr. Mr. Alejandro Echevarría Busquet – Chairman of the Board of Directors

Fixed Remuneration for the Board:	60,000
Per diems:	60,500
Complementary remuneration:	1,359,549.52
Total	1,480,049.52

Option rights granted: 77,338

Option rights exercised: 0

Mr. Paolo Vasile - Chief Executive Officer

Fixed Remuneration for the Board:	60,000
Per diems:	30,250
Fixed remuneration:	494,974.32
Variable remuneration:	617,500
Bonus:	1,100,000
Remuneration in kind:	34,937.55
Total:	2,337,661.87

Option rights granted: 154,675

Option rights exercised: 0

Mr. Giuseppe Tringali - Chief Executive Officer

Fixed Remuneration for the Board:	60,000
Per diems:	30,250
Fixed remuneration:	479,933.13
Variable remuneration:	617,500
Bonus:	1,100,000

Remuneration in kind:	42,238.54
Total:	2,329,921.67

Option rights granted: 154,675
Option rights exercised: 0

Mr. Alfredo Messina – Director

Fixed Remuneration for the Board	60,000
Per diems:	27,500
Total:	87,500

Mr. Fedele Confalonieri – Director

Fixed Remuneration for the Board:	60,000
Per diems:	35,750
Total:	95,750

Mr. Marco Giordani – Director

Fixed Remuneration for the Board	60,000
Per diems:	27,500
Total:	87,500

Mr. Pier Silvio Berlusconi – Director

Fixed Remuneration for the Board:	60,000
Per diems:	2,750
Total:	62,750

Mr. Giuliano Adreani – Director

Fixed Remuneration for the Board:	60,000
Per diems:	49,500
Total:	109,500

Mr. José M^a Bergareche Busquet – Director

Fixed Remuneration for the Board:	60,000
Per diems:	49,500
Total:	109,500

Mr. Ángel Duráñez Adeva – Independent Director/Chairman of the Audit and Compliance Committee

Fixed Remuneration for the Board:	60,000
Per diems:	38,500
Total:	98,500

Mr. Miguel Iraburu Elizondo – Independent Director/Chairman of the Appointments and Remuneration Committee.

Fixed Remuneration for the Board:	60,000
Per diems:	46,750
Total:	106,750

Mr. Borja de Prado Eulate – Independent Director

Fixed Remuneration for the Board:	60,000
Per diems:	16,500
Total:	76,500

Mr. José Ramón Álvarez-Rendueles – Independent Director

Fixed Remuneration for the Board:	60,000
Per diems:	19,250
Total:	79,250

None of the directors received any remuneration for their sitting on other Boards of Directors of the Group companies.

As during the previous year, as of the closing date of the 2007 financial year the company had not granted any advance or loan to any of its directors.

With regard to social security systems, the company has hired life insurance, coverage against illness or death, and medical insurance only for the two Chief Executive Officers, with an annual cost of €26,017.58. The items were included as part of the amount corresponding to remuneration in kind.

As during the previous year, no contributions were made for pension funds or plans in favour of any of the members of the Board of Directors.

Share options.

During the 2007 financial year, directors were granted a total of 386,688 share options, 309,350 of which were granted to each of the Chief Executive Officers and 77,338 to the Chairman of the Board of Directors.

No option rights have been exercised in 2007.

Conditions for exercising the options and other information regarding this point are contained in Section A.3.

SECTION B.1.12

The total remuneration accrued in favour of the senior management members who are not executive directors during year 2007 has been calculated based on the salary in kind and future income as well as on the accrual instead of payment criteria, which differs from the previous year.

SECTION B.1.13

The guarantee and golden parachute clause mentioned in this paragraph does not affect any of the company's executive directors but the senior management members who are not part of the Board of Directors and have a series of common market conditions guaranteed in the case of dismissal. In order to further clarify the information provided, there follows a summary of the main characteristics of the clauses mentioned not included in the former Reports:

Position	Clause, guarantee or parachute
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Managing director	Termination of Contract at the request of the Company (except in case of fair dismissal): (replacing the legal compensation applicable, unless such compensation is higher) Termination 24/04/02 to 31/12/07: 24 months of salary Termination 2008 to 2011: 18 months of salary Termination afterwards: 12 months of salary
Managing director	Compensation system: a) Voluntary termination: accrued amount per year: fixed salary per year + bonus per year/13.5; the total compensation is the sum of the years of work. Fair or Unfair Dismissal: legal compensation + compensation fixed in a)
Managing director	Termination of the Contract for reason attributable to the Company or suspension, modification or limitation of duties on the part of the Company, the officer will receive the higher of the following options: a) Compensation starting on €1,020,000, decreasing on a monthly basis by €34,000, during the 30 months following the signature (30/01/2006) until reaching zero. b) Compensation equivalent to 12 months of salary in effect.
Managing director	Termination of the Contract at the request of the Company (except in case of dismissal declared fair): Years of service for the period between 22/01/01 and 31/12/04: 7 days of salary per year with the limit of 6 monthly payments, or 20 days of salary with the limit of 12 monthly payments, depending on the reason for termination. Years of service from 01/12/05: 45 days of salary per year with the limit of 12 monthly payments. The salary base used for the calculation will consist of fixed salary plus variable salary (with a minimum amount of €30,000).

SECTION B.1.40

Until 30th March, 2007, Mr. Borja Prado Eulate was the holder of 1% of the company Financial Retos Partners, SA, a company holding 23% of Recoletos Grupo de Comunicación, SA. As from this date, Mr. Prado has communicated to the Company that it no longer holds shareholdings in the share capital of any company with the same, analogue or similar corporate purpose to that of Telecinco.

SECTION C

All transactions with related parties during the 2007 financial year between the company and significant shareholders, other companies as well as the resources dedicated to directors and members of senior management derive from habitual traffic and occurred under normal market conditions. Nevertheless, for merely informative purposes, section C.1 describes the principal activities carried out.

Definition of Independent Director:

Indicate whether any of the independent directors has or has had any relationship with the company, its significant shareholders or managers which, if sufficiently meaningful or important, would have prevented the director from being considered as independent director pursuant to the provision of paragraph 5 of the Unified Code on proper governance:

Yes No

Name of the director	Type of link	Explanation

This annual corporate governance report has been approved by the Company's Board of Directors at a meeting held on February 27th, 2008.

Indicate if any of the directors has voted against or has refrained from voting the approval of this Report.

Yes No

Name or company name of the director who has not voted in favour of the approval of this Report	Grounds (against, abstention, non-attendance)	Explain the grounds