



**GESTEVISIÓN TELECINCO, S.A.**

Independent review report on the 2009  
Corporate governance report

**INDEPENDENT REVIEW REPORT ON THE 2009 CORPORATE GOVERNANCE REPORT OF  
GESTEVISIÓN TELECINCO, S.A.**

*This version of our report is a free translation from the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation*

To the Board of Directors of Gestevisión Telecinco, S.A.:

1. We have carried out the review of the adaptation of the content of the 2009 Corporate Governance Report of Gestevisión Telecinco, S.A. to the recommendations of the Special Working Group's report on corporate governance in listed companies (Unified Code on Corporate Governance) dated 19 May 2006, and its compliance with the minimum content of the annual corporate governance report laid down by Circular 4/2007 (27 December 2007) of the National Securities Market Commission.
2. The preparation of the Corporate Governance Report and its content are the responsibility of the Board of Directors of Gestevisión Telecinco, S.A., which is also responsible for the design, implementation and maintenance of the procedures through which information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.
3. We have carried out our review work in accordance with ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with respect to limited assurance work. Our review work has consisted of
  - Reading of legal documentation, minutes of the General Shareholders' Meetings and Board of Directors' meetings, annual accounts and internal and external communications.
  - Conducting interviews with the personnel of Gestevisión Telecinco, S.A. including members of management and other bodies responsible for the different areas of corporate governance addressed by this Report.
  - Analysis of the procedures used to compile and validate the data and information presented in the Corporate Governance Report.
  - Analysis of the adaptation of the content of the Corporate Governance Report to the recommendations of the Unified Code on Corporate Governance and Circular 4/2007 (27 December 2007) of the National Securities Market Commission .
  - Verification through review tests, based on sampling, of the quantitative information included in the Corporate Governance Report and its appropriate compilation using the data furnished by the Management of Gestevisión Telecinco, S.A.

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4. The scope of a review is substantially less than that of reasonable assurance work. Therefore the assurance provided is also less. This report may in no event be understood as an audit report.
  5. For those recommendations of the Unified Code that have not been implemented by the company, the Directors of Gestevisión Telecinco, S.A. offer the explanations that they consider appropriate (see Headings F and G of the attached report). Due to its nature, in such cases our work has consisted only of verifying that the assertions contained in the Report do not contradict the evidence obtained from the procedures described in paragraph 3. It is beyond the scope of this verification report to express value judgements on the reasonableness of such explanations.
  6. We have carried out our work in accordance with the rules on independence required by the Code of Ethics of the International Federation of Accountants (IFAC).
  7. As a result of our work, nothing has come to light that could lead us to consider that the accompanying 2009 Corporate Governance Report of Gestevisión Telecinco, S.A. contains major errors or has not been prepared in all significant respects, in accordance with Circular 4/2007 (27 December) of the National Securities Market Commission and, except as indicated in paragraph 5 above, in accordance with the recommendations of the Unified Code on Corporate Governance.

PricewaterhouseCoopers Auditores, S.L.

Antonio Vázquez  
Partner

24 February 2010

ANNUAL CORPORATE GOVERNANCE REPORT

YEAR 2009

COMPANY IDENTIFICATION  
NUMBER: A-79075438

Company Name:

Gestevisión Telecinco, S.A

*Translation from the original in Spanish. In the case of any discrepancy the Spanish version prevails.*

## 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:

NO

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
Mediaset Investimenti SPA	123,653,768	0	50.100
Mr. Silvio Berlusconi	0	87,705,844	35.560
Tweedy Browne C. LLC	0	13,048,849	5.291
Harris Associates LP	0	12,724,957	5.159
Tweedy Browne Global Value Fund	7,768,795	0	3.150

(\*)Held through:

Name of the individual or company indirectly holding the shares	Name of the individual or company directly holding the shares	Number of voting rights held directly	% of total voting rights
Mr. Silvio Berlusconi	Mediaset Investimenti SPA	87,705,844	35.560

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
Vocento, S. A	31-07-2009	Its shareholding fell below 5% of the share capital.

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	31,603	0	0.013
Mr. Paolo Vasile	6,369	0	0.003
Mr. Ángel Durández Adeva	6,237	0	0.003
Mr. Francisco Borja de Prado Eulate	490	5,050	0.002
Mr. Jose Ramon Alvarez Rendueles	13,000	484	0.005
Mr. Massimo Musolino	4,534	10	0.002
Mr. Mario Rodriguez Valderas	1,465	0	0.001

(\*)Held through:

Name of the individual or the company indirectly holding the shares	Name of the individual or company directly holding the shares	Number of voting rights held directly	% of total voting rights
Mr. Francisco de Borja Prado Eulate	Bopreu, S.L.	5,050	0.002
Mr. Massimo Musolino	Mrs. Alicia Díaz Villanueva	10	0.000
Mr. Jose Ramón Alvarez Rendueles	Alvarvil, SA	484	0.000

% of total voting rights held by directors	0.028
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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	238,937	0	238,937	0.097
Mr. Guiseppe Tringali	477,875	0	444,875	0.194
Mr. Paolo Vasile	477,875	0	444,875	0.194
Mr. Massimo Musolino	225,750	0	225,750	0.092
Mr. Mario Rodriguez Valderas	12,000	0	129,000	0.052

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:

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:

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 there under:

NO

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

NO

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 corporate person who controls or may control the company pursuant to Section 4 of the Spanish Securities Market Law. If such a person exists, identify them:

YES

Name or company name
Mediaset Investimenti SpA

Comments
Mr. Silvio Berlusconi, is the owner of 35.560% of the Mediaset Investimenti Spa Share Capital

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

At year-end:

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
3,552,287	0	1.440

(\*)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:

Capital gains/losses on own shares disposed of during the period	-
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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 1 April 2009, under item 7 of the agenda, authorized the Board of Directors to acquire and transfer own shares, with a total of 164,589,800 votes representing 91.150% of share capital in favor, 15,733,549 votes representing 8.713% of share capital against, 246,984 abstentions representing 0.137% of share capital and 4,929 blank votes representing 0.000% of share capital. This mandate shall remain effective until the next Annual General Meeting, slated for 2010.

Below is the exact text of the proposed resolutions:

1. To grant the Board of Directors authority for the derivative acquisition of the Company's own shares, according to the provisions of Section 75 and following of the Limited Companies Act, in any way, whether directly or through companies under its control, subject to the following restrictions 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 perceived in addition to those owned by GESTEVISION TELECINCO, S.A. or any of the companies under its control shall not exceed five per cent (5%) of the Company's share capital.
- The acquired shares shall be free of burden or lien, fully paid up, and not tied to meeting any commitment or liability.

- The shares may neither be acquired for less than their nominal value nor for a price in excess of one hundred and twenty per cent (120%) of their quoted price on the date of acquisition.

- Duration of this authority: eighteen (18) months from the date of this resolution.

- Besides, these operations shall be carried out according to the relevant rules contained in the Company's Internal Code of Conduct.

2. To cancel the authority granted on this matter at the General Meeting of 9th April 2008.

3. To authorize the Board of Directors to use all or some of the own shares acquired by the Company for implementing remuneration plans that consist of or involve awarding shares or share options, or are



based in any way on the stock market performance of Company shares, according to the provisions of Article 1, Section 75 of the Limited Companies Act.

4. 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:

NO

Maximum percentage of voting rights which a shareholder maybe entitled to exercise under a legal restriction	0
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State whether there are restrictions established in the Articles of Association on the exercise of voting rights

NO

Maximum percentage of voting rights which a shareholder maybe entitled exercise under a restriction established in the Articles of Association	0
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State whether there are legal restrictions on the acquisition or transfers of shareholdings:

YES

Description of legal restrictions on the acquisition or transfer of shareholdings
<p>Since the legislative changes in 2009 the legal restrictions on the acquisition or transfer of shares are as follows:</p> <p><b>ACQUISITION:</b></p> <p>Section 21 of Law 10/1988 of private Television dated 3<sup>rd</sup> May, as amended, sets forth:</p> <p>1. Individuals or corporate persons who directly or indirectly hold five percent or more of the total share capital or voting rights of a public television service concessionaire may not own a significant holding in any other public television service concessionaire which offers the same cover in the same area.</p> <p>Individuals and corporate persons may simultaneously hold shares or voting rights in different national public television service concessionaires.</p> <p>Nevertheless, for national public television service concessions no individual or corporate person may acquire a significant shareholding in more than one concession when the average audience of all the national concessions' channels considered is more than 27% of the total audience over the twelve</p>

consecutive months prior to the acquisition.

If this percentage is exceeded after the acquisition of a new significant shareholding this will not be taken into consideration when applying articles 17.2 and 21 bis of the Law.

Likewise, individuals or corporate persons not included in the above paragraph who, directly or indirectly, hold share capital or voting rights of five percent or more of the total of a public television service concessionaire in an autonomous region may not hold a significant shareholding in any other local public television service concessionaire whose broadcasting area is included in the former, provided that the population of the areas covered by its broadcasts exceeds 25% of the total population of the autonomous region.

A significant shareholding or significant voting rights may not be held under any circumstances in national, autonomous and local public television service concessionaires when their broadcasts simultaneously coincide in the same reception point.

2. No public television service concessionaire may hold a significant shareholding in another similar company in the circumstances referred to in the above section.

3. In any event, individuals or corporate persons who, directly or indirectly, hold more than five percent of the total shares or voting rights of a public television service concessionaire, as well as public television service concessionaires, may not directly or indirectly appoint members of the governing bodies of more than one company which is a public television service concessionaire except when a significant holding in these companies is permitted pursuant to the provisions of sections 1 and 2 of this article.

4. For the purposes of this article, a significant holding is considered to be that which directly or indirectly amounts to at least five percent of the capital or voting rights.

5 For the purposes of this article, shares or other securities are considered to be owned or acquired by an individual or corporate person when these are acquired by entities belonging to the same group as defined in article 4 of Spanish Securities Market Law 24/1988, of July 28. Likewise, those owned or acquired by other persons who acting in their own name do so on behalf of an individual or corporate person either in a concerted manner or forming a single decision-making unit.

Unless there is evidence to the contrary, other persons will be considered to be acting on behalf of a corporate person or in a concerted manner in the following cases:

- a) Shareholders or corporate persons when they have a reciprocal pact or agreement in respect of shares or voting rights
- b) Individuals or corporate persons when they have signed any form of agreement or pact to adopt or block actions which might significantly affect the competitive strategy of a company in which they hold a direct or indirect holding
- c) Holders of shares or voting rights of an entity that can control a company by the joint exercise of their voting rights, whose common interests favor joint action to prevent mutual loss or to obtain a common gain by exercising their rights in respect of the investee
- d) Parent companies or subsidiaries of competing company groups when they have crossed interests
- e) Holders of shares or voting rights when they have signed any kind of pact or agreement with the aim of jointly managing and having significant influence over the programming, definition or coordination of the business strategy, the commercial policy in respect of design, management, establishing prices, managing promotional activities and advertising campaigns, as well as managing installations and resources.
- f) If there are pacts or agreements, of the type referred to in this section, between the holders of

shares or voting rights and a third party this will determine, that a concerted action has been taken by the holders of shares or voting rights who have signed such pacts or agreements and the third party in question.

g) Holders of shares or voting rights when any of the above circumstances have occurred in the past which suggests a shared interest exists.

In any event, the ownership of shares and other securities as well as voting rights must be taken into account.

6. The Spanish Ministry of Telecommunications and Information Society, or where applicable, the competent regional authority, within their respective competences, has the legal right to take actions aimed at enforcing the limits imposed by this article

7. The latest population census published by the INE (Spanish National Institute of Statistics) shall be used to determine the population of the area covered by broadcasts

8. The provisions of this article do not preclude any sectoral legislation applicable in each case.

9. Shares or voting rights of individuals or corporate persons that are nationals of non-EEC countries which are acquired after the introduction of this Royal Decree-Law on Public Television Service Concessionaires are subject to compliance with the principle of reciprocity.

Should the shareholding or voting rights which, at the date of introduction of this Decree-Law, are held by individuals or corporate persons that are nationals of non-EEC countries increase, the total percentage of the share capital held by the corporate person owning the concession must always remain at less than 50% of the total.

10. No individual or corporate person may acquire a significant holding or significant voting rights in more than one public television service concession:

a) When national public television service concessions accumulate users' rights over radio-electric public domain which as a whole are more than the technical capacity of two multiple channels

b) When public television service concessions in an autonomous region accumulate users' rights over radio-electric public domain which as a whole are more than the technical capacity of a multiple channel

11 No individual or corporate person owning or having a share in a national public television service concession may acquire a significant holding or voting rights in another concession when this would impair the existence of at least three concessionaires, ensuring that the plurality of information is respected.

## TRANSFER:

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 28<sup>th</sup> July.”

“6. Once the acquisition has been completed pursuant to the prior notice procedure set forth here in above, 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 up on a takeover bid under Law 6/2007.

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	01/04/2009	General Meeting
Mr. Giuseppe Tringali		Chief Executive Officer	29/03/2004	01/04/2009	General Meeting
Mr. Paolo Vasile		Chief Executive Officer	29/03/1999	01/04/2009	General Meeting
Mr. Alfredo Mesina		Director	30/06/1995	01/04/2009	General Meeting
Mr. Angel Durandez Adeva		Director	20/05/2004	20/05/2004	General Meeting
Mr. Fedele Confalonieri		Director	21/12/2000	01/04/2009	General Meeting
Mr. Francisco de Borja Prado Eulate		Director	28/07/2004	22/04/2005	General Meeting
Mr. Giuliano Adreani		Director	26/09/2001	01/04/2009	General Meeting
Mrs. Helena Revoredo Delvecchio		Director	01/04/2009	01/04/2009	General Meeting
Mr. José Ramón Álvarez-Rendueles		Director	28/07/2004	22/04/2005	-
Mr. Marco Giordani		Director	07/05/2003	01/04/2009	General Meeting
Mr. Massimo Musolino		Director	09/04/2008	09/04/2008	General Meeting
Mr. Miguel Iraburu Elizondo		Director	20/05/2004	20/05/2004	General Meeting
Mr. Pier Silvio Berlusconi		Director	07/05/2003	01/04/2009	General Meeting
Mr. Mario Rodriguez Valderas		Secretary Director	01/04/2009	01/04/2009	General Meeting

Total number of directors	15
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Mention any directors who have stepped down from the Board of Directors during the period:

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. Giuseppe Tringali	Appointments and Remuneration Committee	Chief Executive Officer
Mr. Paolo Vasile	Appointments and Remuneration Committee	Chief Executive Officer
Mr. Massimo Musolino	Appointments and Remuneration Committee	General and Transaction Manager
Mr. Mario Rodríguez Valderas	Appointments and Remuneration Committee	Secretary General

Total number of executive directors	4
Total % of the Board	26.667

## OUTSIDE PROPRIETARY DIRECTORS

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. Alfredo Messina	Appointments Remuneration Committee	Mediaset Investimenti SPA
Mr. Fedele Confalonieri	Appointments and Remuneration Committee	Mediaset Investimenti SPA
Mr. Giuliano Adreani	Appointments and Remuneration Committee	Mediaset Investimenti SPA

Mr. Marco Giordani	Appointments and Remuneration Committee	Mediaset Investimenti SPA
Mr. Pier Silvio Berlusconi	Appointments Remuneration Committee	Mediaset Investimenti SPA

Total number of proprietary directors	5
Total % of the Board	33.333

## INDEPENDENT OUTSIDE DIRECTORS

Name or company name of the director	Profile
Mr. Alejandro Echevarría Busquet	Member of the Board of Directors of Consulnor, CVNE, Endesa, and the Diario Vasco, El Diario Montañés and El Correo newspapers; Chairman of Uteca, Vice-chairman of Deusto Business School and Council of the Novia Salcedo Foundations, Plan España and FAD.
Mr. Ángel Durández Adeva	Member of the Board of Directors of Repsol YPF, SA; Executive Chairman of Información y Control de Publicaciones, SA (OJD); Executive Chairman of ARCADIA Capital S.L; member of the Board of Directors of Iroko Films, SL; member of the advisory Boards of FRIDE, Member of the Council of the Germán Sánchez Rupérez,
Mr. Francisco de Borja Prado Eulate	President of Endesa SA, Chairman of MedioBanca SpA branch in Spain, responsible for Iberia and South America, President of the Executive Committee and member of the Audit Committee of Endesa SA, Member of the Board of Directors and Audit Committee of Endesa Chile, SA, Chairman of Almagro Asesoramiento e Inversores, SA.
Mrs. Helena Revoredo Delvecchio	President of Prosegur, SA, President of Foundation and Euroforum Prosegur, independent director of Banco Popular, a member of the Council of the Escuela Superior de Música Reina Sofía, of the Príncipe de Asturias Foundation and the the International Advisory Committee of IESE.

Mr. José Ramón Álvarez-Rendueles	Chairman of Arcelor Mittal España, S.A., Chairman of Peugeot España S.A., Chairman of Peugeot Citroën Automóviles España S.A. and Chairman of Sanitas, Member of the Board of Directors of Arcelor Mittal, Sanitas, Asturiana de Zinc, Holcim España, Assicurazioni Generali España and Genworth Mortgage Insurance Ltd.
Mr. Miguel Iraburu Elizondo	Chairman of the Board of Directors of Azkoyen, SA; ViceChairman AmbersCo; Director of CLH; Member of the Board of Directors of Rodman and various portfolio companies of Private Equity 3i.

Total number of independent directors	6
Total % of the Board	40,000

## 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 proprietary directors and their links, whether with the company and its senior management or with its shareholders.

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
Mr. Alejandro Echevarría Busquet	18/12/2009	Proprietary Director	Independent

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

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 proprietary directors have been appointed have not been met. If applicable, explain the reasons why they have not been met:

NO



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:

NO

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. Giuseppe Tringali	Delegation of all legally and statutorily delegable powers.
Mr. Paolo Vasile	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	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	Chairman
Mr. Alejandro Echevarría Busquet	Publiespaña, S.A.U.	Chairman
Mr. Giuseppe Tringali	Advanced Media, S.A.U.	Chairman/ Chief Executive Officer
Mr. Giuseppe Tringali	Publieci Televisión, S.A.	Chairman
Mr. Giuseppe Tringali	Publiespaña, S.A.U.	Chief Executive Officer
Mr. Giuseppe Tringali	Publimedia Gestión, S.A.U.	Chairman/Chief Executive Officer
Mr. Paolo Vasile	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	Director
Mr. Paolo Vasile	Canal Factoría de Ficción, S.A.U.	Director
Mr. Paolo Vasile	Conecta 5 Telecinco, S.A.U.	Chairman
Mr. Paolo Vasile	Grupo Editorial Tele5, S.A.U.	Chairman
Mr. Paolo Vasile	Publieci Televisión, S.A.	Director
Mr. Paolo Vasile	Publiespaña, S.A.U.	Director
Mr. Paolo Vasile	Telecinco Cinema, S.A.U.	Chairman
Mr. Fedele Confalonieri	Publiespaña, S.A.U.	Director
Mr. Giuliano Adreani	Publiespaña, S.A.U.	Director
Mr. Massimo Musolino	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	Director
Mr. Massimo Musolino	Canal Factoría de Ficción, S.A.U.	Chairman/ Chief Executive Officer
Mr. Massimo Musolino	Conecta 5 Telecinco, S.A.U.	Director
Mr. Massimo Musolino	Corporación de medios radiofónicos digitales, S.A.	Director
Mr. Massimo Musolino	Grupo Editorial Telecinco, S.A.U.	Chief Executive Officer
Mr. Massimo Musolino	Mediacinco Cartera, S.L.	Chairman
Mr. Massimo Musolino	Premiere Megaplex, S.A.	Director

Mr. Massimo Musolino	Publieci Televisión, S.A.	Director
Mr. Massimo Musolino	Publiespaña, S.A.U.	Director
Mr. Massimo Musolino	Telecinco Cinema, S.A.U.	Chief Executive Officer
Mr. Pier Silvio Berlusconi	Publiespaña, S.A.U.	Director
Mr. Mario Rodríguez Valderas	Canal Factoría de Ficción, S.A.U.	Secretary
Mr. Mario Rodríguez Valderas	Grupo Editorial Telecinco, S.A.U.	Secretary
Mr. Mario Rodríguez Valderas	Mediacinco Cartera, S.L.	Secretary

Name or company name of the director	Company name of the listed company	Position
Mr. Alejandro Echevarría Busquet	Endesa, S.A.	Director
Mr. Alejandro Echevarría Busquet	Compañía Vinícola del Norte de España., S.A.	Director
Mr. Ángel Duráñez Adeva	RepsolYPF, S.A.	Director
Mr. Francisco de Borja Prado Eulate	Endesa	Chairman
Mrs. Helena Revoredo Delvecchio	Banco Popular, S.A.	Director
Mrs. Helena Revoredo Delvecchio	Prosegur, S.A	Chairman
Mr. Miguel Iraburu Elizondo	Compañía Logística de Hidrocarburos CLH, S.A.	Director
Mr. Miguel Iraburu Elizondo	Azkoyen, S.A.	Chairman

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:

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:

NO

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:

In the company filing this report

Pay item	Figures in thousands of euros
Fixed remuneration	2,129
Variable remuneration	500
Per diems	438
Statutory amounts	0
Options on shares and/or other financial instruments	0
Other s	47
<b>TOTAL:</b>	<b>3,114</b>

Other benefits	Figures in thousands of euros
Advances	0
Loans granted	0

Retirement Plans and Funds: Contributions	0
Retirement Plans and Funds: Obligations undertaken	0
Life insurance premiums	12
Guarantees constituted by the company in favor of directors	0

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	689
Variable remuneration	333
Per diems	0
Statutory amounts	0
Options on shares and/or other financial instruments	0
Other	39
<b>TOTAL:</b>	<b>1,061</b>

Other benefits	Figures in thousands of euros
Advances	0
Loans granted	0
Retirement Plans and Funds: Contributions	0
Retirement Plans and Funds: Obligations undertaken	0
Life insurance premiums	13
Guarantees constituted by the company in favor of directors	0

c) Total remuneration paid by type of Director:

Type of director	By company	By group
Top management	1,419	1,061
Outside proprietary directors	453	0
Independent outside directors	1,242	0
Other outside directors	0	0
<b>Total</b>	<b>3,114</b>	<b>1,061</b>

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)	4,175
Total remuneration of the directors/company's profit allocated to controlling company(%)	6.1

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
Mrs. PATRICIA MARCO	Managing Director of Televisión Telecinco and TDT
Mr. LEONARDO BALTANAS	Managing Director of contents production
Mr. GHISLAIN BARROIS	Director, Cinema Division and Acquisition of Rights
Mrs. MIRTA DRAGOEVICH	Managing Director of Communications and External Relations
Mrs. CRISTINA PANIZZA	Operational and Sales Services Director Publiespaña
Mr. JULIO MADRID	Central Director
Mr. GASPAR MAYOR	Commercial Director of PUBLIMEDIA GESTION
Mr. PEDRO PIQUERAS GOMEZ	Managing Director, News Programmes
Mr. JESUS MARIA BAUTISTA PEREZ	Managing Director, Business Development and Multi-Platform
Mr. LÁZARO GARCÍA HERRERO	Director, Corporate Marketing Publiespaña
Mr. LUIS EXPÓSITO RODRIGUEZ	Managing Director, HR and Services Division
Mr. MIGUEL ANGEL JIMÉNEZ GONZÁLEZ	Commercial Director, Special Initiatives Publiespaña
Mr. MANUEL VILLANUEVA DE CASTRO	Managing Director, Contents
Mr. ALVARO AGUSTÁN REGANÍN	Managing Director, Telecinco Cinema
Mr. FRANCISCO JAVIER URÍA IGLESIAS	Managing Director, Economic and Finance Division
Mr. JOSÉ LUIS VILLA ALEGRE	Director, Media Buyers Commercial director Publiespaña
Mr. FRANCISCO ALUM LÍPEZ	Managing Director, Marketing and Operation Publiespaña
Mr. MARIO RODRIGUEZVALDERAS	Secretary General
Mr. EUGENIO FERNÁNDEZ ARANDA	Managing Director, Technology Division
Mr. SALVATORE CHIRIATTI	Managing Director of Publimedia Gestión
Mr. GIUSEPPE SILVESTRON	Managing Director, Commercial Publiespaña

Total remuneration of Senior Executives (in thousands of euros)	9,162
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B.1.13 Mention the aggregate number of guarantee or golden parachute clauses agreed in benefit of senior management, 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	5
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	Board of Directors	Annual General Meeting
Governing body that approves such arrangements	YES	NO

	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><b>Description</b></p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>(a) a fixed part, appropriate to the services and responsibilities assumed by them;</li> <li>(b) a variable part correlated to some indicator of performance of the director or the company;</li> <li>(c) a benefit-related amount for welfare and insurance purposes.</li> <li>(d) It may also include the delivery of shares or options over them.</li> </ul> <p>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.</p> <p>The variable component of the remuneration is related to the director's or company's performance indicators (in the case of the company's performance indicators, the qualifications appearing on the Audit Report and reducing results, if any, should be considered).</p> <p>In any event, directors' remuneration is granted based on their degree of dedication and without comprising their independence whatsoever.</p> <p>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</p>

reference and the duration of his form of remuneration.

In addition, Telecinco is authorized to take out civil liability insurance for its directors.

## Competent Bodies

The process starts with the Appointments and Remuneration Committee, which is responsible for preparing the proposed remuneration policy for directors and senior managers of the Telecinco Group. Approval of legally required aspects falls to the Board of Directors and the Annual General Meeting.

The Annual General Meeting is responsible for fixing the maximum 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 on the company's shares. Once the maximum amount has been determined, the Board of Directors is responsible for deciding how to share out the amount among the directors based on their dedication throughout the financial year.

The maximum amount of fixed remuneration and per diems for attendance approved by the Annual General Meeting in 2005 (the first meeting held after the stock market listing), 2006, 2007, 2008 and 2009 was the same: 1,800,000 euros. Once these limits were established, the actual amounts paid to directors in fixed remuneration and per diems for attendance in 2006, 2007, 2008 and 2009 were 1,051,101, 1,214,500, 1,244,500 and 1,308,000 euros, respectively. It must be highlighted that the increase in 2009 is due to the total number of directors on the Board being increased by two new members.

Information on share price options granted in 2009 is included in section A.3 and detailed further in section G.

## Transparency

For greater disclosure and transparency in the process of establishing the directors' remuneration policy, article 56 of the Bylaws and article 28 of the Regulations of the Board of Directors establish the obligation to include an itemized list of the remuneration received in the notes to the annual financial statements, explaining all items for which directors have received any amounts.

As in previous years, section G provides a breakdown of amounts received by each director for all items. Similarly, at the 2010 Annual General Meeting, shareholders will be provided the Report on the Directors' Remuneration Policy as a separate item on the agenda for consultation.

This year, in addition to the usual information on the directors, the Report includes information on the remuneration paid to senior management of Telecinco and the main Group companies, on golden-parachute clauses and on the parameters used to calculate senior management's remuneration.

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

	Yes	No
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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

	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

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 2008 and all the items generating that right. 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 there as on 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 in 2010 and data corresponding to 2007 and 2008.

This year, for the first time, the Report includes information on the remuneration policy, the structure and number of senior executives at Telecinco and the main Group companies.

The Report is made available to the shareholders on the date the General Shareholders' Meeting is convened and is presented at the General Meeting.

#### 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. Marco Giordani	Mediaset Investimenti SPA	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.	Owns 0.00878% of the Company's shares. This information is included for greater transparency. On 31 July, 2009 Vocento ceased to be a significant shareholder..

B.1.18 State whether there has been any modification to the Regulations of the Board of Directors during the year:

NO

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.

In the procedures for appointing, re-electing, evaluating and removing directors established in the Bylaws, the Regulations of the Board of Directors and the Rules of the Appointments and Remuneration Committee, the competent bodies are:

- The Annual General Meeting.
- The Board of Directors.
- The Appointments and Remuneration Committee.

Appointment and re-election:

- A director need not be a shareholder of Telecinco.
- Directors, including independent directors, are appointed for a maximum term of 12 years. The Chairman of the Audit Committee and of the Appointments and Remuneration Committee may hold office for a maximum of four (4) years.
- The number of board members is determined at the Annual General Meeting and currently stands at 15.
- The following may not be appointed directors: (i) companies, either foreign or domestic, in the audiovisual sector competing with the Company and their administrators or senior managers, except where such companies are part of the same group to which Telecinco belongs, (ii) any person falling under any other incompatibility or prohibition regulated under general provisions.
- The appointment and termination of the Secretary and Vice-secretary shall be informed by the Appointments and Remuneration Committee and approved by the Board of Directors.

This procedure was followed this year to appoint the former Secretary (non-board member) as a member of the Board of Directors..

- The inclusion of new directors in a category must be preceded by the corresponding report from the Appointments and Remuneration Committee. The new director must be included in one of the categories contemplated in the Bylaws and the Regulations of the Board of Directors.

In 2009 the category of Mr. Alejandro Echevarría Busquet was reviewed after Vocento S.A. sold its entire shareholding in Telecinco, as explained in B.1.2.

- The Appointments and Remuneration Committee is required to ensure that the selection procedures for filling new vacancies do not result in an obstacle for the selection of female directors.

Accordingly, the Committee proposed that Ms. Helena Revoredo Delvecchio be named a director as she met the established requirements on equal terms.

The procedure for the appointment, selection, re-election and removal of Telecinco's directors is initiated in the Appointments and Remuneration Committee.

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.

Once the report is prepared, the Appointments and Remuneration Committee submits its proposals to the Board of Directors. 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 the Appointments and Remuneration Committee, to the extent of its competencies, shall ensure that candidates proposed to the Annual General Meeting are individuals of recognized solvency, competence and experience, especially in the case of independent directors. Likewise any members appointed directly to cover vacancies when exercising co-optation powers. In any event, a description of the professional experience of the candidates is required, emphasizing the circumstances that justify their appointment as independent.

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 likewise assure that the majority group of outside directors includes independent directors and proprietary directors.

The final decision to appoint and remove directors rests with the Annual General Meeting, ensuring appointment by the proportional system described in the Limited Companies Act, at the proposal of the Board of Directors and subject to a report and advice from the Appointments and Remuneration Committee. Telecinco's Bylaws do not envisage qualified majorities that

Termination of directors:

In addition to cases set by law, directors shall tender their resignation to the Board of Directors in the cases listed in section B.1.20 below of this report.

In this case, the competent bodies and procedures are similar: removal begins with the Appointments and Remuneration Committee, then the Board of Directors steps in and finally the matter is taken to the Annual General Meeting.

Proposals to remove independent directors before their tenure expires may only be made when the directors fail to meet the requirements of the Unified Code to act as such. When this occurs their office should be terminated.

Where directors are removed before their tenure expires, Telecinco shall publicly state the reasons for the removal.

Evaluation of directors:

The Appointments and Remuneration Committee initiates and coordinates the evaluation of directors; hence all pertinent requests and comments should be directed to the Committee (article 5 of the Rules of the Appointments and Remuneration Committee).

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

According to the rule established in article 14 of the Board of Directors' regulations, directors must leave office when the General Shareholders' Meeting so decides, when they notify the Company of their decision to step down or resign and when they have served the term for which they were appointed, as set out in article 13. Directors shall tender their resignation to the Board of Directors and the Board shall accept their resignation if deemed appropriate in the following situations:

(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 they are affected by any of the applicable conflicts of interest or prohibitions

(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 proprietary director 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;

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.

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:

NO

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

Explanation of regulations
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Article 24 of the Board of Directors' Regulations provides 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. The Chairman is required to call a board meeting when so requested by at least three directors.

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.

In 2009, no director exercised this right.

With respect to 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).

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

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: 54%	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.

NO

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

NO

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

YES

Age limit for Chairman: 70 years

Age Limit for Chief Executive Officer: 70 years

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

Maximum number of years in office	12 years
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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
As explained in our 2008 Report, approval was sought at the General Shareholders' Meeting held on April 1, 2009 to appoint a female director to cover a vacancy. The agreement was adopted with 99.514% of the votes in favor and 0.415% against. There were 0.017% abstentions recorded and 16,546 blank votes, representing 0.000% of the share capital. As a result of this appointment women represent 6.666% of all the directors on the board and 20% of external and independent directors.

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

State main procedures
In accordance with Article 5 of the Rules of the Appointments and Remuneration Committee, this committee must: <ul style="list-style-type: none"> <li>(i) inform the Board of Directors about questions relating to gender diversity;</li> <li>(ii) ensure that the selection procedures for filling new vacancies do not result an obstacle for the selection of</li> </ul>

- |       |   |
|-------|---|
| (iii) | female directors;<br>encourage Telecinco to search for and include women in the list of candidates meeting the required professional profile. |
|-------|---|

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	0

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

Number of meetings of the Executive or Delegate Committee	4
Number of meetings of the Audit Committee	5
Number of meetings of the Appointments and Remuneration Committee	3
Number of meetings of the Appointments Committee	0
Number of meetings of the Remuneration Committee	0

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 nonattendance:

Number of times directors have not attended during the year	6
% of non-attendance out of total votes during the year	6.666%

B.1.31 State whether the individual and consolidated financial statements are certified prior to being submitted for approval by the Board:

NO



Mention the person or persons who have certified the individual and consolidated financial statements 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 Financial statements, 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 financial statements, 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.

As indicated in this Report, the Audit and Compliance Committee has met on five occasions in 2009, at least once a quarter. The first meeting is held to coincide with the preparation of the financial statements for the year and the second with the half-yearly financial statements which are presented to the CNMV (Spanish Securities Exchange Commission).

Prior to the aforementioned Committee meetings, preparatory meetings are arranged with Telecinco's external auditor, Ernst & Young, to obtain information regarding their review, scope, incidents, etc. The General Manager, Secretary General, Finance Director, Director of Consolidation, Reporting and Investees, and the Director of Internal Audit all attend the meetings together with the two independent directors: Mr. Alvarez-Rendueles and Mr. Prado. In 2009, two of these preparatory meetings were held.

The Regulations of the Audit and Compliance Committee in article 5.1.b) 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."

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. In 2009 there were no differences between the management and the auditor.

The increased number of independent directors on the Audit and Compliance Committee was stated in the 2008 Report. In 2009, after the Secretary, who was not a board member, was appointed CEO of Telecinco, the Board of Directors unanimously agreed to replace him in the Secretary's position with a non-board member.

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

YES

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
Notwithstanding the above, article 18 of the Regulations of the Board of Directors states that the appointment to and termination of the Secretary shall be informed by the Appointments and Remuneration Committee. In 2009, after the Appointments and Remuneration Committee's favorable report, the appointment of the former Secretary (as such not a member of the board) as a new board member was submitted to the General Shareholders' Meeting to obtain their approval. The proposal was approved by 99.459% of the votes and 0.468% voted against it. The abstentions accounted for 0.073% of the votes and 16,696 shareholders, representing 0.000% of the share capital, issued blank votes.

	Yes	No
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?

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 authorizing 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.

Investment bankers, financial analysts and rating agencies.

## Publication of results

The company publishes its results quarterly. The publication consists of a detailed release with key highlights and events for the period, along with a graphic presentation of the company's main activities and areas of interest. First, the release in Spanish is filed with the Spanish National Securities Market Commission (CNMV) for subsequent distribution via its website. Then, when the release is posted on the CNMV's website, the company posts the same information, both in Spanish and English, on its own website ([www.inversores.telecinco.es](http://www.inversores.telecinco.es)) in the Investor Relations section, where it is kept indefinitely. 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.

## Publication of significant events

In the case of communication of any relevant event related to the company's activity, this event if first published on the CNMV's website and then on Telecinco's website, where it shall remain indefinitely. It shall be simultaneously sent by e-mail to all shareholders, institutional investors, and analysts that request it.

All information is published in Spanish and English.

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

NO

Outgoing auditor	Incoming auditor

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

NO

B.137 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:

NO

	Company	Group	Total
Fees paid for non-audit work (in thousands of euros)	0	0	0
Fees paid for non-audit work as a percentage of the total fees charged by the audit firm (%)	0.000	0.000	0.000

B.1.38 State whether the audit report on the financial statements 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.

NO

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

	Company	Group
Unbroken number of years	2	2

	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	0.1	0.1

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.	0.009%	None
Mr. Alejandro Echevarría Busquet	Diario ABC, S.L.	0.000%	None
Mr. Alejandro Echevarría Busquet	Sociedad Vascongada de Publicaciones, S.A.	0.107%	Director

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

YES

Explanation of the procedure
<p>The Board of Directors' Regulations (art. 30) and the Audit and Compliance Committee's Regulations (art. 6) establish the mechanisms for any director to call for external audit services.</p> <p>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.</p> <p>The assistance requested shall only deal with specific problems of a given relevance and complexity.</p> <p>The mechanism set for this 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> <p>(a) If the request for and assistance from experts are not necessary for the proper performance of duties entrusted to directors.</p> <p>(b) If the associated cost of expert assistance is unreasonable considering the importance of the problem and Telecinco's financial situation.</p> <p>(c) If the technical assistance which could be offered can be adequately provided by experts and specialists within Telecinco.</p> <p>(d) If for reasons of confidentiality it is not advisable that the expert in question have access to sensitive information.</p>

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

Explanation of the procedure
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During the second half of the year, the Secretary sends a calendar to directors along with a list of the issues to be addressed at the Board of Directors and Board Committee meetings held the following year. The directors then initiate the procedure described in articles 16 and 29 of the Regulations of the Board of Directors. In addition, the Secretary sends the agenda with the items to the directors by e-mail.

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 at least five (5) days prior to the date of the meeting. In discharging his duties, the Chairman shall coordinate with the Secretary the preparation and dispatch of the agenda to all directors.

Article 29 further amplifies the directors' 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.

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.

In 2009, independent directors of the Audit and Compliance Committee held four preparatory meetings with company managers to analyze the issues to be debated at the Committee meetings. Telecinco's external auditor also attended two of these meetings.

The independent directors on the Appointments and Remuneration Committee have likewise held four preparatory meetings with the General Secretary and the Company's Director of Internal Audit.

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

Explanation of the rules
Among the causes for termination, article 14 of the Regulations of the Board of Directors states that directors shall submit their resignation when their permanence on the Board may threaten the interests of Telecinco or adversely affect its credibility and reputation.
Regarding the question of this section, we would highlight that while it does not constitute grounds for termination, the general obligations of directors include informing of any lawsuits in which they are involved and their developments (article 31 of the Regulations of the Board of Directors) due to the potential implications for the Company and its shareholders.

B.1.44 State whether any member of the Board of Directors has advised the Company of legal action or the commencement of oral proceedings against him/her for any of the crimes mentioned in Section 124 of the Limited Companies Act:

NO

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

NO

Decision made	Reasonable explanation
-	-

## 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	Independent director
Mr. Fedele Confalonieri	Director	Proprietary Director
Mr. Francisco de Borja Prado Eulate	Director	Independent director
Mr. Giuliano Adreani	Director	Proprietary Director
Mr. Giuseppe Tringali	Director	Executive director
Mr. José Ramón Álvarez Rendueles	Director	Independent director
Mr. Paolo Vasile	Director	Executive director

## AUDIT COMMITTEE

Name	Position	Type
Mr. José Ramón Álvarez Rendueles	Chairman	Independent director
Mr. Alfredo Messina	Director	Proprietary Director
Mr. Ángel Durández Adeva	Director	Independent director
Mr. Fedele Confalonieri	Director	Proprietary Director
Mr. Giuliano Adreani	Director	Proprietary Director
Mr. Marco Giordani	Director	Proprietary Director

## APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Mr. Francisco de Borja Prado Eulate	Chairman	Independent director
Mr. Ángel Durández Adeva	Director	Independent director
Mr. Fedele Confalonieri	Director	Proprietary Director
Mr. Giuliano Adreani	Director	Proprietary Director

### B.2.2 State whether the following functions are 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 period 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.

## APPOINTMENTS AND REMUNERATION COMMITTEE

In 2008 it was agreed to increase the number of independent directors and since then, in 2009, the Committee has undergone two changes. Firstly, in compliance with article 3 of the Committee's rules, the former Secretary who became an executive director has been replaced by a non-board member. Secondly, the former Chairman, Mr. José Ramón Álvarez- Rendueles has been replaced by Mr. Borja Prado, likewise an independent director.

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 proprietary directors 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 reelected 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 beheld 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.

A 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 further more 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 insetting 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 in the case of all Committees, the minutes of all Appointments and Remuneration Committee meetings held in 2007 were drawn up and reported to the Board of Directors in a timely manner.

## EXECUTIVE COMMITTEE

### Composition:

In 2008 more independent directors were appointed. In 2009 the composition of the Committee changed due to the reduction in the number of proprietary directors. Consequently, two of the present seven members are proprietary directors (compared to three in previous years) and three are

independent directors (compared to two in previous years). It must be highlighted that the Chairman is an independent director.

The Committee has seven members: directors of Telecinco, appointed by the Board of Directors with 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 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 at he 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 at he powers inherent to the Board, except those which pursuant to law or the by laws cannot be delegated.

Minutes of all Executive Committee meetings held in 2009 were drawn up and reported to the Board of Directors in a timely manner.

#### AUDIT COMMITTEE

The Audit and Compliance Committee is governed by the Regulations of the Board of Directors and its own rules, which include the recommendations of the Unified Code.

As in the case of the Appointments and Remuneration Committee, in 2008 the number of proprietary directors was reduced in favor of independent directors. Therefore, as well as the Chairman there is now another independent member. In 2009 the Secretary (non-board member) was appointed as an executive director (Article 3 of the Committee rules) and, therefore, was replaced in this role. The Chairman has likewise been replaced; however, the post is still held by an independent director. At the present time Mr. Alvarez-Rendueles is the Chairman.

How the Committee functions, its organization and responsibilities are outlined below:

#### 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 beheld 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) Propose any follow up on there commendations 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 a 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 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 financial statements

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 over see 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 in section 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 Telecinco policy regarding the identification, management and reporting of any possible risks.

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
Appointments and Remuneration Committee	See section B.2.3 above.
Executive Committee	See section B.2.3 above.
Audit 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.

## APPOINTMENTS AND REMUNERATION COMMITTEE

The Audit and Compliance Committee and the Appointments and Remuneration Committee are governed by the Regulations of the Board of Directors and their own rules and regulations, which include the amendments made following the publication of the Unified Code.

No articles were amended in 2009.

Both sets of regulations are available for consultation on the Telecinco website at <http://www.telecinco.es/inversores/es>.

As in every year, each committee prepared a report discussing the meetings held, the resolutions adopted and attendance figures.

## AUDIT COMMITTEE

The Audit and Compliance Committee and the Appointments and Remuneration Committee are governed by the Regulations of the Board of Directors, as well as their own regulations, which include the amendments made following the publication of the Unified Code.

No articles were amended in 2009.

Both sets of regulations are available for consultation on the Telecinco website at <http://www.telecinco.es/inversores/es>.

As in every year, each committee prepared a report discussing the meetings held, the resolutions adopted and attendance figures.

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

## C TRANSACTIONS WITH RELATED PARTIES

C.1 State whether the Board of Directors has reserved the power to approve, upon favorable 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

C.2 Give details of 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)
MEDIASET INVESTMENTI SPA	ARNOLDO MONDADORI EDITORE SPA	Contract	Purchase of goods	144
MEDIASET INVESTMENTI SPA	FININVEST	Business	Provision of services	103
MEDIASET INVESTMENTI SPA	MEDIASET INVESTMENT SARL	Contract	Other expenses	1,296
MEDIASET INVESTMENTI SPA	MEDIASET SPA	Business	Receipt of services	9
MEDIASET INVESTMENTI SPA	PUBLIEUROPE INTERNACIONAL LTD	Business	Provision of services	1,001
MEDIASET INVESTMENTI SPA	PUBLIEUROPE INTERNACIONAL LTD	Business	Receipt of services	14
MEDIASET INVESTMENTI SPA	PUBLITALIA 80	Business	Provision of services	110
MEDIASET INVESTMENTI SPA	PUBLITALIA 80	Business	Receipt of services	1,187



MEDIASET INVESTMENTI SPA	RETI TELEVISIVE ITALIANE SPA	Business	Provision of services	136
MEDIASET INVESTMENTI SPA	RETI TELEVISIVE ITALIANE SPA	Contract	Other expenses	1,162
MEDIASET INVESTMENTI SPA	RETI TELEVISIVE ITALIANE SPA	Business	Receipt of services	10
VOCENTO,S.A	BOCA BOCA PRODUCCIONES S.L.	Contract	Other expenses	28
VOCENTO, S.A	INVERSOR EDICIONES S.L.	Contract	Purchase of goods	592
VOCENTO, S.A	INVERSOR EDICIONES S.L.	Business	Provision of services	12

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:

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:

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.

NO

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?

NO

Identify the affiliates listed in Spain:

## 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 the systems are well-suited to the profile of each type of risk.

In 2007, the Telecinco Group implemented a Corporate Risk Management System based on the Enterprise Risk Management (ERM) framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II).

*In general, the primary aim of the Telecinco Group's Corporate Risk Management System is to control and manage risks in order to ensure the maximum guarantees and safety to our shareholders, regulators (e.g. the CNMV, CMT), other stakeholders and the financial markets in general, as well as to create value for the company by adequately managing risks and tapping opportunities that arise.*

As part of this process, the Integral Corporate Risk Management Policy was developed and implemented. This policy provides the framework for action in which the Telecinco Group's Integral Corporate Risk Management Model is carried out.

*This policy provides the action framework on which the Integral Corporate Risk Model (ERM) is developed and is based on compliance with the following principles within the COSO II framework:*

- Oversee the effectiveness and efficiency of its operations.
- Safeguard the assets owned by the Group.
- Guarantee the reliability and integrated of financial reporting.
- Comply with applicable laws, regulations and contracts.

As part of the Integral Risk Management Policies, Telecinco Group has set the following principles:

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

*In general, the primary aim of the Gestevisión Telecinco's Corporate Risk Management System is to control and manage risks in order to ensure maximum guarantee and safety to its shareholders, regulators (e.g. the CNMV, CMT), the administrative and management bodies, other interested parties and the financial markets in general, as well as to create value for the company by adequately managing risks and tapping opportunities that arise.*

The Integral Risk Management System allows us to measure the relevance, in euros, of each of the risks identified and that could potentially affect Group companies, the probability that this risk will occur and the degree of control over the risk.

In 2009, Telecinco has updated its risk map. The risk map enables the Company to identify risks that require specific monitoring and control, classifying these according to their importance. These risks are classified and managed internally or transferred to a third party.

The review and updating of the risk map was led by the Internal Audit Department and the main objectives of these actions are those indicated below:

- 1 To identify the risks affecting Telecinco in 2009 through interviews with Senior Management. In total 26 interviews were carried out.
- 2 To assess Telecinco's risk level, in light of the main risks faced by the Company in the strategy, operations, reporting and compliance areas.
- 3 To perform a review of the current situation as regards Telecinco's Risk Management and its level of integration according to the COSO II methodology.
- 4 To update the Risk Management IT tool (ERMT5).
5. To present the results to management and the Audit and Compliance Committee.

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 financial 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.

Based on the ERM system, all the risks identified and analyzed are distributed by type as follows: .□

- Strategic risk: 56% .
- Operating risk: 25% .
- Compliance risks: 13%
- Reporting Risk: 6%

The review and updating of the risk map has identified the Company's risk appetite. This is established by the risk level that Telecinco is prepared to assume at any given time to achieve its objectives in each of the four areas (Strategy, Operations, Reporting and Compliance). The following were taken into account by the Internal Audit Department when estimating the risk level accepted by Telecinco: . the Company's risk culture; . the Group's objectives; . the strategy defined by Senior Management

With this aim, risks previously assessed have been classified according to the risk appetite in each area. Classifying these as:

- . Comfort zone: Acceptable risk.
- . Care zone: Risks which require a certain amount of monitoring.

. Maximum care zone: Risks where the exposure assumed is above an acceptable level.

Of all the risks identified at Telecinco, 15% fall within the care zone and 36% in the maximum care zone.

The most important conclusions from the risk analyses performed are as follows:

Telecinco increased its accepted risk level compared to 2007 due to the current global crisis and the excessive political intervention in the audiovisual sector.

Strategic risks: In the strategic area, legal and legislative uncertainty has led the Company to assume greater risks than those assumed a few years ago. This is an external factor for Telecinco which is difficult to manage, other than maintaining satisfactory relations with the various public administrations and institutions for the defense of the Group's interests in respect of various interest groups.

Furthermore from a strategic standpoint, international investments represent an additional risk to Telecinco's interests.

The analogical blackout has likewise led to an increase in the risk accepted and the need to define new production and programming strategies integrated with those of Publiespaña and content producers to rise to the DTT challenge.

Operational risks: From an operational standpoint the risk level has increased and is concentrated in internal matters, particularly operating the internet business.

Reporting risks: No unacceptable risks were identified in the Reporting area.

Compliance risks: In the Compliance area the risk accepted has been kept at the 2007 level. However, legislative and regulatory changes will require greater effort from Telecinco to keep identified risks within its defined comfort zone.

With respect to Telecinco Group management bodies, the Board of Directors has the responsibility of identification of the principal Group risks as well as the development and follow-up of the appropriateness of the information systems and internal control.

Furthermore, the Audit and Compliance Committee is responsible for the understanding and verification of the appropriateness and completeness of the financial information and internal control systems.

The Internal Audit Commission meets with the Telecinco auditors prior to the preparation of the year-end or half-year financial statements, with the following in attendance: the General and Transaction Manager, the Chief Financial Officer, the Secretary General, the Board Secretary, and the Internal Audit Director.

Telecinco Group encourages and supports risks management from Internal Audit. Annually, the Audit Plan is prepared and filed with the Board of Directors and the Audit and Compliance Committee for their approval.

In 2009, four meetings of the Audit and Compliance Committee were held, prior to the filing of the reporting of financial information of Telecinco Group to the market and the Regulator.

The Internal Audit department 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 Telecinco Group companies. With this purpose, it uses an ad hoc computer tool (ERM T5) providing a dynamic view of the risks affecting the companies in the Group.

During 2009, following instructions from Mediaset, main shareholder of the company and in compliance with Law 262/05 on savings protection, the group set in motion a project to identify the most significant processes related to financial reporting. The mentioned project, divided into different stages, principally consist on the following activities:

- Identification and documentation of processes related to financial reporting at Telecinco Group companies
- Identification and documentation of risks inherent in the processes related to financial reporting and the control mechanisms in place
- Assessment of the degree of effective application of the financial reporting processes via tests to ensure the correct operation of the controls applied in the financial reporting processes

The Internal Audit Department presented the 2009 Audit Plan and the project for adaptation of the Telecinco Group to Law 262 on savings protection to the Internal Control Committee and the Mediaset Group's audit committee.

At the request of the Secretary General and the Secretary to the Board of Gestevisión Telecinco S.A., during the first half of 2009 the Internal Audit Director supervised an analysis of the degree to which its "Capital Markets Code of Conduct" is implemented with regards to the securities market (RIC). The Board of Directors of Gestevisión Telecinco S.A. approved these regulations on March 17, 2004, and modified them on December 19, 2007. This analysis included a comparison of the "Internal Code of Conduct of Gestevisión Telecinco, S.A. and its Group of Companies regarding Stock Market Activities" approved in 2007. The objective of the amendment is to adapt the text to prevailing best practices, as well as to the recommendations of the CNMV's "Guide on the Transmission of Privileged Information to third parties" (March 9, 2009). This guide is designed to ensure the confidentiality of information, and to avoid its possible filtration and misuse. These measures and recommendations are intended for observance by those individuals providing and receiving the abovementioned information.

Lastly, the RIC includes procedures and the manner in which relevant information is to be communicated, as stated in Ministerial Order EHA/1421/200, dated June 1, to comply with the stipulations of Article 2 of Law 24/1988, dated July 28, of Securities Market Law. Also included were the provisions included in Circular 4/2009, dated November 4, regarding the communication of relevant information.

To support the audit of the 2009 financial statements of the Telecinco Group, during the second half of 2009, the Internal Audit Director and a team of audit specialists reviewed the IT control and security systems related to financial processes, as well as the computer programs used. To ensure the integrity, confidentiality, and availability of information supporting critical business processes, the review evaluated the controls in place to access information, make changes in programs and operations (such as obtaining backups etc.), regarding IT systems, programs, data, individuals and installations involving Telecinco.

As part of the "Corporate Security Policies" established in 2008, during the first quarter of 2009, the Internal Audit Director developed and implemented procedures designed to protect security as well as personal information.

During the final quarter of 2009, the Internal Audit Director supervised an internal audit, in accordance with Title VIII of development regulations of Organic Law 15/1999, dated December 13, designed to protect personal data (RD 1720/2007, hereinafter RLOPD). Its purpose was to evaluate the degree of compliance with the provisions included in these regulations, as well as instructions and criteria established by the Spanish Data Protection Agency (AEPD), regarding IT systems and installations in the Telecinco Group subsidiaries.

During 2009, the Internal Audit Director also collaborated with the Madrid chapter of the Systems Audit and Control Association (ISACA) to develop and publish its "IT Systems Audit Framework." This is a

reference manual used in the audit of IT systems, and includes the policies, norms, and methodology which assist in technological and IT control, and above all, good corporate governance.

As stated above, the Telecinco Group's risk management model is based on the Enterprise Risk Management (ERM) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II). The main objective areas of which 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

In addition, apart from the controls established for each of the operating processes, the Telecinco Group is equipped with the following mechanisms:

- The Internal Audit department, supervising all the activities conducted by the Telecinco Group and developing its functions pursuant to the best practices and professional criteria and standards set forth by the Internal Auditors Institute. The internal audit is an independent and objective safeguard and consulting activity that adds value to the Group's operations. It also helps the Telecinco Group meet its targets through a systematic and disciplined approach to measuring and enhancing the efficiency of the risk management, control and corporate governance procedures.
- Companies in the Telecinco Group, based on the separation of functions and responsibilities assigned and supervision and authorization levels. The internal procedures developed support the Organization to define and design the control related to the risks in different value added activities.
- The Financial Statements of significantly important companies in the Group are subject to review by an external auditing firm.
- As regards Information Technology management, the Internal Audit Department supervises and coordinates the activities related to the security of IT systems and the initiatives for improvement.
- The Internal Audit Department oversees and coordinates personal data protection-related activities and carries out the legal audits established in article 17 of the Regulations on Security Measures (RD 994/1999) related to Law 15/9999 on Personal Data Protection dated 13th December (LOPD).
- In compliance with Italian law 262 on the protection of savings, the Internal Audit Department performs an evaluation every six months to ensure that the financial reporting procedures are being applied.
- 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.

The Occupational Risk Prevention Plan was drawn up to lay down the general guidelines which, via appropriate annual prevention planning, would guarantee the health and safety of workers in all work-related areas. Therefore, it establishes the actions and general foundations for integration preventive activities at all levels of Telecinco Group companies and the general guidelines that allow any measure necessary to be adopted.

The implementation and application of the Telecinco Group's Occupational Risk Prevention Plan include:

- The organization's structure.
- Its responsibilities.
- The functions, practices, procedures, and processes.
- Needle resources.

To develop the Plan, on April 29, 2002 the task forces set up a Joint Prevention Service to advise and assist the company, its workers, and their representatives. The definition of this organizational scheme does not mean the Company no longer needs integrated management for the rest of its processes and activities.

The guidelines laid down in the Prevention Plan will affect the work carried out by employees on staff at each company in the community, those from temporary agencies and workers assigned to companies that perform work or render services, contracted or subcontracted, with whom the workplace is shared or those for which a project is carried out or a service provided.

The Prevention Plan is designed after gathering data from the start of the preventive action at the Group companies, which is when the companies are set up or added to the community, including the existing knowledge of each of their businesses, the number of employees, work centers, claims indices, etc.

The general targets pursued by the companies in the GT (task force), in accordance with the Prevention Policy described above, are as follows:

- Comply with the main principles indicated in the GT's prevention policy
- Ensure compliance with applicable rules and regulations

Main bodies:

The Occupational Risk Management Committee

Led by the Director of Human Resources and Services, this committee is in charge of coordinating the development of the risk management policy and strategy and will be composed of individuals with greater responsibility in the area of prevention.

The Corporate Health and Safety Committee

Comprising workers' representatives with risk prevention qualifications and an equal number of representatives of the GT, this committee has the powers and competences indicated in the article 39 of the Occupational Risk Prevention Law and, inter alia, the following:

- Participate in the design, rollout and evaluation of prevention plans and programs
- Debate projects related to planning, work organization or the introduction of new technologies, among others
- Spearhead initiatives regarding methods and procedures for effective risk prevention
- Visit the various installations to know the real situation of risk prevention and consult any necessary documents and reports on working conditions

Prevention activity is planned annually.

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



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

### Risk materialized during the year

A decrease in advertising investment, followed by a decline in income

### Circumstances motivating it

Economic crisis and fall in advertising investment.

### Functioning of the control system

Telecinco's Risk Management and Integral Corporate Risk Management control systems have performed adequately in the face of risks which materialized during 2009.

### Risks materialized in the year

Audience fragmentation and increasing market competition

### Circumstances motivating the risks

Implementation of TDT and a highly competitive market

### Functioning of control systems

Telecinco's Risk Management and Integral Corporate Risk Management control systems have performed adequately in the face of risks which materialized during 2009.

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

YES

If yes, describe its functions.

Name of committee or body	Description of functions
Audit and Compliance Committee	<p>Among the 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> <ul style="list-style-type: none"> <li>a) Determine the types of risk for Telecinco, whether operating technological, financial, legal, and any other, including contingent liabilities and other economic and financial risks.</li> <li>b) Set a risk level acceptable for Telecinco.</li> <li>c) If risks materialize, set mechanisms to precisely determine the measures to mitigate</li> </ul>

	<p>the impact of the risks identified.</p> <p>d) Establish internal communication and control measures to control and manage any risk.</p>
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	The Audit and Compliance Committee is responsible for proposing a policy regarding this type of transactions and reporting them to the Board of Directors.
Risk Committee	This is comprised of the General Secretary, as well as the General Managers of Gestevisión Telecinco, Publiespaña, and Publimedia. The Internal Audit Director's role is to present the results from the management model. This Committee acts as a forum designed to provide responses to management teams, using existing synergies for efficient performance, as well as to minimize and control the Group's risks. The Risk Committee is a bi-directional communication tool which allows the General Managers to express their needs regarding processes to improve risk control in each of their areas of responsibility.
Board of Directors	This body is entitled to approve, upon favorable 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	<p>The Internal Audit Director reports to the General Secretary, who in turn reports to the Board of Directors' Audit and Compliance Commission, and is responsible for establishing and supervising risk control systems.</p> <p>Another responsibility is the coordination of the Group's Aggregated Risk Map. This requires supervising and following up the Risk Map, and coordinating action plans established to minimize risks in specific areas, as well as the preparation of status reports which include, among other things, activity indicators. The</p>

	Internal Audit Director is at the same time responsible for updating the Risk Committee regarding the status of the Risk Map of each of the Areas, using the information gleaned as the IT system administrator.
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D.4 Mention and describe the process of compliance of the various regulations applying to your company and/or group.

The processes of complying with the regulations affecting the Telecinco Group are included in the "Capital Markets Code of Conduct" adopted by Gestevisión Telecinco S.A. and subsidiaries. This was modified by the Board of Directors, and approved in 2009 by the Audit and Compliance Committee in order to adapt it to the "Guide to transmission of insider information to third parties" published by the CNMV on March 9, 2009, as stated in Ministerial Order EHA/1421/200, dated June 1, to comply with the stipulations of Article 2 of Law 24/1988, dated July 28, of the Securities Market Law on information relevant to the CNMV's Circular 4/2009, dated November 4, regarding the communication of relevant information. Its provisions are applicable to all departments accessing confidential information. More information is available in Section G.

## 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

	% 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	50%	0%
Quorum required on 2nd call	0%	0%

Description of differences
<p>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 for thin the Limited Companies Act.</p> <p>The quorum at the Shareholders' 2009 General Meeting was 61.765% of share capital present, and 12.889% in representation.</p> <p>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 the Company and, in general, any modification to the Articles of Association (Section 103 of the Limited</p>

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:

NO

Describe any differences from the provisions set forth in the Spanish Corporations Law.

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

As mentioned in previous reports, the rights of Telecinco's shareholders stated in its bylaws and the Board of Directors' regulations have a wider scope than those regulated by Spanish Corporation Law. This year has been more transparent, as reflected in the inclusion in this section of data and percentages indicating our shareholders' performance and trends.

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 in national media and is also included on Telecinco's website.

The notice informs 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
- 4.-Explanatory report in accordance with the provisions of Section 116 of the Securities Market Act
- 6.-Report on the directors' remuneration policy
- 7.- In 2009, a brief professional resumé for each of the Board Members proposed for reelection was included.

A telephone number was set up to provide specialized attention to the shareholders attending the meeting.

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 are published on 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.

To date, no shareholder or group of shareholders has requested that a complementary notice be published.

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

(i) Attendance forms and proxy cards 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 interpreting, broadcasting through audiovisual media, information in other languages, etc.

Information is available in English and in Spanish.

#### Right to information during the Annual General Meeting

Upon arriving at the venue, shareholders receive the documentation to be debated during the meeting, together with the Annual Corporate Governance Report, the Corporate Social Responsibility Report, and all the documentation available to them shareholders since the publication date of the notice.

Shareholders may request to speak during the meeting to raise issues for clarifications, pose questions, or request information 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 where shareholders who wish to intervene may identify themselves at the time indicated. 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 to date is that interventions are replied to, except those which fall under the terms of Article 21 of Regulations. However, it must be noted that until now, all interventions during these meetings have been dealt with.

In the event that it is not possible to reply to shareholders immediately, directors shall provide the information requested in writing within 7 (seven) days following the conclusion of the meeting.

At the General Meeting in 2009, four questions were posed to the CEOs which none of the shareholders wanted recorded in the minutes.

Topic: The planned reduction in advertising investment for the 2009-2010 period  
- Answered by CEO, Giuseppe Tringali.

Topic: Regaining audience leadership  
- Answered by CEO Paolo Vasile

Topic: The reduction in advertising on public TV  
- Answered by the Chairman of the Board, Alejandro Echevarría Busquet.

Topic: A possible merger.  
During 2008, three questions were posed to the CEOs, which the shareholders preferred not be reflected in the minutes. In 2007, the minutes reflected two questions as well as a reply.

## Right to attend

There are no restrictions: 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.

Shareholders attending the 2009 General Meeting represented 61.765% of share capital, while those attending the 2008 General Meeting represented 63.239% and in the 2007 represented 64.584%.

Attendance figures for 2009 are as follows:

Present in person: 66 shareholders representing 50.229% of share capital social. Present via remote communications: 1,706 shareholders representing 10.095% of share capital, of which 1,697 by mail and nine by e-mail. Treasury shares represented 1.440% of share capital

## 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 favor 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 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 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 to 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 shareholders, or delivered to the corporate offices.

In order to be considered 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.

At the 2009 General Meeting, a total of 3,678 shareholders representing 31,789,041 shares (12.889% of share capital) exercised their right to vote by proxy, 24 (1,304,783 shares representing 0.529% of share capital) in person, 3,649 (30,484,258 shares representing 12.359% of share capital) by mail and 5 (989 shares representing 0.000% of share capital) by electronic means. Of the proxies, 853 shares were granted in favor of the CEO, 30,474,953 in favor the Chairman of the Board of Directors and 8,452 in favor of the Secretary of the Board of Directors.

At the 2008 General Meeting, 2,075 shareholders exercised their right to vote by proxy and 8 by electronic means, representing a total of 31,249,397 shares (12.670% of share capital). Of the proxies, 31,216,721 shares were granted in favor of the Chairman of the Board of Directors and 3,096 in favor of the Secretary of the Board of Directors.

## 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 25-26 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.

In 2009, separate and individual votes were taken on the re-election of

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 favor, 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 2009, 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.

1,706 shareholders owning 24,899,178 shares representing 10.095% of share capital exercised their right to vote using remote means in 2009, of which 13,344 were sent electronically. In 2008, 334,831 votes were sent by mail and 7,100 via 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/inversores/es/](http://www.telecinco.es/inversores/es/)).

Information related to attendance, representation and remote voting at Annual General Meetings held in prior years is provided below:

	<b>2007</b>	<b>2008</b>	<b>2009</b>
Present shareholders	63.239%	64.584%	61.765%
Represented shareholders	10.900%	12.670%	12.889%
Remote voting	0.108%	0.139%	0.529%



A total of 66,000 letters, attendance, and proxy cards were sent.

After the Annual General Meeting, Telecinco publishes information regarding the quorum requirements, resolutions passed, percentage of votes and speeches given by the Chairman and the two CEOs on its web page (<http://www.telecinco.es/inversores/es/>).

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 (after the statutory amendment made in the year 2007).

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, ask questions, and request clarifications, etc., Telecinco shall send through ordinary mail to each of its shareholders a letter informing them of 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 premises where the Annual General Meetings are to be held, since the first Annual General Meeting, held in 2009, meetings have been held in the same premises, situated in the center of Madrid, with good public transport connections, easily accessed by the handicapped, and with 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 indicating 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

Detail of measures
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As explained above, the Chairman of the Board of Directors is not an Executive Director.

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.

This does not preclude the ordinary development or independence of the Annual General Meeting. However, to reinforce the guarantees of proper operation and independence, have remained the measures incorporated last year:

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.

2.-The presence of a Notary Public to draft the Minutes of the meeting and record interventions.

3.- The absence of the casting vote by the Chairman

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

No amendments have been made since the regulations were adapted in 2007 to the text of the Conthe Code.

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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				
	Attended Personally (%)	Attended by Proxy (%)	Remote voting(%)	Other	Total
01/04/2009	61.765%	12.889	0.005%	10.095%	84.754%

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 Financial Statements (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 2008. Approved by 179,270,765 vote for, representing 99.288%, 51,150 votes against, representing 0.028%, 1,235,446 abstentions, representing 0.684%; and 17,901 blank votes, representing 0.000%.

Item two.- Approval of the distribution of profit for 2008.

The distribution of the profit for 2008, amounting to € 319,332,000, was approved as follows:

	(thousands of euros)
To Legal Reserve	€0
To Voluntary Reserves	€58,950
To Dividend	€210,272
Total	€269,222

To establish the dividend to be received at 0.865 euros per share, after discounting the amount that would correspond to the Company's treasury shares.

Approved by 180,471,005 votes for, (99.950%), 14,553 votes against (0.008 %), 76,282 abstentions, (0.042 %) and 13,422 blank votes (0.000%).

Item three.- Approval of the management of the company's business by the Board of Directors during 2008.

Approved by 180,342,030 votes for, (99.880 %), 76,230 votes against (0.042 %), 141,140 abstentions, (0.078 %) and 15,862 blank votes (0.000%).

Item four.- Determination of the maximum over a 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 2009 to its Directors as (i) fixed annual remuneration and (ii) per diem allowances is established at €1,800,000.

Approved by 180,471,005 votes for, (99.865%), 115,792 votes against (0.064 %), 128,957 abstentions, (0.071 %) and 14,630 blank votes (0.000%).

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 180,102,888 votes for, (99.741%), 337,293 votes against (0.187 %), 130,558 abstentions, (0.072 %) and 4,523 blank votes (0.000%).

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 25% 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 163,974,938 votes for, (90.815%), 16,203,036 votes against (8.974%), 380,975 abstentions, (0.211%) and 16,313 blank votes (0.000%).

Item seven.- Authorization 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 authorizations 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 164,589,800 votes for, (91.150 %), 15,733,549 votes against (8.713 %), 246,984 abstentions, (0.137%) and 4,929 blank votes (0.000%).

Item eight.- Determination of the number of members comprising the Board of Directors

At the proposal of the Board of Directors, based on a favorable report by the Appointments and Remuneration Committee, an agreement was reached at the Annual General Meeting to increase the number of board members by two, from 13 to 15.

Approved by 180,323,036 votes for, (99.869%), 90,109 votes against (0.050%), 146,241 abstentions, (0.081%) and 15,876 blank votes (0.000%).

#### Item nine. Re-election and appointment of Directors

The Board of Directors, based on a favorable report by the Appointments and Remuneration Committee, proposed to shareholders first to re-elect those shareholders whose five-year term of office had expired (article 13 of the Regulations of the Board of Directors) and second, to disclose the identities of the persons to hold the new seats created on the Board of Directors.

In keeping with the good governance recommendations, individual votes were taken on the following ratifications and appointments of directors:

Re-election of Mr. Alejandro Echevarría Busquet

Approved by 179,637,767 votes for, (99.491%), 781,021 votes against (0.433%), 137,982 abstentions, (0.076%) and 18,492 blank votes (0.000%).

Re-election of Mr. Fedele Confalonieri

Approved by 178,911,076 votes for, (99.090%), 1,519,158 votes against (0.841%), 125,275 abstentions, (0.069%) and 19,753 blank votes (0.000%).

Re-election of Mr. Piero Silvio Berlusconi

Approved by 179,257,365 votes for, (99.281%), 1,178,934 votes against (0.653%), 119,839 abstentions, (0.066%) and 19,124 blank votes (0.000%).

Re-election of Mr. Giuliano Adreani

Approved by 178,909,713 votes for, (99.088%), 1,519,609 votes against (0.842%), 126,187 abstentions, (0.070%) and 19,753 blank votes (0.000%).

Re-election of Mr. Alfredo Messina

Approved by 178,905,417 votes for, (99.089%), 1,518,533 votes against (0.841%), 126,018 abstentions, (0.070%) and 25,274 blank votes (0.000%).

Re-election of Mr. Marco Giordani

Approved by 178,903,894 votes for, (99.088%), 1,520,001 votes against (0.842%), 126,093 abstentions, (0.070%) and 25,274 blank votes (0.000%).

Re-election of Mr. Paolo Vasile

Approved by 179,471,486 votes for, (99.399%), 954,563 votes against (0.529%), 129,717 abstentions, (0.072%) and 19,496 blank votes (0.000%).

Re-election of Mr. Giuseppe Tringali

Approved by 179,489,196 votes for, (99.140%), 941,534 votes against (0.521%), 124,833 abstentions, (0.069%) and 19,699 blank votes (0.000%).

Appointment of Ms. Helena Revoredo Delvecchio

Approved by 179,680,794 votes for, (99.514%), 749,621 votes against (0.415%), 128,301 abstentions, (0.071%) and 16,546 blank votes (0.000%).

Appointment of Mr. Mario Rodríguez Valderas

Approved by 179,580,845 votes for, (99.459%), 845,761 votes against (0.468%), 131,960 abstentions, (0.073%) and 16,696 blank votes (0.000%).

Item ten.- 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 180,453,588 votes for, (99.941%), 25,382 votes against (0.014 %), 81,471 abstentions (0.045 %) and 14,821 blank votes (0.000%).

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:

NO

Number of shares necessary to attend the annual General Meeting	-
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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.

Votes by proxies may be sent by mail or the remote communication means established each year on the web page.

For votes sent by mail, the attendance cards issued to shareholders allow them to grant a proxy to a third party, the Chairman and/or Secretary of the Board of Directors. For this, they must fill in the section related to proxy voting and send in the signed proxy card to the Company's offices under the established terms and conditions. To facilitate this process, Telecinco provides self-stamped envelopes at no cost to shareholders.

	<b>2008</b>	<b>2009</b>
Shareholders	2,102	3,678
Shares	31,249,397	31,789,041

%	12,670%	12,889%
Postal services	2,075	3,649
Telematic systems	8	5

More information in E.3.

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:

NO

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

Corporate governance materials are available at <http://www.telecinco.es/inversores/es/>

## 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 share holder or contain other restrictions hindering the takeover 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

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 dependent 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

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

4. That the proposals detailed in the agreements to be adopted at the Annual General Meeting including the information referred to in Recommendation 28 be made public upon publication of the notice of the call for the Meeting.

#### COMPLIES

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

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

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

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:

The strategic or business plan as well as the management and annual budget objectives; investment and financing policy;

i) The strategic or business plan, management objectives and annual budgets.



- ii) The 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) Senior management remuneration and performance evaluation policies
- vii) The risk management and control policy, as well as the periodic follow up of information and control internal systems
- vi) 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:

1<sup>st</sup> To be executed under the agreements whose conditions are standardized and to be applied massively to many clients;

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

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

It is advisable that the Board of Directors approve the related operations upon a favorable 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 here by 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

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

10. That the outside directors, the proprietary directors 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

11. That should there be any outside director who may not be considered a proprietary director 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

#### NOT APPLICABLE

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

This strict proportion criterion maybe reduced so that the relevance of proprietary directors is greater than the relevance that would correspond to the total percentage of the company's share capital represented in:

1<sup>st</sup> 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<sup>nd</sup> 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

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

See: B.1.3  
COMPLIES

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 proprietary directors have been appointed upon request by shareholders whose share holding 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 share holding is equal to or greater than that of others upon whose request proprietary directors were appointed have not been met.

See: B.1.3 and B.1.4

COMPLIES

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.

PARTIALLY COMPLIES

Pursuant to article 3 of the Rules of the Appointments and Remuneration Committee, at the proposal of the committee and the Board of Directors, approval was given at the Annual General Meeting for the appointment of an independent director, Ms. Helena Revoredo Delvecchio, who under terms of equality had the professional profile necessary for such appointment.

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 safe guarding their capacity and right to speak and organize and coordinate together with the chairmen of the relevant Committees the periodic valuation of the Board of Directors as well as of the managing director or chief executive.

See: B.1 42

COMPLIES

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

NOT APPLICABLE

18. That the Secretary of the Board of Directors ensures 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

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

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

See: B.1.28 and B.1.30

COMPLIES

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.

NOT APPLICABLE

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

- a) The quality and efficiency of their 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

#### EXPLAIN

During 2009 no assessment on the operation of the Board of Directors has been carried out.

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

See: B.1.42

#### COMPLIES

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

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

26. That the companies require directors to devote the time and efforts to their duties necessary to perform them 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

#### PARTIALLY COMPLIES

Partially complies. All directors report their remaining professional obligations, with this information (see section B.1.9) published on the Telecinco web page.

27. That the appointment and re-election proposal filed with the Annual General Meeting by the Board of Directors, as well as their temporary appointment 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

28. That the companies publish and update the following information regarding their directors on their websites:

a) Professional profile and biography

b) Other Boards of Directors in which they participate, whether in listed companies or not

c) Category of director, stating the percentage of share capital their holdings represent, and where applicable, in the case of proprietary directors

d) Date of their first appointment as director in the company as well as any subsequent appointment, and

e) Company shares and related share options

COMPLIES

29. That independent directors remain as such for a maximum of 12 consecutive years.

See: B.1.2

COMPLIES

30. That the proprietary directors resign where the shareholder they represent sells all their shares. This shall also be the case when shareholders reduce the number of shares to a level requiring a reduction in the number of proprietary directors.

See: A.2, A.3 and B.1.2

COMPLIES

31. That the Board of Directors not propose the termination of any independent director before the term of office established under the Articles of Association expires, based on when reasonable cause and at the discretion of the Board of Directors based on reports from the Appointments Committee. Reasonable cause shall be deemed to exist where a director fails to comply with the duties inherent in its position, or under 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 favored by the proportion criteria set forth in Recommendation 12.

See: B.1.2, B.1.5 and B.1.26

COMPLIES

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

33. That all directors clearly express their opposition where they consider that any proposal for decision submitted to the Board of Directors maybe 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 makes significant or repeated decisions which have been challenged by the director, the director shall draw relevant conclusions and, should he/she choose to resign, the reasons thereof will be explained in writing as expressed in the following recommendation.

This recommendation also covers the Secretary of the Board even in the case that this individual is not a director.

#### 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

#### NOT APPLICABLE

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.
- 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 employee benefits (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  
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.
  - iii)

See: B.1.15

#### COMPLIES

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

#### 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 commensurate to the dedication, qualification and responsibility required by the office in question without being as high as to compromise its independence.

#### COMPLIES

38. That the remuneration linked to the company's results include exceptions included in the external auditor's report and reduce these results.

#### COMPLIES



39. That in the case of variable remuneration, policies include specific technical measures to ensure that it is commensurate with the professional performance of its beneficiaries, and not based on market performance, the company's sector, or similar circumstances.

#### COMPLIES

40. That the Board vote on a report regarding the remuneration policy for directors during its General Meeting, as a separate item in the agenda. This report shall be made available to the shareholders whether separately or in any other manner the company deems convenient.

This report shall primarily focus on the remuneration policy approved by the Board of Directors for the current year and for future years, where applicable. It shall contemplate all matters relating to Recommendation 35, except in situations involving the disclosure of commercially sensitive information. It shall stress the most significant policy changes since the prior 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

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 reasons justifying them.
- iv) The contributions made in favor 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 compensation agreed upon or paid in the case of termination of office.
- vi) Remuneration received from serving as a director of other companies within the group.
- vii) Remuneration from the positions of management held by executive directors
- viii) Any other remuneration item different from the aforementioned, irrespective 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 relationship between the remuneration obtained by the executive directors and the results or other benchmarks of company performance.

COMPLIES

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

43. That the Board of Directors be always aware of the items and decisions discussed by the Managing Committee, and that all its members receive a copy of the minutes of the Managing Committee sessions.

COMPLIES

44. That the Board of Directors create an Audit Committee from among its members as required by 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 in the Board of Director 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 to the entire Board of Directors regarding 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 counseling 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

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

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

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

48. That the individuals in charge of the internal audit file its annual working plan with the Audit Committee and directly inform the Committee of any problems found in its preparation and submission.

COMPLIES

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 level of risk 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

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 hiring conditions.

b) Receive information from the external auditor on a regular basis regarding the audit plan and the results delivered 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 audit, including a declaration on the existence of disagreements with the outgoing auditor and, if any, its content.

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

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

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 financial statements 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

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

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

## EXPLAIN

Explain. The Appointments and Remuneration Committee is composed of four members, with an equal number of proprietary and independent directors. The Chairman is an independent director.

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

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

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

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

## COMPLIES

## G OTHER INFORMATION OF INTEREST

List and explain below the contents of any relevant principles or aspects of corporate governance applied by the Company that have not been covered by this report.

Telecinco continued to make progress regarding corporate governance in 2009. There were changes in the composition of the Board of Directors; the number of independent directors was increased (there are now six, representing 40% of directors), a new director, Ms. Helena Revoredo, was appointed following internal measures to achieve gender diversity in the board's composition, and the number of proprietary directors was reduced from six to five. The Chairman is currently an independent director.

There were also changes in the composition of the board committees in 2009. In line with the provisions of article 3 of both committee rules and regulations, the non-member secretary was replaced after being appointed executive director. The chairmen of the committees are still independent directors. The Executive Committee increased its number of independent directors, one of which is the committee's Chairman.

Internally, a complaints channel was created, which in 2010 will be included within the Rules of the Audit and Compliance Committee. Accordingly, this committee has approved an amendment to the "Internal Code of Conduct of Gestevisión Telecinco, S.A. and its Group of Companies regarding Stock Market Activities" approved in 2007. The objective of the amendment is to adapt the text to prevailing best practices, as well as to the recommendations of the CNMV's "Guide on the Transmission of Privileged Information to third parties" (9/2009), to Ministerial Order EHA/1421/2009, of June 1, implementing article 82 of Securities Market Law 24/1988, of July 28, and to the provisions included in CNMV Circular 4/2009, of November 4 on significant information.

This amendment has strengthened the internal control and use of insider information, as well as the means for treating this information, and has increased the scope and obligations of disclosure. The amendment was approved by the Audit and Compliance Committee and by the Board of Directors. The changes mainly affected the following articles:

- The section of definitions and Article 3 - The amendment has broadened the scope of the treatment of privileged information by both information transmitters and information receivers. The definition of information receivers has been adapted to the provisions contained in the recommendations.
- Article 4 - The definition of trading for own account is expanded, as is that of trading in financial instruments, especially in respect of measures for the management of privileged information. The models for notification of significant shareholdings of directors and officer are included.
- Article 6 - The changes affect the obligations and requirements regarding privileged information with respect to third parties. A list of good practices has been included, along with safeguard and control measures with which information receivers and transmitters must comply.
- Article 7 - Management of material information, which includes the recommendations of Circular 4/2009, of November 4 in respect of the identification, means and measures to follow when submitting material information.
- Article 10 - Regulatory compliance group: the current text expands the functions of this group to include the development of a plan for employees and officers on the content of the Code of Conduct.

In keeping with the good governance recommendations, individual and split votes were taken on the re-election of five directors and the appointment of two new directors.

In respect of remuneration, in 2009 detailed information on remuneration paid to directors was disclosed, including the information in the annual financial statements and in the Report on the Directors' Remuneration Policy given to shareholders at the Annual General meeting. In 2009, information on remuneration paid to senior managers of Telecinco and its Group was included.

As in 2008, to ensure the veracity of the information included in this Report, it was submitted for verification of its content by an independent auditor, PriceWaterhouseCoopers.

**SECTION A.2** - One of the main changes in the shareholder body was the sale by Vocento, S.A. of all its shares in Telecinco after previously reducing its stake, as indicated in the 2008 annual corporate governance report. In addition, while this report refers to 2009, in January 2010, Harris Associates L.P. notified the CNMV that it had reduced its shareholding to 4.808%.

**SECTION A.3.**-The share options and features are as follows:

- (i) Alejandro Echevarría (Chairman): in 2009 he was granted 67,250 share options. At the end of 2009, this figure was adjusted and reduced to 16,820 after verifying that he had met only one of the three stated targets, free cash flow, and not the consolidated EBIT target for the Telecinco Group or the gross advertising revenue target. The 16,820 options equate to 16,820 shares. The share options granted in 2009 plus those granted previously to Mr. Echevarría amount to a total of 238,937 options, equivalent to 238,937 shares of Telecinco representing 0.097% of the voting rights.
- (ii) Paolo Vasile (CEO): in 2009 he was granted 134,500 share options. As in the case above, the amount was reduced to 33,625 as he failed to meet two of the established targets, consolidated EBIT for the Telecinco Group and gross advertising revenue. The 33,625 options equate to 33,625 shares. This gives Mr. Vasile a total of 477,875 share options, equivalent to 477,875 shares of Telecinco representing 0.194% of the voting rights.

- (iii) Giuseppe Tringali (CEO): In 2009, he was granted 134,500 share options, which after applying the criteria indicated above, were reduced to 33,625. To date, Mr. Tringali has been granted a total of 477,875 share options, equivalent to 477,875 shares of Telecinco representing 0.194% of the voting rights.
- (iv) Massimo Musolino: in 2009 he was granted 61,000 share options, which were reduced to 15,250, equivalent to 15,250 shares. To date, Mr. Musoline has been granted a total of 225,750 share options, equivalent to 225,750 shares of Telecinco representing 0.092% of the voting rights.
- (v) Mario Rodríguez Valderas, director since April 1, 2009, was granted 36,000 share options in 2009, which for the reasons already explained were reduced to 9,000. These, coupled with those he already held, amount to 129,000, equivalent to 129,000 shares representing 0.052% of the voting rights.

All of the options have the same features and may be exercised from July 29, 2012 until July 28, 2014. The options will be equity-settled after the payment of a set price of 6.29 euros per share. No options were exercised in 2009. See section B-1.11 for more information on the remuneration paid in 2009.

#### SECTION A/4/A5

As indicated in the 2008 report, Mr. Pier Silvio Berlusconi, son of Mr. Silvio Berlusconi, indirect holder of 35.560% of Telecinco's share capital, has a seat on the Board of Directors. He has a seat on the Board of Directors as an external proprietary director, but he has not been granted any powers or authority to act and that there are no commercial, contractual, or corporate links between he and Telecinco.

#### SECTION A.8

At December 31, 2009, the number of treasury shares acquired by Telecinco stood at 445,374 after discounting the 35,971 shares allocated to cover remuneration schemes for Telecinco managers.

SECTION B.1.2 - At the Annual General Meeting held April 1, 2009, the following directors were re-elected: Mr. Alejandro Echevarría Busquet (99.491% votes in favor), Mr. Paolo Vasile (99.399% votes in favor), Mr. Giuseppe Tringali (99.410% votes in favor), Mr. Alfredo Messina (99.089% votes in favor), Mr. Fedele Confalonieri (99.090% votes in favor), Mr. Marco Giordani (99.088% votes in favor), Mr. Giuliano Adreani (99.088% votes in favor) and Mr. Pier Silvio Berlusconi (99.281% votes in favor). Individual votes were taken on the re-elections.

SECTION B.1.3.- Since Telecinco's flotation in June 2004, shareholder Vocento, which initially held 13% of the share capital, had two seats on the Board of Directors: Mr. Alejandro Echevarría Busquet and Mr. José M Bergareche Busquet. After the decrease in Vocento's shareholding in Telecinco to below 10% in 2008, Mr. Bergareche, pursuant to article 14.3.f of the Regulations of the Board of Directors, submitted his resignation to the Board of Directors, which was accepted unanimously.

On July 31, 2009, shareholder Vocento sold all of its shares in the company, as a result of which Mr. Echevarría was in a similar situation. In this case, the Board of Directors, based on a favorable report by the Appointments and Remuneration Committee, considered Mr. Echevarría's track record as Chairman of Telecinco and rated positively his experience and knowledge, as well as the possibility that the Chairman could be an independent director pursuant to article 9.b).x. of the Regulations of the Board of Directors. Therefore, it did not accept his resignation, in accordance with the provisions of



article 14.3 of the Regulations of the Board of Directors.

#### SECTION B.1.11

To complement the information contained in this section, following is a breakdown of remuneration paid to each of the directors in 2009:

Mr. Alejandro Echevarría Busquet

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	60,000	54,000
Complementary remuneration:	688,302.56	695,604.56
Total	808,302.56	809,604.56
Option rights granted:	33,625	16,812
Option rights exercised:	0	0

The total remuneration paid in 2007 was 1,480,049.52 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 60,500 euros of per diems and 1,359,549.52 euros of complementary remuneration. 67,250 share options were granted, none of which were exercised.

Mr. Paolo Vasile

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	30,000	27,000
Fixed remuneration:	719,386.86	729,694.50
Variable remuneration:	333,460	333,460
Bonus:	0	0
Remuneration in kind:	40,314.10	45,770.13
Total:	1,183,160.96	1,195,924.63
Option rights granted:	67,250	33,625
Option rights exercised:	0	0

The total remuneration paid in 2007 was 2,337,661.87 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 30,250 euros of per diems, 494,974.32 euros of variable remuneration, 1,100,000 euros in bonuses and 34,937.55 euros of remuneration in kind. 134,500 share options were granted, none of which were exercised.

( ) Since 2007, Mr. Vasile has not received any bonus.

Mr. Giuseppe Tringali

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	30,000	27,000
Fixed remuneration:	680,005.85	689,388.87
Variable remuneration:	333,460	333,460
Bonus:	0	0
Remuneration in kind:	40,560.64	39,183.17
Total:	1,144,026.79	1,149,043.04
Option rights granted:	67,250	33,625
Option rights exercised:	0	0

The total remuneration paid in 2007 was 2,329,921.67 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 30,250 euros of per diems, 494,933.13 euros of fixed remuneration, 617,500 euros of variable remuneration, a bonus of 1,100,100 euros and 42,238.54 euros of remuneration in kind. 134,500 share options were granted, none of which were exercised.

Since 2007, Mr. Tringali has not received any bonus.

Mr. Massimo Musolino

	2008	2009
Fixed Remuneration for the Board:	40,000	60,000
Per diems:	12,000	18,000
Total:	52,000	78,000
Option rights granted:	30,500	15,250
Option rights exercised:	0	0

Mr. Alfredo Messina

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	24,000	27,000
Total:	84,000	87,000

The total remuneration paid in 2007 was 87,500 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 27,500 euros of per diems.

Mr. Fedele Confalonieri

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	57,000	42,000
Total:	117,000	102,000

The total remuneration paid in 2007 was 95,750 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 35,750 euros of per diems.

Mr. Marco Giordani

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	30,000	33,000
Total:	90,000	93,000

The total remuneration paid in 2007 was 87,500 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 27,500 euros of per diems.

Mr. Pier Silvio Berlusconi

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	0	0
Total:	60,000	60,000

The total remuneration paid in 2007 was 67,250 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 2,750 euros of per diems.

Mr. Giuliano Adreani

	2008	2009
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Fixed Remuneration for the Board:	60,000	60,000
Per diems:	57,000	51,000
Total:	117,000	111,000

The total remuneration paid in 2007 was 109,500 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 49,500 euros of per diems.

Mr. Ángel Durández Adeva

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	42,000	33,000
Total:	102,000	93,000

The total remuneration paid in 2007 was 98,500 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 38,500 euros of per diems.

Mr. Miguel Iraburu Elizondo

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	18,000	17,000
Total:	78,000	77,000

The total remuneration paid in 2007 was 106,750 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 46,750 euros of per diems.

Mr. Borja de Prado Eulate - Chairman of the Appointments and Remuneration Committee

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	42,000	39,000
Total:	102,000	99,000

The total remuneration paid in 2007 was 76,500 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 16,500 euros of per diems.

Mr. José Ramón Álvarez-Rendueles - Chairman of the Appointments and Remuneration Committee

	2008	2009
Fixed Remuneration for the Board:	60,000	60,000
Per diems:	51,000	48,000
Total:	111,000	108,000

The total remuneration paid in 2007 was 79,250 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 19,250 euros of per diems.

Mrs. Helena Revoredo Delvecchio ()

	2009
Fixed Remuneration for the Board:	45,000
Per diems:	12,000
Total:	57,000

Mr. Mario Rodríguez

	2009
Fixed Remuneration for the Board:	45,000
Per diems:	12,000
Total:	57,000
Option rights granted:	9,000
Option rights exercised:	0

Mrs. Revoredo and Mr. Rodríguez have been members of the Board Directors since April 1, 2009

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 2009 financial year the company had not granted any advance or loan to any of its directors.

With regard to employee benefits, 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 €39,966.78, €36,495.44 in 2008. 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 favor of any of the members of the Board of Directors.

Lastly, the increase in the percentage of total directors' remuneration in respect of profit attributable to Telecinco compared to 2008 is due to the sharp decline in the company's earnings caused by the ongoing economic crisis. Profit for the year ended December 31, 2009 amounted to €68,461 thousand, compared to €269,222 thousand in 2008. Total directors' remuneration have increased by €175,000 in 2009, as there were two more members.

## SECTION B.1.12

SECTION B.1.12.- The amounts shown in this section include aggregate remuneration paid to managers of Telecinco and Group companies. For greater transparency, the report this year includes the breakdown of remuneration paid to Telecinco managers in 2009.

Mr. Manuel Villanueva de Castro Managing Director, Contents  
Mr. Massimo Musolino Chief Operating Officer  
Mr. Luis Expósito Rodríguez Managing Director, HR and Services Division  
Mr. Eugenio Fernández Aranda Managing Director, Technology Division  
Mr. Mario Rodríguez Valderas Secretary General  
Mr. Javier Uria Iglesias Managing Director, Economic and Finance Division  
Mrs. Patricia Marco Jorge Managing Director of Televisión Telecinco and TDT  
Mr. Leonardo Baltanás Ramírez Managing Director of Contents Production  
Mr. Ghislain Barrois Managing Cinema Division and Acquisition of Rights  
Mrs. Mirta Dragoevich Fraermanm Managing Director of Communications and External Relations

Total: €5,551,028.

Senior managers' remuneration comprises (i) fixed remuneration, (ii) variable annual remuneration, (iii) deferred bonuses and (iv) remuneration in kind.

Fixed remuneration: corresponds to the amount agreed in each individual employee contract. Increases are approved each year. In the last few years, the normal increase has been the CPI rate of the preceding year. In other words, the increase in remuneration is at the end of the year, with no back pay.

Variable annual remuneration: comprises a bonuses target based on a percentage of the fixed remuneration, which ranges in accordance with professional level. The final amount receivable may increase or decrease, or no amount may be received depending on the degree of compliance with the stated targets. The targets may be:

1. Company targets, representing between 50% and 80% of the total depending on the position.
2. Individual targets (corporate or department), representing between 20% and 50%.
3. At least one of the two corporate objectives must be met to be eligible for annual variable remuneration.
4. The final bonus may be increased depending on the performance assessment.

☐ Deferred bonuses: these bonuses were paid in April 2009. This was a single, one-time plan approved in 2006, which met a dual objective: to achieve certain cumulative financial targets for 2006, 2007 and

2008, and to garner the loyalty of executives participating in the plan, as in order to receive the bonus they had to remain on staff until April 30, 2009.

☐ Remuneration in kind: corresponds to the assessment of the following items:

1. Corporate vehicle, with certain parameters or cost levels depending on the position held.
2. Medical insurance, for managers, their spouses, and children.
3. Life and disability insurance, with different guaranteed capital amounts depending on the position held.
4. Personal income tax withholding payments on account in respect of remuneration in kind items not charged (e.g. company vehicle, life insurance).

## SECTION B.1.13

In order to further clarify the information provided, there follows a summary of the main characteristics of the guarantee and golden parachute clauses not included in the former Reports:

Position	Clause, guarantee or parachute
Managing director	Termination of Contract at the request of the Company (except in case off air 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.

Division director	Termination of the Contract at the request of the Company (except in case of dismissal declared fair): compensation will consist of one year of fixed salary in addition to the corresponding legal compensation.
Director	Termination of the Contract at the request of the Company (except in case of dismissal declared fair): 18 months of fixed salary.

## SECTION B.1.30

In all cases where not all members were present at the board meeting, proxy rights were exercised.

## SECTION B.2.3

The text of the powers granted to the Committee in respect of related-party transactions, relations with shareholders and corporate governance is supplemented with the provisions of Article 5.4 of the Rules of the Audit and Compliance Committee.

([http://www.telecinco.es/inversores/es/download/reglamento\\_comision\\_nombramientos\\_y\\_retribuciones.shtml](http://www.telecinco.es/inversores/es/download/reglamento_comision_nombramientos_y_retribuciones.shtml))

## SECTION C

All transactions included in this section stem from the Company's ordinary business, were carried out on an arm's length basis and are of minor importance, as their disclosure is not required to give a true and fair view of the equity, financial position or results of operations of Telecinco and its Group. Accordingly, as provided for in article 3, 4) of Ministerial Order EHA/3050/2004, they are not considered related party transactions. Nevertheless, to provide more information in section C.2., all business conducted with significant shareholders in 2009 has been described. The majority of the transactions were carried out with companies in the Mediaset or Vocento groups (shareholder until July 31, 2009).



RECOMMENDATION F - 12: In our 2008 report, we explained the reasons for not complying with this recommendation. In 2009, we complied as the number of independent directors increased and that of proprietary directors decreased, with both categories represented by six directors.

RECOMMENDATION F - 13: As indicated for the previous recommendation, the Company complied with this recommendation as it increased the number of independent directors, which now represent one third of all board members.

#### RECOMMENDATION F-25

The Secretary provides new directors with a current copy of the Bylaws and Regulations, informs them of their rights and obligations and makes available to them the required information regarding the operations of the Company and its management bodies.

#### RECOMMENDATION F-56

The Committee raises issues affecting the Chairman and CEOs to the Board of Directors, to which they belong. No director has proposed any candidates to the Committee.

Indicate any information to further clarify the aforementioned sections, if relevant.

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In particular, indicate if the company is subject to legislation not applicable in Spain with regards to corporate governance and provide, if applicable, with the information requested according to that legislation and not included in this report.

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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:

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 24<sup>th</sup> February 2010.

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

NO