

ANNUAL CORPORATE GOVERNANCE REPORT

YEAR ENDED 31 DECEMBER 2011

COMPANY IDENTIFICATION
NUMBER: A-79075438

CIF: A-79075438

Company Name:

Mediaset España, S.A

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

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ANNUAL CORPORATE GOVERNANCE REPORT FORM FOR PUBLICLY LISTED COMPANIES

For a better understanding of this form and subsequent drafting of the report, please read the instructions attached for this purpose at the end of this form.

A SHAREHOLDER STRUCTURE

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

Date of last increase/reduction	Share capital (euros)	Number of shares	Number of voting rights
29/12/10	203,430,713	406,861,426	406,861,426

Indicate if there are different classes of shares with different rights attaching to them:

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
SILVIO BERLUSCONI	0	169,058,846	41.552
PROMOTORA DE INFORMACIONES, S.A.	0	70,534,898	17.336
TWEEDY BROWNE C. LLC	0	17,932,868	4.408

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
SILVIO BERLUSCONI	MEDIASET INVESTIMENTI SPA	167,700,143	41.218
PROMOTORA DE INFORMACIONES, S.A,	PRISA TELEVISIÓN SAU	70.534.898	17.336
TWEEDY BROWNE COMPANY LLC	TWEEDY BROWNE GLOBAL VALUE FUND	407.862	0.100

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

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

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

Name or company name of the director	Number of voting rights held directly	Number of voting rights held indirectly(*)	% of total voting rights
ALEJANDRO ECHEVARRÍA BUSQUET	47,023	0	0.012
PAOLO VASILE	8,426	0	0.002
ÁNGEL DURÁNDEZ ADEVA	4,237	0	0.001
FRANCISCO DE BORJA DE PRADO EULATE	699	7,191	0.002
JOSÉ RAMÓN ALVAREZ RENDUELES	17,640	654	0.004
MASSIMO MUSOLINO	7,494	10	0.002

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
FRANCISCO DE BORJA PRADO EULATE	BOPREU, S.L.	7,191	0.002
MASSIMO MUSOLINO	ALICIA DÍAZ VILLANUEVA	10	0.000
JOSE RAMÓN ALVAREZ RENDUELES	ALVARVIL, SA	654	0.000

% of total voting rights held by directors	0.023
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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
ALEJANDRO ECHEVARRÍA BUSQUET	373,437	0	373,437	0.092
GUISEPPE TRINGALI	746,875	0	746,875	0.184
PAOLO VASILE	746,875	0	746,875	0.184
MASSIMO MUSOLINO	347,750	0	347,750	0.085

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 Securities Market Act. If yes, describe these Shareholders' Agreements briefly as well as the shareholders related there under:

YES

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

% of share capital affected

17.336

Brief description of agreement:

Integration Contract

In accordance with Clause 3.4 of the Integration Agreement and as described in the Prospectus dated 18 November 2010, Prisa Televisión (formerly Sogecable) is entitled to appoint two members to Telecinco's Board of Directors (at the same time as Mediaset will have eight) and will be entitled to appoint one director for as long as it holds a minimum of 5% of Telecinco's share capital.

In addition, whilst Prisa Televisión holds 10% of Telecinco's share capital, it will be entitled to appoint, among the directors it has appointed, a non-executive Vice-president, a member of the Executive Committee, a member of the Audit and Control Committee and a member of the Remuneration and Nomination Committee. Mediaset, S.p.A. has expressed its agreement with the contents of the indicated clause.

The following is the transcription of the clause 3.4 of the Integration Agreement:

3.4. Telecinco Government

Following the integration, when it becomes effective, Sogecable will have a proportional representation on the board of Telecinco, and in particular, the following rights in relation to corporate governance of Telecinco:

(i) Sogecable has the right to appoint two of the 15 members that make up the Board of Directors of Telecinco (and without prejudice to the said right of Sogecable, the directors appointed by Mediaset will be reduced to eight);

(ii) the rules of proportional representation will be taken into account for purposes of giving rights to appoint directors to Sogecable (a) if a change in the total number of board members specified in paragraph (i) above, or (b) if occurs a change in the participation of Sogecable in Telecinco; all without prejudice to the right granted to Sogecable under the following paragraph;

Parties to the shareholder agreement
MEDIASET SPA
PROMOTORA DE INFORMACIONES, S.A.
MEADIASET ESPAÑA COMUNICACIÓN, S.A.
SOGECABLE, S.A.U.

% of share capital affected:

17.336

Brief description of agreement:

Option Agreement

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

Pursuant to clause 4.4 of the Option Agreement and as described in the Prospectus, Prisa Televisión has committed to the Company not to transfer the New Telecinco's Shares subscribed in exchange of the contribution of Sociedad General de Televisión Cuatro, S.A. Unipersonal (representing 17.336% of the Telecinco's share capital after the adjustment contractually agreed in the deal); shares that, for this purpose, have been pledged in favour of Telecinco. This commitment will remain in effect until 28 March 2012 or, if the option is exercised as per the Option Agreement, as set out in paragraph 5.2.3. (F.6) of the Registration Document of the Prospectus approved and registered as of 18 November 2010 (the "Prospectus"), until it gets: (i) the unconditional authorisation or subject to no substantial conditions of the antitrust authorities; and if necessary ruled by an independent expert or experts designated for that purpose by the parties, or (ii) an agreement between the parties on the conditions imposed by competition authorities. Therefore, it will remain in effect as long as Telecinco does not obtain the additional corporate rights granted by the sale agreement and shareholders agreement in Digital as described in paragraph 5.2.3 of the Prospectus (the "Additional Corporate Rights"). If not, or if it is impossible to apply the Additional Corporate Rights, there would be, among other things, the cancellation of the New Shares owned by Prisa Televisión, as indicated in the mentioned paragraph 5.2.3. (F.6) of the Pre-prospectus.

The following is the transcript in respect of pledges of non-availability of shares to Prisa Televisión (formerly Sogecable) in clause 4.4 of the Option Agreement:

Parties to the shareholder agreement
MEDIASET SPA
PROMOTORA DE INFORMACIONES, S.A.
MEDIASET ESPAÑA COMUNICACIÓN, S.A.
SOGECABLE, S.A.U.

Indicate whether the company is aware of any concerted actions among its shareholders. 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 natural or legal person who controls or may control the company pursuant to Section 4 of the Securities Market Act. If such a person exists, identify them:

YES

Name or company name
MEDIASET INVESTIMENTI SPA

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

Comments
<p>Fininvest SPA (owned by Silvio Berlusconi) holds 38.98% (38.62% directly and 0.36% indirectly) of the voting rights and appoints the majority of the directors of Mediaset SPA, which owns 41.552% of the voting rights of Mediaset España, S.A., (i) 0.333% directly and (ii) 41.218% indirectly through Mediaset Investimenti SpA (a wholly owned subsidiary of Mediaset, SpA).</p>

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
6,419,259	0	1.557

(*)Held through:

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 (thousands of euros)	-
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A.9. Describe the requirements and deadlines fixed by the General Shareholders' Meeting in any resolutions authorising the Board to acquire or transfer company shares.

The General Shareholders' Meeting held on 13 April 2011, under item 9 of the agenda, authorised the Board of Directors to acquire and transfer own shares, with a total of 295,414,448 votes representing 93.93% of share capital in favour, 18,140,852 votes representing 5.77% of share capital against, 910,485 abstentions representing 0.29% of share capital and 25,941 blank votes representing 0.008% of share capital. This mandate shall remain effective until the next General Shareholders' Meeting, slated for 2012.

Below is the exact text of the resolution adopted:

9. To authorise the Board of Directors of Mediaset España in accordance with the provisions of Section 146 and following of the Public 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 purchase or any other form of transfer for good and valuable consideration.

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- The maximum number of shares to be acquired, in addition to those already in the name of Mediaset España or any of its acquired companies, shall not exceed ten per cent (10%) of the share capital..
- Shares acquired shall be free of all encumbrances or charges, totally paid and not subject to any other obligation.
- The minimum purchase price of the shares shall not be less than their nominal value, and the maximum price shall not exceed one hundred and twenty per cent (120%) of their listed value on the purchase date.
- Effective period of the authorisation: Five (5) months starting from the date of the present agreement.
- These transactions shall furthermore be carried out in compliance with the relevant rules contained on the matter in the Company's Internal Code of Conduct.

2. Void the authorisation agreed regarding this matter at the AGM held on 14 April 2010.

3. To authorise the Board of Directors to use either all or part of the treasury shares acquired to execute remuneration plans whose purpose is or which entails the delivery of shares or share options, or which are based in any way on the performance of the shares on the stock market, as established in Paragraph 1a of Section 146.1.a) of the Public Limited Companies Act.

4. To authorise 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.

The preceding text uses the company's former name as this is a literal transcription of the resolutions adopted before the change in name to Mediaset España Comunicación, S.A.

A.10 Mention any legal or statutory restrictions or restrictions foreseen in the Bylaws 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 Bylaws on the exercise of voting rights

NO

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

YES

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

Description of legal restrictions on the acquisition or transfer of shareholdings
Legal restrictions on the acquisition or transfer of holdings in the company's share capital are as follows:
Articles of the General Law on Audiovisual Communication 7/2010 of 31 March.
Article 29. Legal transactions on audiovisual media licenses.
1. The conclusion of legal transactions whose object is an audiovisual media licence requires prior authorisation from the competent audiovisual authority and shall be subject to the payment of a fee determined by the government for licenses with national coverage, or by the regional governments in all other cases.
This authorisation may be refused only when the applicant does not comply with all the conditions legally established to obtain the licence, or is not substituted on the obligations of the previous licensee.
2. In addition, rental and broadcast shall be subject to the following conditions:
a) At least two years should have passed since the initial award of the license in order for legal transactions to be concluded.
b) When undertaken by natural or legal persons from countries that are not members of the European Economic Area, they shall be subject to the principal of reciprocity and shall accrue the payment of the legally established fee. In compliance with the provisions in the International Treaties and Conventions to which Spain is party, and having submitted a report to the competent audiovisual authority, the Council of Ministers or the competent body of the Autonomous Community may authorise an operation by way of exception and on grounds of public interest when this term has not been met.
c) When the license entails the award of a full multiplex or of two or more channels, no more than 50% of the license capacity may be leased. The lease must comply with the provisions of Article 24.3 concerning the occupation of the multiplex radioelectric spectrum and the use of channels with total or partial pay content.
Lease of channels shall only be authorised if the holder certifies compliance with all the legally established conditions for obtaining the license.
d) Sublease is prohibited under any circumstances.
e) Compliance with the offer through which the award of the license was obtained.
Article 36. Pluralism in the Television Audiovisual Market.
1. Natural and legal persons may hold shares or voting rights simultaneously in different television audiovisual service providers.

<p>2. However, no natural or legal person may acquire significant holdings in more than one television audiovisual media service provider with national coverage when the average audience of all the channels of the considered providers with national coverage exceeds 27% of the total audience for the 12 consecutive months prior to the acquisition.</p>
<p>3. If the average audience exceeds 27% of the total audience after the acquisition of new significant holdings, this shall have no effect on the holder.</p>
<p>4. The shares or voting rights of natural or legal persons from countries that are not members of the European Economic Area are subject to compliance with the principle of reciprocity. In the event of an increase in the shares held by natural and legal persons from countries that are not members of the European Economic Area, on the entry into force of this Act, the total percentage held in the share capital of the television audiovisual media service provider must be less than 50% at all times.</p>
<p>5. No natural or legal person may acquire significant holdings or voting rights in more than one television audiovisual media service provider.</p>
<p>a) When national audiovisual media service providers accumulate rights of use over the radioelectric public domain which together are greater than the technical capacity of two multiplex channels.</p>
<p>b) When regional audiovisual media service providers accumulate rights of use over radioelectric public domain which together are greater than the technical capacity of a multiplex channel.</p>
<p>c) No natural or legal person or participant in the share capital of a national television audiovisual media service provider may acquire significant holdings or voting rights in the capital of another provider of the same service, where this would prevent the existence of at least three different private national television audiovisual media service providers, thus ensuring respect for pluralism of information.</p>
<p>Article 25. Requirements to hold an audiovisual media license.</p>
<p>The following requirements must be met in order to hold a license:</p>
<p>1. Natural persons must be from a Member State of the European Economic Area or any State which recognise this right for Spanish citizens, in accordance with its internal regulations.</p>
<p>2. Legal persons must have their registered address in a Member State of the European Economic Area or in any State which recognises this right for Spanish citizens, in accordance with its internal regulations.</p>
<p>3. The licensee must have a representative domiciled in Spain for notification purposes.</p>
<p>4. In the case of legal persons, the participation in their share capital of natural or legal persons from countries that are not members of the European Economic Area must comply with the principle of reciprocity.</p>
<p>In addition, the individual participation of a natural or legal person from a country that is not a member of the European Economic Area should not directly or indirectly exceed 25% of the share capital. Furthermore, the total holdings of a legal entity made up of natural or legal persons from countries that are not members of the European Economic Area should be less than 50% of the share capital.</p>

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Article 26. Limitations on audiovisual media on grounds of public order.
1. In no event shall natural or legal persons in the following circumstances be entitled to a license:
a) Those who, having been licensees or given prior notice for any area of coverage, have had their licenses revoked or been deprived of their effects through final administrative decision in the last two years preceding the application.
b) Those companies in whose share capital persons in the abovementioned situation have significant holdings or, where appropriate, direct or indirect control.
c) Those who, having provided audiovisual services in another Member State of the European Economic Area, have had their activities prohibited in the last two years for violating the values and principles of the European Convention on Human Rights or the provisions in European and Spanish legislation on the protection of minors.
d) Those persons subject to any of the prohibitions against contracting set forth in Article 49 of Act 30/2007 of 30 October, on Public Sector Contracts.
2. Prior notice for audiovisual media service provision shall have no effect when it has been presented by a natural or legal person who is in any of the circumstances stated in paragraph 1.

A.11 State if at the General Shareholders' 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 Bylaws:

Maximum number of directors	19
Minimum number of directors	11

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

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

Name or company name of the director	Proxy	Position on the Board	Date of first appointment	Date of last appointment	Method of appointment
ALEJANDRO ECHEVARRÍA BUSQUET		CHAIRMAN	15/05/1996	01/04/2009	GENERAL SHAREHOLDERS' MEETING
FEDELE CONFALONIERI		DIRECTOR	21/12/2000	01/04/2009	GENERAL SHAREHOLDERS' MEETING
MANUEL POLANCO		DIRECTOR	24/12/2010	24/12/2010	GENERAL SHAREHOLDERS' MEETING
GIUSEPPE TRINGALI		CHIEF EXECUTIVE OFFICER	29/03/2004	01/04/2009	GENERAL SHAREHOLDERS' MEETING
PAOLO VASILE		CHIEF EXECUTIVE OFFICER	29/03/1999	01/04/2009	
ALFREDO MESSINA		DIRECTOR	30/06/1995	01/04/2009	GENERAL SHAREHOLDERS' MEETING
ANGEL DURANDEZ ADEVA		DIRECTOR	20/05/2004	14/04/2010	GENERAL SHAREHOLDERS' MEETING
FRANCISCO DE BORJA PRADO EULATE		DIRECTOR	28/07/2004	14/04/2010	GENERAL SHAREHOLDERS' MEETING
GIULIANO ADREANI		DIRECTOR	26/09/2001	01/04/2009	GENERAL SHAREHOLDERS' MEETING
HELENA REVOREDO DELVECCHIO		DIRECTOR	01/04/2009	01/04/2009	GENERAL SHAREHOLDERS' MEETING
JOSÉ RAMÓN ÁLVAREZ-RENDUELES		DIRECTOR	28/07/2004	14/04/2010	GENERAL SHAREHOLDERS' MEETING
JUAN LUIS CEBRIAN ECHARRI		DIRECTOR	24/12/2010	24/12/2010	GENERAL SHAREHOLDERS' MEETING
MARCO GIORDANI		DIRECTOR	07/05/2003	01/04/2009	GENERAL SHAREHOLDERS'

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					MEETING
MASSIMO MUSOLINO		DIRECTOR	09/04/2008	09/04/2008	GENERAL SHAREHOLDERS' MEETING
PIER SILVIO BERLUSCONI		DIRECTOR	07/05/2003	01/04/2009	GENERAL SHAREHOLDERS' 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:

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

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
GIUSEPPE TRINGALI	APPOINTMENTS AND REMUNERATION COMMITTEE	CHIEF EXECUTIVE OFFICER
PAOLO VASILE	APPOINTMENTS AND REMUNERATION COMMITTEE	CHIEF EXECUTIVE OFFICER
MASSIMO MUSOLINO	APPOINTMENTS AND REMUNERATION COMMITTEE	GENERAL AND TRANSACTION MANAGER

Total number of executive directors	3
Total % of the Board	20.000

EXTERNAL 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 external director
FEDELE CONFALONIERI	APPOINTMENTS REMUNERATION COMMITTEE	MEDIASET INVESTIMENTI SPA
MANUEL POLANCO MORENO	-	PROMOTORA DE INFORMACIONES, S.A.
ALFREDO MESSINA	APPOINTMENTS AND REMUNERATION COMMITTEE	MEDIASET INVESTIMENTI SPA
GIULIANO ADREANI	APPOINTMENTS AND REMUNERATION COMMITTEE	MEDIASET INVESTIMENTI SPA
JUAN LUIS CEBRIAN ECARRI	-	PROMOTORA DE INFORMACIONES, SA.
MARCO GIORDANI	APPOINTMENTS AND REMUNERATION	MEDIASET INVESTIMENTI SPA

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	COMMITTEE	
PIER SILVIO BERLUSCONI	APPOINTMENTS REMUNERATION COMMITTEE	MEDIASET INVESTIMENTI SPA

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Total number of proprietary directors	7
Total % of the Board	46.667

INDEPENDENT EXTERNAL DIRECTORS

Name or company name of the director	Profile
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.
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, SL; member of the advisory Boards of FRIDE, (Foundation for the International relations and external development) Member of the Council of the Germán Sánchez Rupérez and Euroamérica.
Francisco de Borja Prado Eulate	President of Endesa SA, President 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, Chairman of Almagro Asesoramiento e Inversores, SA.
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 International Advisory Committee of IESE.
José Ramón Álvarez-Rendueles	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, Asturiana de Zinc, Holcim España y Assicurazioni Generali España.

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

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

OTHER EXTERNAL DIRECTORS

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:

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 description
GIUSEPPE TRINGALI	All delegable powers by law and the Bylaws
PAOLO VASILE	All delegable powers by law and the Bylaws

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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
Alejandro Echevarria Busquet	Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.	Chairman
ALEJANDRO ECHEVARRIA BUSQUET	PUBLIESPANA. S.A.U.	CHAIRMAN
FEDELE CONFALONIERI	PUBLIESPANA. S.A.U.	DIRECTOR
GIUSEPPE TRINGALI	PUBLIESPANA. S.A.U.	CHIEF EXECUTIVE OFFICER
GIUSEPPE TRINGALI	PUBLIMEDIA GESTION. SAU	CHAIRMAN/CHIEF EXECUTIVE OFFICER
GIUSEPPE TRINGALI	SOGECABLE MEDIA. S.L.U.	JOINT AND SEVERAL DIRECTOR
PAOLO VASILE	AGENCIA DE TELEVISION LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA. S.A.	
PAOLO VASILE	CANAL FACTORIA DE FICCION. S.A.U.	DIRECTOR
PAOLO VASILE	CONECTA 5 TELECINCO. S.A.U.	CHAIRMAN
PAOLO VASILE	GRUPO EDITORIAL TELE5. S.A.U.	CHAIRMAN
PAOLO VASILE	PUBLIESPANA. S.A.U.	DIRECTOR
PAOLO VASILE	SOCIEDAD GENERAL DE TELEVISION CUATRO. S.A.U.	JOINT AND SEVERAL DIRECTOR
PAOLO VASILE	TELECINCO CINEMA. SAU	CHAIRMAN
GIULIANO ADREANI	PUBLIESPANA. S.A.U.	DIRECTOR
MASSIMO MUSOLINO	AGENCIA DE TELEVISION LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA. S.A.U.	
MASSIMO MUSOLINO	CANAL FACTORIA DE FICCION. S.A.U.	CHAIRMAN/CHIEF EXECUTIVE OFFICER
MASSIMO MUSOLINO	CONECTA 5 TELECINCO. S.A.U.	DIRECTOR
MASSIMO MUSOLINO	DTS DISTRIBUIDORA DE TELEVISIÓN DIGITAL. S.A.	VICE-PRESIDENT
MASSIMO MUSOLINO	GRUPO EDITORIAL TELE5. S.A.U.	CHIEF EXECUTIVE OFFICER
MASSIMO MUSOLINO	MEDIACINCO CARTERA. S.L.	CHAIRMAN
MASSIMO MUSOLINO	PREMIERE MEGAPLEX. S.A.	CHAIRMAN AND CHIEF EXECUTIVE OFFICER
MASSIMO MUSOLINO	PUBLIESPANA. S.A.U.	DIRECTOR
MASSIMO MUSOLINO	TELECINCO CINEMA. SAU	CHIEF EXECUTIVE OFFICER
PIER SILVIO BERLUSCONI	PUBLIESPANA. S.A.U.	DIRECTOR

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

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

Name or company name of the director	Company name of the listed company	Position
ALEJANDRO ECHEVARRIA BUSQUET	COMPANIA VINICOLA DEL NORTE ESPAÑA. S.A.	DIRECTOR
ALEJANDRO ECHEVARRIA BUSQUET	ENDESA. S.A.	DIRECTOR
MANUEL POLANCO MORENO	PROMOTORA DE INFORMACIONES. S.A.	DIRECTOR
ANGEL DURANDEZ ADEVA	REPSOL YPF. SA	DIRECTOR
FRANCISCO DE BORJA PRADO EULATE	ENDESA. S.A.	CHAIRMAN
HELENA REVOREDO DELVECCHIO	BANCO POPULAR ESPANOL. S.A.	DIRECTOR
HELENA REVOREDO DELVECCHIO	PROSEGUR. S.A.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE INFORMACIONES. S.A.	CHIEF EXECUTIVE OFFICER

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:

Investment and financing policy	Yes
Design of the structure of the corporate group	Yes
Corporate governance policy	Yes
Corporate social responsibility policy	Yes
The strategic or business plan, management targets and annual budgets	Yes
Remuneration and evaluation of senior officers	NO
Risk control and management, and the periodic monitoring of internal information and control systems	Yes
Dividend policy, as well as the policies and limits applying to treasury stock.	Yes

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

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	2,595
Variable remuneration	335
Attendance fees	662
By-law stipulated amounts	0
Options on shares and/or other financial instruments	0
Other	47
TOTAL:	3,639

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	10
Guarantees granted by the company in favour 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	833
Variable remuneration	223
Attendance fees	0
By-law stipulated amounts	0
Options on shares and/or other financial instruments	0
Other	36
TOTAL:	1,092

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

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	11
Guarantees constituted by the company in favour of directors	0

c) Total remuneration paid by type of Director:

Type of director	By company	By group
Executive directors	1,472	1,092
External proprietary directors	787	0
Independent external directors	1.380	0
Other external directors	0	0
Total	3,639	1,092

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)	4,730
Total remuneration of the directors/company's profit allocated to controlling company(%)	3.4

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

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
PATRICIA MARCO	MANAGING DIRECTOR, ANTENNA DIVISION
LEONARDO BALTANAS	MANAGING DIRECTOR OF CONTENTS PRODUCTION
GHISLAIN BARROIS	DIRECTOR, CINEMA DIVISION AND ACQUISITION OF RIGHTS
MIRTA DRAGOEVICH	MANAGING DIRECTOR OF COMMUNICATIONS AND EXTERNAL RELATIONS
CRISTINA PANIZZA	OPERATIONAL AND SALES SERVICES DIRECTOR PUBLIESPAÑA
JULIO MADRID	COMMERCIAL DIRECTOR OF PUBLIESPAÑA
GASPAR MAYOR	COMMERCIAL DIRECTOR OF PUBLIESPAÑA
PEDRO PIQUERAS GOMEZ	MANAGING DIRECTOR, NEWS PROGRAMMES
JESUS MARIA BAUTISTA PEREZ	MANAGING DIRECTOR, BUSINESS DEVELOPMENT AND MULTI-PLATFORM
LÁZARO GARCÍA HERRERO	DIRECTOR, CORPORATE MARKETING PUBLIESPAÑA
LUIS EXPÓSITO RODRIGUEZ	MANAGING DIRECTOR, HR AND SERVICES DIVISION
MIGUEL ANGEL JIMÉNEZ GONZÁLEZ	COMMERCIAL DIRECTOR, SPECIAL INITIATIVES PUBLIESPAÑA
MANUEL VILLANUEVA DE CASTRO	MANAGING DIRECTOR, CONTENTS
ALVARO AGUSTÍN REGAÑÓN	MANAGING DIRECTOR, TELECINCO CINEMA
JAVIER URIA IGLESIAS	MANAGING DIRECTOR, ECONOMIC AND FINANCE DIVISION
JOSÉ LUIS VILLA ALEGRE	MANAGING DIRECTOR, CENTRES
FRANCISCO ALUM LÓPEZ	MANAGING DIRECTOR, MARKETING AND OPERATION PUBLIESPAÑA
MARIO RODRIGUEZ VALDERAS	CORPORATE GENERAL MANAGER
EUGENIO FERNÁNDEZ ARANDA	MANAGING DIRECTOR, TECHNOLOGY DIVISION
SALVATORE CHIRIATTI	MANAGING DIRECTOR OF PUBLIMEDIA GESTIÓN
GIUSEPPE SILVESTRON	MANAGING DIRECTOR, COMMERCIAL PUBLIESPAÑA
JUAN PEDRO VALENTIN PAD IN	MANAGING DIRECTOR, NEWS DIVISION
JAVIER MEDIAVILLA PEREZ	COMMERCIAL DIRECTOR, PUBLIMEDIA GESTIÓN

Total remuneration of Senior Executives (in thousands of euros)	6,820
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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	
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	Board of Directors	General Shareholders' Meeting
Governing body that approves such arrangements	YES	NO

Are such arrangements reported to the General Shareholders' Meeting?	NO
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Translation from the original in Spanish. In the case of any discrepancy the Spanish version prevails.

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

Process used for establishing the remuneration of the directors and the main provisions of the Bylaws
<p>Article 56 of the Bylaws 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>Items</p> <p>All directors shall be entitled to receive remuneration consisting of a fixed annual amount and per diem allowances. This amount is approved at the General Meeting at the request of the Board of Directors following a report by the Appointments and Remuneration Committee.</p> <p>In addition, executive directors shall be entitled to receive, in addition to the aforementioned remuneration, a remuneration made up of:</p> <ul style="list-style-type: none">(a) a fixed part, appropriate to the services and responsibilities assumed by them;(b) a variable part correlated to some indicator of performance of the director or the company;(c) a benefit-related amount for welfare and insurance purposes.(d) It may also include the delivery of shares or options over them. <p>The value of the remuneration figures making up the fixed portion, the types and calculations of the variable component (that in no case may comprise shares in corporate earnings) and the benefits provisions shall be determined by the Board of Directors based on a report by 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>Decisions regarding whether the remuneration package will include corporate shares or option rights or remunerations indexed to the value of the shares will be adopted at the General Shareholders' Meeting. The agreement will, as applicable, state the number of shares to be delivered, the strike price for exercising the option rights, the value of the shares taken as reference and the duration of this form of remuneration.</p> <p>Process for establishing board members' remuneration and clauses in the company Bylaws</p>

In addition, Mediaset is authorised 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 Mediaset Group. Approval of legally required aspects falls to the Board of Directors and the General Shareholders' Meeting.

The General Shareholders' Meeting is responsible for fixing the maximum amounts that Mediaset España 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 General Shareholders' Meeting in 2005 has always been 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 2008, 2009 and 2010 were 1,244,500, 1,308,000 and 1,266,883 euros respectively.

Information on share price options granted in 2011 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 itemised 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. The information is also included in Mediaset's Annual Accounts. Similarly, at the 2012 General Shareholders' Meeting, shareholders will be provided the Report on the Directors' Remuneration Policy as a separate item on the agenda for consultation. This information could be accessible through the Web Page

Like last year, in addition to the usual information on the directors, the Report includes information on the remuneration paid to senior management of Mediaset 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:

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

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

The directors' remuneration and, in the case of executives, additional remuneration for their executive functions and other conditions to be met by their agreements.	Yes
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Translation from the original in Spanish. In the case of any discrepancy the Spanish version prevails.

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

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.	Yes
Variable remuneration items	Yes
Main characteristics of the benefits systems, including an estimate of their amounts or equivalent annual costs.	Yes
Conditions to be met by the agreements of those holding senior management positions such as executive directors, including:	Yes

B.1.16 State whether the Board of Directors puts to vote at the General Shareholders' 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
<p>As in prior years the report on the directors' remuneration policy includes a detailed and itemized description of all the amounts earned during year 2011 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</p> <p>The Report also contains information on the remuneration system which shall determine the directors' remuneration in 2012 and data corresponding to 2011 and 2010.</p> <p>The Report provides additional information on the structure and number of senior executives at Mediaset and the main Group companies.</p>

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

The Report is made available to the shareholders from the date of publication of the call notice. Shareholders may access the Report on the website and request a printed copy, which is sent free of charge. The Report is presented each year at the General Shareholders' Meeting.

In order to strengthen the transparency of the information published by Mediaset, in 2011, for the first time, the Report on the Board of Directors' Remuneration Policy was submitted for verification by an independent expert, Pricewaterhousecoopers.

Role played by the Remuneration Committee

As established in Article 5 (m) of 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 General Shareholders' Meeting.

Have external consultancy services been used?

Yes

Identity of external consultants

PriceWaterhouseCoopers has assured the content of this report.

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
MANUEL POLANCO MORENO	PRISA TELEVISION SAU	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	PRISA TELEVISION SAU	VICE-PRESIDENT
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 director

PIER SILVIO BERLUSCONI Name of company name of

significant shareholder

MEDIASET INVESTIMENTI SPA **Description of**

relationship

Son of Silvio Berlusconi and indirect holder of 41.552% of Mediaset España

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

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

Appointment and re-election:

- A director need not be a shareholder of Mediaset España.
- 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 General Shareholders' 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 Mediaset España 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.
- The inclusion of new directors in a category must be preceded by the corresponding report from the Appointments and Remuneration Committee and must comply with the definitions contained in the Bylaws and the Regulations of the Board of Directors.
- 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 Helena Revoredo Delvecchio be named a director as she met the established requirements on equal terms.

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

The procedure for the appointment, selection, re-election and removal of Mediaset España'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 General Shareholders' 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 Mediaset España'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 General Shareholders' 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. 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 General Shareholders' Meeting are individuals of recognized solvency, competence and experience, especially in the case of independent directors. In any event, a description of the professional experience of the candidates is required, emphasizing the circumstances that justify their appointment as independent.

The Board of Directors shall assure that external 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 external directors includes independent directors and proprietary directors.

The final decision to appoint and remove directors rests with the General Shareholders' 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. Mediaset's Bylaws do not envisage qualified majorities.

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

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 General Shareholders' 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, Mediaset España 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 80 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 General Shareholders' 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 Mediaset España 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 Mediaset España 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 Bylaws 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.

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

Section G provides the reasons for this resignation.

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 external directors and to direct the evaluation by the Board of Directors.

YES

Explanation of regulations
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 2011, no director exercised this right.
The Appointments and Remuneration Committee's functions include assisting in the evaluation.

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

NO

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

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 Bylaws or Board Regulations:

YES

Age limit for Chairman: 80 years

Age Limit for Chief Executive Officer: 80 years

Age limit for Directors: 80 years

B.1.26 Mention whether the Bylaws 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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Translation from the original in Spanish. In the case of any discrepancy the Spanish version prevails.

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
Women presence represent 6.666% of all the directors on the board.

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"> (i) inform the Board of Directors about questions relating to gender diversity; (ii) ensure that the selection procedures for filling new vacancies do not result an obstacle for the selection of female directors; (iii) encourage Mediaset España 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	8
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	3
Number of meetings of the Audit Committee	5
Number of meetings of the Appointments and Remuneration Committee	2
Number of meetings of the Appointments Committee	0
Number of meetings of the Remuneration Committee	0

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

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	7
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% of non-attendance out of total votes during the year	5.000
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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 General Shareholders' Meeting concerning the individual and consolidated accounts.

Mediaset's individual and the Mediaset Group's consolidated financial statements have been prepared and approved without qualifications since they were first audited in 1996 to the present, including those of 2011.

Mediaset has internal mechanisms in place to maintain ongoing dialogue with the external auditor that basically comprise the following:

The individual and consolidated financial statements, as well as the financial statements, disclosures 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 and to detect in advance any discrepancy with the auditor.

As indicated in this Report, the Audit and Compliance Committee has met on five occasions in 2011, once for each quarter, to coincide with the preparation of the quarterly, half-yearly and annual financial statements, and one other time.

Prior to the aforementioned Committee meetings, preparatory meetings are arranged with Mediaset's external auditor, to obtain information regarding their review, scope, incidents, etc. In addition to the two independent directors, Mr. Alvarez- Rendueles and Mr. Durández, and the representative from Prisa, Juan Luis Cebrián, the meetings were attended by the General Manager, the Secretary General, the Finance Director, the Director of Consolidation, Reporting and Investees, and the Director of Internal Audit. In 2011, four of these preparatory meetings were held.

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

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 Mediaset management staff to its recommendations, and mediate and act as arbiter in the event of discrepancies between Mediaset 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 2011, there were no differences between the management and the auditor.

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

NO

B.1.34 Explain the procedures for the appointment and termination of the Secretary of the Board, stating whether its appointment and termination have been informed by the Appointments Committee and approved by the meeting of the Board.

Appointment and termination procedure
According to Article 18 of the Regulations of the Board of Directors, the Secretary may be a director or not. This article also states that a decision by the Board of Directors on the appointment to and termination of the position of Secretary must be informed by the Appointments and Remuneration Committee.

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

Did the Appointments Committee announce the appointment?	Yes
Did the Appointments Committee announce the termination?	Yes
Did the Board meeting approve the appointment?	Yes
Did the Board meeting approve the termination?	Yes

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

YES

Comments
Article 18 of the Regulations of the Board of Directors 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 Mediaset España's Bylaws 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 Mediaset 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 as indicated in section B.1.32 above.

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 Mediaset. 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 Mediaset outside the scope of accounts auditing and shall not propose the appointment of any auditing firm when fees payable by Mediaset to the auditor exceed 5% of its total revenues for the previous fiscal year.

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) in the Investor Relations section, where it is kept indefinitely. Additionally, and in parallel to publication on Mediaset España's website, the presentations in Spanish and English are e-mailed to those shareholders, institutional investors and analysts who request it.

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

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 Mediaset'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:

YES

	Company	Group	Total
Fees paid for non-audit work (in thousands of euros)	99	0	99
Fees paid for non-audit work as a percentage of the total fees charged by the audit firm (%)	36.264	0.000	36.264

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

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

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	4	4

	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	0.3	0.3

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
Alejandro Echevarría Busquet	Vocento, S.A.	0.009	None
Alejandro Echevarría Busquet	Diario ABC, S.L.	0.000	None
Manuel Polanco Moreno	RUCANDIO, S.A.	13.550	Director
Manuel polanco moreno	PRISA, S.A.	0.020	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 Mediaset'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 Mediaset's financial situation.</p> <p>(c) If the technical assistance which could be offered can be adequately provided by experts</p>

and specialists within Mediaset.

(d) If for reasons of confidentiality it is not advisable that the expert in question have access to sensitive information.

In 2011, the Board of Directors required external advice to value the economic cost of executing the resolutions adopted in the shareholder agreements contained in this Report.

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
<p>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.</p>
<p>The procedure, now guaranteed by the direct oversight of the Chairman, begins with the meeting notice itself: Article 24 establishes that the notice will always include the agenda for the meeting with the relevant information attached, duly prepared and summarized. The notice and relevant information will be sent 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.</p>
<p>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 Mediaset, including examining its books, records, documents and other background to corporate operations. The possibility of inspecting the facilities, as well as communicating with Mediaset's management at any time is also included.</p>
<p>The mechanism to exercise the said powers shall be channelled through the chairman, the chief executive officer, or the Secretary to the Board of Directors, who shall satisfy the requests by directly providing the information, offering the appropriate interlocutors at the organizational level or arbitrating the measures, so that the desired examination and inspection can be performed in situ.</p>
<p>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 Mediaset's performance and adequately prepare the Board of Directors' meetings and the meetings of the committees in which they participate.</p>
<p>In 2011, independent directors of the Audit and Compliance Committee held five preparatory meetings with company managers to analyze the issues to be debated at the Committee meetings. Mediaset's external auditor also attended all</p>

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

of them.

The independent directors of the Appointments and Remuneration Committee likewise held two preparatory meetings in 2011 with company employees.

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 Mediaset 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

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

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

EXECUTIVE OR DELEGATE COMMITTEE

Name	Position	Type
Alejandro Echevarria Busquet	Chairman	Independent director
Fedele Confalonieri	Member	Proprietary director
Francisco de BORJA PRADO EULATE	Member	Independent director
Giuliano Adreani	Member	Proprietary director
Giuseppe Tringali	Member	Executive director
Jose Ramon Alvarez Rendueles	Member	Independent director
Manuel Polanco Moreno	Member	Proprietary director
Paolo Vasile	Member	Executive director

AUDIT COMMITTEE

Name	Position	Type
Jose Ramon Alvarez Rendueles	Chairman	Independent director
Alfredo Messina	Member	Proprietary director
Angel DURANDEZ Adeva	Member	Independent director
Fedele confalonieri	Member	Proprietary director
Giuliano Adreani	Member	Proprietary director
Juan Luis Cebrian Echarri	Member	Proprietary director
Marco Giordani	Member	Proprietary director

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Francisco de Borja Prado Eulate	Chairman	Independent director
Ángel Durández Adeva	Member	Independent director
Fedele Confalonieri	Member	Proprietary director
Giuliano Adreani	Member	Proprietary director
Manuel Polanco Moreno	Member	Proprietary director

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

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.	Yes
Periodically review internal risk management and control systems so as to identify, manage and properly inform the main risks.	Yes
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.	Yes
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.	Yes
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.	Yes
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.	Yes
Ensure the independence of the external auditor.	Yes
In the case of groups, cause the group's auditor to assume liability on the audits of the companies which make it up.	Yes

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.

Committee name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

Since its creation, the Appointments and Remuneration Committee has been composed of five (5) members, who are also members of the Board of Directors. All are external directors and have been appointed by the Board of Directors. In addition, as provided for in the Company Bylaws and the Regulations of the Board of Directors, and in keeping with corporate governance recommendations, the committee's Chairman has been an Independent Director since the date shares in Mediaset España were admitted to trading.

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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 five (5) external 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 re-elected after one year has passed from his removal.

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

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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 Mediaset 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.

Scope of functions:

Its functions, 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 General Shareholders' 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 Bylaws.

k) Oversee the transparency of remunerations and inclusion of information regarding remunerations to Directors in the Annual Report and Annual Corporate Governance Report, submitting all the information appropriate to the Board for said effect.

l) Assist the Board of Directors in evaluating the Chairman of the Board and the top executives of the company, and specifically in setting and supervising the remuneration policy for directors and senior management, proposing the modality, procedures and amounts of annual remuneration to the Directors (including, as appropriate, proposed incentives such as stock option plans), periodically reviewing the remuneration programmes and seeing that remunerations paid to Directors comply with the criteria of moderation and are in accordance with the results of the company.

m) Draft a report on Directors' Remuneration Policy, to be approved by the Board of Directors and presented to the General Shareholders' Meeting.

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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.

The Appointments and Remuneration Committee met two (2) times in 2011.

Committee name

EXECUTIVE COMMITTEE

Brief description

Composition:

Despite its nature, endeavours were made to maintain the composition of the Executive Committee so that the majority would be external directors. Consequently, of its eight members, three are independent, two are executive and three are proprietary directors.

It must be highlighted that the Chairman is an independent director.

There are eight (8) members of the Committee, all Mediaset directors appointed by the Board of Directors with a favourable vote of the majority of its 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 the powers inherent to the Board, except those which cannot be delegated. Resolutions adopted by the Executive Committee are referred to the Board of Directors at its first meeting.

The Bylaws 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 Committees shall have at the powers inherent to the Board, except those which pursuant to law or the Bylaws cannot be delegated.

Committee name

AUDIT COMMITTEE

Brief description

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.

Noteworthy were the efforts made to reduce the number of proprietary directors and increase that of independent directors.

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This, too, complies with good governance recommendations, with the Chairman also an independent director.

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

Composition:

The Committee is comprised of seven (7) external 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 Mediaset 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 Mediaset España 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 Mediaset España and for companies in the Mediaset España Group.

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

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 Mediaset España management staff to its recommendations, and mediate and act as arbitrator in the event of discrepancies between Mediaset España'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 their 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 Mediaset España 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 Mediaset España 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 Mediaset España Group.

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

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

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

- a) Propose the selection, appointment and re-election and removal of the person responsible for the Mediaset España Internal Audit Department.
- b) Oversee that the Internal Audit Department performs its functions with full freedom and independence, assuring that the Mediaset España 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 Mediaset España 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 Mediaset España policy regarding the identification, management and reporting of any possible risks.

The Committee held five meetings in 2010, attended by all its members. The responsibilities appearing in its Regulations are to be amended in the first quarter of 2012, extending them to include management of the complaints channel, request of any employee as needed and the oversight and control of the rules of Internal Control over Financial Reporting (ICFR) of Mediaset España.

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.

Committee name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

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

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include the amendments made following the publication of the Unified Code.

No articles were amended in 2011. The Company intends to amend the Regulations in the first quarter of 2012.

Both sets of regulations are available for consultation on the Mediaset España 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.

Committee name

AUDIT COMMITTEE

Brief description

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 2011. The Company intends to amend the Regulations in the first quarter of 2012.

Both sets of regulations are available for consultation on the Mediaset España 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:

NO

If not, describe the composition of the Executive Committee

The composition of the Board of Directors and the Executive Committee is as follows:

Board of directors

Executive directors – 20%

Proprietary directors – 46.66%

Independent directors – 33.333% (periodic)

Executive Committee

Executive directors – 25%

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Proprietary directors – 37.5%

Independent directors – 37.5%

The posts of Secretary to the Board and Secretary of the Executive Committee are held by the same person

C TRANSACTIONS WITH RELATED PARTIES

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

YES

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 INVESTIMENTI SPA	ARNOLDO MONDADORI EDITORE SPA	COMMERCIAL	Receipt of services	79
MEDIASET INVESTIMENTI SPA	MEDIASET INVESTMENT SARL	CONTRACTUAL	Other expenses	602
MEDIASET INVESTIMENTI SPA	MEDIASET SPA	COMMERCIAL	Receipt of services	51
MEDIASET INVESTIMENTI SPA	PUBLIEUROPE INTERNATIONAL LTD	CONTRACTUAL	Purchase of goods (finished or in progress)	978
MEDIASET INVESTIMENTI SPA	PUBLIEUROPE INTERNATIONAL LTD	COMMERCIAL	Provision of services	327
MEDIASET INVESTIMENTI SPA	PUBLITALIA 80	COMMERCIAL	Provision of services	46
MEDIASET INVESTIMENTI SPA	PUBLITALIA 80	CONTRACTUAL	Other expenses	1,246
MEDIASET INVESTIMENTI SPA	RETI TELEVISIVE ITALIANE SPA	CONTRACTUAL	Other expenses	1,197
MEDIASET INVESTIMENTI SPA	RETI TELEVISIVE ITALIANE SPA	COMMERCIAL	Receipt of services	2
MEDIASET INVESTIMENTI SPA	RETI TELEVISIVE ITALIANE SPA	CONTRACTUAL	Purchase of goods (finished or in progress)	207

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MEDIASET INVESTIMENTI SPA	RETI TELEVISIVE ITALIANE SPA	COMMERCIAL	Provision of services	63
MEDIASET INVESTIMENTI SPA	TAODUE	CONTRACTUAL	Receipt of services	0
PRISA TELEVISION SAU	AGRUPACIÓN DE SERVICIOS DE INTERNET Y PRENSA, S.L.	COMMERCIAL	Provision of services	74
PRISA TELEVISION SAU	BOX NEWS PUBLICIDAD, S.L.	COMMERCIAL	Receipt of services	38
PRISA TELEVISION SAU	CANAL 4 NAVARRA, S.L.	COMMERCIAL	Receipt of services	0
PRISA TELEVISION SAU	CANAL CLUB DE DISTRIBUCIÓN DE OCIO Y CULTURA, S.A.	COMMERCIAL	Provision of services	514
PRISA TELEVISION SAU	COMPañIA INDEPENDIENTE DE TELEVISIÓN, S.L.	CONTRACTUAL	Purchase of goods (finished or in progress)	6,953
PRISA TELEVISION SAU	COMPañIA INDEPENDIENTE DE TELEVISIÓN, S.L.	COMMERCIAL	Receipt of services	1
PRISA TELEVISION SAU	COMPañIA INDEPENDIENTE DE TELEVISIÓN, S.L.	COMMERCIAL	Provision of services	74
PRISA TELEVISION SAU	DIARIOS AS, S.L.	COMMERCIAL	Provision of services	18
PRISA TELEVISION SAU	EDICIONES EL PAIS, S.L.	COMMERCIAL	Provision of services	0
PRISA TELEVISION SAU	ESTRUCTURA GRUPO DE ESTUDIOS ECONOMICOS, S.A.	CONTRACTUAL	Provision of services	9
PRISA TELEVISION SAU	PLANET EVENTS, S.A.	COMMERCIAL	Provision of services	60
PRISA TELEVISION SAU	PLURAL ENTERTAINMENT ESPAÑA, S.L.	COMMERCIAL	Provision of services	281
PRISA TELEVISION SAU	PLURAL ENTERTAINMENT ESPAÑA, S.L.	CONTRACTUAL	Purchase of PP&E,	8,238

			intangible or other assets	
PRISA TELEVISION SAU	PLURAL ENTERTAINMENT ESPAÑA, S.L.	COMMERCIAL	Provision of services	81
PRISA TELEVISION SAU	PLURAL ENTERTAINMENT ESPAÑA, S.L.	CONTRACTUAL	Purchase of goods (finished or in progress)	9,079

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PRISA TELEVISION SAU	PRISA DIGITAL, S.L.	COMMERCIAL	Provision of services	2
PRISA TELEVISION SAU	PRISA DIGITAL, S.L.	COMMERCIAL	Receipt of services	531
PRISA TELEVISION SAU	PRISA TELEVISION, S.A.	COMMERCIAL	Receipt of services	1,106
PRISA TELEVISION SAU	PRODUCTORA EXTREMEÑA DE TELEVISIÓN, S.A.	COMMERCIAL	Provision of services	1
PRISA TELEVISION SAU	SANTILLANA EDICIONES GENERALES, S.L.	COMMERCIAL	Provision of services	55
PRISA TELEVISION SAU	SOCIEDAD CANARIA DE TELEVISIÓN REGIONAL, S.A.	COMMERCIAL	Receipt of services	0
PRISA TELEVISION SAU	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.	COMMERCIAL	Provision of services	1
PRISA TELEVISION SAU	TELEVISAO INDEPENDIENTE, S.A.	COMMERCIAL	Provision of services	4
PRISA TELEVISION SAU	TESELA PRODUCCIONES CINEMATOGRAFICA S, S.L.	CONTRACTUAL	Purchase of goods (finished or in progress)	112
PRISA TELEVISION SAU	TESELA PRODUCCIONES CINEMATOGRAFICA S, S.L.	COMMERCIAL	Receipt of services	14
PRISA TELEVISION SAU	TESELA PRODUCCIONES CINEMATOGRAFICA S, S.L.	COMMERCIAL	Provision of services	3
PRISA TELEVISION SAU	UNIÓN RADIO ONLINE, S.A.	COMMERCIAL	Provision of services	13

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.

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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 Mediaset España, 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.

In 2011, no director informed the company of a conflict of interest.

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

NO

Identify the affiliates listed in Spain:

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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.

The aim of Mediaset España's Risk Management Policy is to identify, control and manage the risks that could affect the Company's ability to meet its established targets.

In 2007, Mediaset España Comunicación, S.A. implemented its Corporate Risk Management System based on the Enterprise Risk Management (ERM) framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the primary aim of which is 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.

Mediaset España's 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.

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 integrity of financial reporting.
- Comply with applicable laws, regulations and contracts.

Among Mediaset España's management bodies, the Board of Directors is in charge of identifying the Group's main risks, as well as implementing and monitoring internal information and control systems. Mediaset España's Board of Directors is responsible for adopting the appropriate measures to reasonably guarantee that an adequate internal control system is implemented, maintained and supervised, as well as for making improvements to this system.

In addition, among the main responsibilities of the Audit and Compliance Committee are to know, verify and supervise the appropriateness and integrity of the financial reporting process, and of the internal control and risk management systems.

Mediaset España's Internal Audit Department is tasked with promoting and supporting risk management.

The Internal Audit Department guarantees Mediaset España's Board of Directors effective supervision of the Internal Control System by exercising an independent and objective corporate assurance and consultation function devised to add value and enhance Mediaset España's operations.

The Internal Audit Department is responsible for the evaluation, control and follow-up of the business risks identified and managed by the various areas and departments of Media España Group companies.

The Internal Audit Department also oversees and coordinates activities related to IT security and permanently develops and reviews internal risk procedures.

As a tool to discharge its duties, the Internal Audit Department draws up an Annual Audit Plan based on the assessment of existing risks and the recommendations received from the Audit and Compliance Committee and the Corporate and Business Units. This Plan is submitted for

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debate and approval by the CEOs and then explained to and submitted for approval by the Audit Committee.

The Internal Audit Department assumes its commitment to annual activity with customers and the company through its Annual Internal Audit Plan.

The Internal Audit Department specifies the planned work and activity for the current year in this document, including mainly:

- . Annual objectives for the Internal Audit Department.
- . List of planned activities (e.g. process reviews, compliance audits, development of procedures, special projects)
- . Timetable for the activities.
- . Working teams carrying out the activities.
- . Estimated number of hours per project and total hours of the Plan.

Over the course of the year, the Annual Audit Plan will add work and reviews that were not scheduled initially but considered appropriate for the year.

The Audit and Compliance Committee met five times in 2011, coinciding with the publication and communication of the Mediaset Group's financial information to the CNMV and financial markets. Attending these meetings were the General and Transaction Manager, the Chief Financial Officer, the Corporate General Manager, the Board Secretary, and the Internal Audit Director.

Meanwhile, Mediaset España's Internal Audit Director attended three meetings of Gruppo Mediaset's Internal Audit Committee, presenting its Annual Audit Plan for 2011, its performance and degree of compliance.

In 2011, the Internal Audit Department spent 38% of its time working on operational audits, 15% on compliance audits, 22% on consulting work and 25% evaluating and reviewing risks.

In the second half of the year, the Internal Audit Director and a team of external specialists reviewed the IT control and security systems related to financial processes, as well as the computer programs used. As part of this work, the level of control and security procedures applied to each of the business cycles was reviewed.

In 2011, as per instructions from its main shareholder, Mediaset, and in compliance with Italian law 262/05 on the protection of savings, Mediaset España's Internal Audit Department reviewed the financial information preparation and reporting processes of the various group companies. This review was based on the information contained in the financial statements for the year ended 31 December 2010 and the interim financial statements for the six months ended 31 December 2011. The result of the review was presented to Gruppo Mediaset's Internal Audit Committee at the time of approval of the annual financial statements and the interim results.

In accordance with the new market disclosure requirements and scope of operation published by the CNMV in July 2010 regarding the "Internal Control Over Financial Reporting" (IFCR), in 2011, Mediaset España, in conjunction with a leading firm, carried out a project to assess its degree of compliance.

One of the main aims of the project, spearheaded by the Audit and Compliance Committee, was to review Mediaset España Comunicación, S.A.'s degree of compliance with the 30 recommendations and 16 reference indicators. Based on this review, the Company designed and developed the Internal Control over Financial Reporting System. Finally, a road map was drawn up with a short- and medium-term action plan to implement the recommended practices applicable at Mediaset España.

The 2010 reform of the Spanish Criminal Code attached criminal responsibility to legal persons and stated that companies could be found guilty of the crimes committed by directors for personal gain or by any employee for failure to exercise appropriate control.

To gauge what crimes the Company is most exposed to in conducting its business and to review and verify that the appropriate controls to mitigate the risks from faulty practices are in place, Mediaset

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España, in conjunction with a leading firm, carried out a project in 2011 to assess and define a Crime Prevention Model.

The project was overseen by the Internal Audit Department and included evaluating Mediaset España's exposure to the risk of being declared criminally responsible for crimes committed by its legal representatives, directors and/or employees. The conclusions reached were included in a short- and medium-term action plan in order to draft a Crime Prevention Model for Mediaset España.

At its meeting of 15 December 2011, the Board of Directors approved the Mediaset España Ethics Code. This code took effect on 1 January 2012 and compliance is mandatory for all personnel and members of the Board of Directors of Mediaset España, as well as other natural and legal persons related to the company.

As noted in the preface to the code, it lays out the principles and values that must guide the business of Mediaset España Comunicación and its employees, Board of Directors and all related professionals.

As noted previously, Mediaset España's risk management model is based on the Enterprise Risk Management (ERM) framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO II). Its main objectives are:

1. Efficiency and effectiveness of operations.
2. Safeguarding the company's assets
3. Reliability of financial reporting
4. Compliance with applicable laws and regulations.

In addition to the established controls in each of the financial reporting and operational processes, the Mediaset España Group has the following control units:

. The Internal Audit department, supervising all the activities conducted by the Mediaset España 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 Mediaset España 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.

. The Internal Audit Department supervises and coordinates IT security-related activities and initiatives designed to improve them and increase their stability and reliability.

. In compliance with Italian law 262/05 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 effectively.

. The Risk Committee, which acts as a forum designed to provide responses to management teams, using existing synergies for efficient performance, as well as to minimise and control the Group's risks. It aids in the implementation of procedures involving various corporate departments and helps them in their daily risk management. Lastly, the Risk Committee is in charge of informing the Internal Audit Department of the processes required to control risks in its unit.

. Mediaset España, based on the separation of functions and responsibilities assigned and supervision and authorisation levels, as well as the related IT system. The internal procedures developed for all processes help the Organisation to define and design the risk controls in different value added activities.

The Group has an IT security department that performs audits and regular controls of IT systems and applications at Mediaset España Group companies.

. The annual financial statements of all significant Group companies are subject to review by a recognised external auditor.

. The periodic financial reports sent by the Mediaset España Group to the CNMV and disclosed to the financial markets are reviewed by a recognised external auditor.

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. Furthermore, Mediaset España 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 sales transactions of over 20,000 euros. In 2011, this Committee met 36 times.

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

Risks related to the Mediaset España's industry.

Circumstances motivating it

Exposure to the economic environment and the financial position of companies investing in TV advertising, reliance on governmental decisions, stiff competition, piracy risk.

Functioning of the control system

Mediaset España's Risk Management and Integral Corporate Risk Management control systems performed adequately in the face of risks which materialised during 2011.

Risks materialized in the year

Risks related to Mediaset España's business.

Circumstances motivating the risks

Credit risk, liquidity risk and market risk, risk of concentration of revenue in the advertising business and cyclical nature of the advertising industry, product risk and risk of profitability of cinema projects.

Functioning of control systems

Mediaset España's Risk Management and Integral Corporate Risk Management control systems performed adequately in the face of risks which materialised during 2011.

Risks materialised in the year

Audience fragmentation and competition increase.

Circumstances motivating the risks

Implementation of DTT and competition increase.

Functioning of the control system

Mediaset España's Risk Management and Integral Corporate Risk Management control systems performed adequately in the face of risks which materialised during 2011.

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Risk materialised in the year

Exposure to the domestic and international economic situation.

Circumstances causing the risk

Exposure to the domestic and international economy, country risk, financial position of companies that invest in TV advertising.

Functioning of the control systems

Mediaset España's Risk Management and Integral Corporate Risk Management control systems performed adequately in the face of risks which materialised during 2011.

Risk materialised in the year

Risk of damage to the corporate image.

Circumstances motivating the risk

Program content not well received and criticised in other media.

Functioning of the control systems

Mediaset España's Risk Management and Integral Corporate Risk Management control systems performed adequately in the face of risks which materialised during 2011.

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 Mediaset España's risk policy in order to adequately identify, manage and report any possible risks, and in terms of said policy it is responsible for:</p> <p>a) Determine the types of risk for Mediaset España, whether operating technological, financial, legal, and any other, including contingent liabilities and other economic and financial risks.</p> <p>b) Set a risk level acceptable for Mediaset España.</p> <p>c) If risks materialize, set mechanisms to precisely determine the measures to mitigate the impact of the risks identified.</p> <p>d) Establish internal communication and control measures to control and manage any risk. The Audit and Compliance Committee is responsible for proposing a policy regarding this type of transactions and reporting them to the Board of Directors.</p>

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Risk Committee	<p>This is comprised of the General Secretary, as well as the General Managers of Mediaset España, 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.</p>
Board of Directors	<p>This body is entitled to approve, upon favorable report from the Audit and Compliance Committee, the related-party transactions which Mediaset España may conduct with directors or people linked to them or with significant shareholders.</p>
Internal Audit Office	<p>The Internal Audit Director reports to the Corporate General Manager, who in turn reports to the Board of Directors' Audit and Compliance Committee, 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 minimise risks in specific areas, as well as the preparation of status reports which include, among other things, activity indicators. The 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 .</p>

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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 rules and regulations affecting the Mediaset España Group are included in the “Internal Code of Conduct of Mediaset España and its Group of Companies Regarding Stock Market Activities” and apply to all departments that have access to privileged information.

This regulation was approved by the Board of Directors of Mediaset España on 17 December 2004 and amended on 18 December 2009 in order to adapt it to the “Guide to transmission of insider information to third parties” published by the CNMV on 9 March 2009; the procedures for disclosing insider information contained in Ministerial Order EHA/1421/2009, dated 1 June, and the provisions of the CNMV Circular 4/2009, dated 4 November, regarding the disclosure of significant information.

In addition, at its meeting of 15 December 2011, the Board of Directors approved the Mediaset España Ethics Code. This code took effect on 1 January 2012 and compliance is mandatory for all personnel and members of the Board of Directors of Mediaset España, as well as other natural and legal persons related to the Company. This code lays out the principles and values that must guide the business of Mediaset España Comunicación and its employees, Board of Directors and all related professionals.

E GENERAL SHAREHOLDERS' 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 General Shareholders' 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	50,000	0
Quorum required on 2nd call	0	0

Description of differences
<p>The only difference between the provisions of Sections 193 and 194 of the Limited Companies Act and the Bylaws (before were sections 102 and 103) 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 General Shareholders' Meeting to be validly held on the first call. The percentages required by the Bylaws 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' 2011 General Meeting was 77.297% of share capital present or represented, excluding treasury shares.</p> <p>The quorum required on the first and second call for the General Shareholders' Meeting to validly agree on the issuance of obligations, a</p>

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capital increase or reduction, transformation, merger or spin off the Company and, in general, any modification to the Bylaws (Section 194 of the Limited Companies Act, before was section 103) coincides with that established in la Limited Companies Act.I

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 General Shareholders' Meeting which are different from those foreseen in the Limited Companies Act.

As mentioned in previous reports, the rights of Mediaset España'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 General Shareholders' Meeting

The call for the General Shareholders' Meeting is published pursuant to legal requirements and requirements set forth in the Bylaws 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 Mediaset España'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 General Shareholders' Meeting:

1.-Documents related to the items included in the agenda (annual reports, management report for Mediaset España 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

The call notice informs shareholders of their right to request any clarification or ask any questions in writing concerning the items on the Agenda or any public information sent by Mediaset España to the CNMV since the date of the last General Shareholders' Meeting. The responses are published on the Mediaset España website.

To date, no shareholder has exercised this right.

The call notice also states that shareholders representing at least five per cent (5%) of share capital may request that an addendum be published to the notice to include one or more agenda items.

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

In addition, from publication of THE call notice, Mediaset España makes the following information available to shareholders on its web page:

(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 General Shareholders' 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 General Shareholders' Meeting broadly regulates this right to intervene during the General Shareholders' 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 2011 General Shareholders' Meeting, no shareholder requested the inclusion of questions or interventions in the minutes. Four questions were posed along with an intervention, as follows:

Topic 1.- Regarding payment of the extraordinary dividend including in the agenda. Answered by the Chairman of the Board of Directors, Alejandro Echevarría Busquet.

Topic.- The company's dealings with groups of non-controlling shareholders – Answered by the Board Secretary Mario Rodríguez Valderas.

Topic 3 – Results of synergies from the Cuatro acquisitions. Answered by the Chairman of the Board,

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-Alejandro Echevarría Busquet.

Topic 4 – Measures to raise the share of investment in television and cope with audience fragmentation. – Answered by CEO of Advertising, Giuseppe Tringali.

Topic 5 – Intervention opposing the distribution of an extraordinary dividend and the absence of gifts to shareholders attending the meeting. Although no question was posed, the intervention received an explanation by the Chairman of the Board, Alejandro Echevarría Busquet.

No shareholder requested their intervention be recorded in the minutes by a notary.

In 2010, 2009 and 2008, three, four and three questions, respectively, were posed that none of the shareholders wanted recorded in the minutes.

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 General Shareholders' Meeting. In no case shall the failure of any of these individuals to attend affect the valid constitution of the General Shareholders' Meeting. Access shall also be facilitated to the economic press and analysts.

Attendance figures for the last four Annual Meetings are as follows

2011: 77.297%

2010: Meeting April 14 67.991%; Meeting December 24 70.985%

2009: 61.765%

2008: 63.235%

Right to representation

Representation of the shareholders in the General Shareholders' Meeting is regulated in Article 27 of the Bylaws 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:

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(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.

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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 Mediaset España 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.

To give their instructions, shareholders proxying their vote must put an X in the box corresponding to each of the points of the agenda that appear on the attendance card and indicate the vote to be cast.

In the event there is a vote on matters not listed in the agenda sent with the notice, then the proxy will also be understood to extend to these matters unless the shareholder proxying his vote states otherwise by marking the corresponding cell. In this case, the representative 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 Mediaset España 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 General Shareholders' Meeting held in 2011, 2,775 shareholders representing 18.440% of share capital exercised proxy rights.

Data on proxies through remote communications means in the last few years are as follows:

2011: 2,775 (18.37%); electronic means 311 (0.0001%).

2010: (i) Meeting April 14, 2,728 shareholders (17.086%) exercised their right to vote by mail and 1 (0.0005%) by electronic means (ii) Meeting December 24, 2,275 shareholders (20,116%) exercised their right to vote by mail and 2 (0.000%) by electronic means.

2009: 3,646 (12.359%); electronic means 5 (0,000%)
311 proxies were granted to the Chairman.

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Right to vote

Neither the Bylaws nor the General Shareholders' 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 Bylaws and the Regulations of the General Shareholders' Meeting, respectively.

Proposed resolutions will be voted on separately during the General Shareholders' 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 General Shareholders' Meeting is held.

Generally speaking, resolutions included in the agenda shall be voted on using the negative deduction system, i.e. considering the votes corresponding to each of the shares present or represented to be in 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 General Shareholders' Meeting of 2011, 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. 3,710 shareholders representing 0.009% of share capital elected to use this system.

Data for 2010 are as follows:

General Meeting April 14: 1,151 shareholders owning 1,750,628 shares representing 0.710% of share capital exercised their right to vote using remote means, of which 1,923 were sent electronically.

General Meeting December 24: 1,092 shareholders owning 1,804,992 shares representing 0.541% of share capital exercised their right to vote using remote means, of which 11,396 were sent electronically.

In 2009 1,706 shareholders owning 24,899,178 shares representing 10.095% of share capital exercised their right to vote using remote means, of which 13,344 were sent electronically.

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

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

All the rights mentioned above have been adopted by the Bylaws and the General Shareholders' Meeting's Regulations available on our website (www.telecinco.es/inversores/es/).

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

	2008	2009	2010
Present shareholders	64.584%	61.765%	52.285%
Represented shareholders	12.670%	12.889%	17.146%
Remote voting	0.139%	0.529%	0.710%

A total of 56,000 letters, attendance, and proxy cards were sent.

After the General Shareholders' Meeting, Mediaset España 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.

As in 2011, the Electronic Forum Meeting on our website was activated which shareholders could access prior to the General Meeting.

In 2012, a series of amendments are expected to be approved to governance rules and to the terms of use of the right to grant proxies via remote means, enabling shareholders to exercise their rights in accordance with the latest trends in legislation.

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

The measures adopted to encourage the participation of the shareholders at the General Shareholders' 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 and the possibility of proxies or votes through remote communications means, and the activation of the Electronic Forum Meeting.

Apart from the increased dissemination of the call for the General Shareholders' 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., Mediaset España shall send through ordinary mail to each of its shareholders a letter informing them of the date, place and time of the General Shareholders' Meeting on first and second call, the possibility of voting and arranging representations through remote means of communication, and attach an attendance and proxy 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.

The number of letters sent in 2011 per meeting was 56,000.

As regards the premises where the General Shareholders' Meetings are to be held, as in prior year, meetings have been held in the Mediaset España premises, with easily accessed for the handicapped, where specific technical means were 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.

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

E.5 State whether the positions of chairman of the General Shareholders' 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 General Shareholders' Meeting:

YES

Detail of measures
<p>The Chairman of the Board of Directors, who is not an independent director, presides over the Annual Meeting.</p> <p>The General Meeting is chaired by the Chairman of the Board of Directors in accordance with Article 15 of the General Shareholders' Meeting Regulations. In 2011, the Chairman did not miss any Board of Directors' meetings.</p> <p>This does not preclude the ordinary development or independence of the General Shareholders' Meeting. However, to reinforce the guarantees of proper operation and independence, have remained the measures incorporated last year:</p> <p>1.-The participation of a specialized entity totally independent from the Board of Directors and Mediaset España in the preparation of the attendance list and the calculation of the quorum, thus avoiding the intervention of the Chairman and Secretary of the Board of Directors.</p> <p>2.-The presence of a Notary Public to draft the Minutes of the meeting and record interventions.</p> <p>3.- The absence of the casting vote by the Chairman</p>

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

No amendments were made to the General Shareholders' Meeting Regulations in 2011. Amendments are expected to be made at the 2012 meeting. These will be explained in the 2012 report.

E.7 Provide the following figures on attendance to the General Shareholders' Meetings held during the year covered by this report:

Date of the General Shareholders' Meeting	Attendance figures				
	Attended Personally (%)	Attended by Proxy (%)	Remote voting (%)	Other	Total
13/04/2011	60.435	18.440	0.271	0.000	79.146

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

E.8 Briefly describe the resolutions approved at the General Shareholders' Meetings held during the year covered by this report and the percentage of the votes by which each resolution was approved.

The following resolutions were adopted at the General Meeting held 13 April 2011:

Item one.- Examination and approval of the Annual Accounts (Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement and Annual Report) and Management Report for both Mediaset España and its Consolidated Group of Companies for the year ending 31 December 2010.

Votes in favour: 314,442,411 – 99.98%

Item Two: Distribution of Profit for 2010.

Votes in favour: 310,259,538 – 98.65%

Item Three: To examine and approve the management of the company's business by the Board of Directors during 2010.

Votes in favour: 313,535,228 – 99.70%

Item Four: Distribution of an extraordinary dividend.

Votes in favour: 99.90%

Item Five: Change of Company name.

Votes in favour: 314,169,794 – 99.97%

Item Six: Determination of the maximum overall annual remuneration payable to the Company's Directors.

Votes in favour: 313,196.134 – 99.59%

Item Seven: Awarding Company shares as partial remuneration to Directors who perform executive duties and to Senior Managers of the Company.

Votes in favour: 314,180,257 – 99.90%

Item Eight: Implementation of a remuneration scheme for Executive Directors and Senior Managers of the Company and Group member companies.

Votes in favour: 267,415,544 – 85.03%

Item Nine: Authorisation to enable the company to buy back shares directly or through Group member companies, according to the provisions of Section 146 and related provisions of the Public Limited Companies Act, superseding the authorisations previously granted by the AGM and, as applicable, authorising the portfolio of treasury shares to be used in implementing remuneration plans:

Votes in favour: 295,414,448 – 93.93%

Item Ten: Appointment of Auditors for both "GESTEVISION Telecinco, SA and its consolidated group of companies.

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

Votes in favour: 307,543,153 – 97.79%

Item Eleven http://www.telecinco.es/inversores/en/Press-Release-Adopted-Resolutions-AGM_TL5FIL20120111_0087.pdf.- Delegation of powers to sign, interpret, correct and execute the previous resolutions, as well as to substitute the powers received by the Board of Directors from the Annual Meeting.

Votes in favour: 314,438,346 – 99.98%

Note: All the voter data is available on our website: <http://www.telecinco.es/inversores/es/>

E.9 Indicate whether there is any restriction in the Bylaws establishing a minimum number of shares necessary to attend the General Shareholders' Meeting:

NO

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

In accordance with the Bylaws and the General Shareholders' 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, Mediaset España provides self-stamped envelopes at no cost to shareholders.

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

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. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

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

COMPLIES

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest..

See: C.4 and C.7

NOT APPLICABLE

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:

a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;

b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;

c) Operations that effectively add up to the company's liquidation.

COMPLIES

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

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

COMPLIES

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:

- a) The appointment or ratification of directors, with separate voting on each candidate;
- b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See: E.8

COMPLIES

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See: E.4

COMPLIES

7. The Board of Directors should perform its duties with unity of purpose and independent judgement, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximise its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

COMPLIES

8. The board should see the core components of its mission as to approve the company's strategy and authorise the organisational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the board in full should reserve the right to approve:

- a) The company's general policies and strategies, and in particular:
 - i) The strategic or business plan, management targets and annual budgets;
 - ii) Investment and financing policy;
- iii) Design of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Remuneration and evaluation of senior officers;
- vii) Risk control and management, and the periodic monitoring of internal information and control systems;

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- viii) Dividend policy, as well as the policies and limits applying to treasury stock.

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

b) The following decisions:

- i) On the proposal of the company's chief executive, the appointment and removal of senior officers, and their compensation clauses.

See: B.1.14.

- ii) Directors' remuneration and, in the case of executive directors, the additional consideration for their management duties and other contract conditions.

See: B.1.14.

- iii) The financial information listed companies must periodically disclose.
- iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
- v) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons elated thereto ("related-party transactions").

However, board authorisation need not be required for related-party transactions that simultaneously meet the following three conditions:

1st They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;

2nd They go through at market rates, generally set by the person supplying the goods or services;

3rd Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favourable report from the Audit Committee or some other committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the board deliberates and votes.

Ideally the above powers should not be delegated with the exception of those mentioned in b) and c), which may be delegated to the Executive Committee in urgent cases and later ratified by the full board.

See: C.1 and C.6

COMPLIES

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

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See: B.1.1

COMPLIES

10. External directors, proprietary and independent, should occupy an ample majority of board places, while the number of executive directors should be the minimal practical bearing in mind the complexity of the corporate group and the ownership interests they control.

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

COMPLIES

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See: B.1.3

NOT APPLICABLE

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the board by proprietary directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of proprietary directors is greater than would strictly correspond to the total percentage of capital they represent:

1st In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.

2nd In companies with a plurality of shareholders represented on the board but not otherwise related.

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

13. The number of independent directors should represent at least one third of all board members.

See: B.1.3

COMPLIES

14. The nature of each director should be explained to the General Meeting of Shareholders, which will make or ratify his or her appointment. Such determination should subsequently be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of proprietary directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

See: B.1.3 and B.1.4

COMPLIES

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15. When women directors are few or non-existent, the board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

- a) The process of filling board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for board places.

See: B.1.2, B.1.27 and B.2.3.

PARTIALLY COMPLIES

As there are still few women directors, we consider this recommendation to be partially met.

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of board meetings, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organise and coordinate regular evaluations of the board and, where appropriate, the company's chief executive, along with the chairmen of the relevant board committees.

See: B.1.42

COMPLIES

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the board's evaluation of the Chairman..

See: B.1.21

NOT APPLICABLE

18. The Secretary should take care to ensure that the board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

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In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full board meeting; the relevant appointment and removal procedures being spelled out in the board's regulations.;

See: B.1.34

COMPLIES

19. The board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See: B.1.29

COMPLIES

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See: B.1.28 and B.1.30

COMPLIES

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

NOT APPLICABLE

22. The board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the board's operation.
- b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by the same.

See: B.1.19

PARTIALLY COMPLIES

How well the CEOs carried out their duties was evaluated in 2011.

23. All directors should be able to exercise their right to receive any additional information they require on matters within the board's competence. Unless the bylaws or board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See: B.1.42

COMPLIES

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

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See: B.1.41

COMPLIES

25. Companies should organise induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise..

COMPLIES

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;

b) Companies should lay down rules about the number of directorships their board members can hold.

See: B.1.8, B.1.9 and 23.1.2 7

PARTIALLY COMPLIES

The directors notify their other professional obligations in addition to membership of the Board of Directors of Mediaset España and publish this on our web page and in the Corporate Governance Report.

27. The proposal for the appointment or renewal of directors which the board submits by to the General Shareholders' Meeting, as well as provisional appointments by the method of co-optation, should be approved by the board:

a) On the proposal of the Nomination Committee, in the case of independent directors.

b) Subject to a report by the Nomination Committee in all other cases.

See: B.1.2

COMPLIES

28. Companies should post the following director particulars on their websites, and keep them permanently updated

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication of the director's classification as executive, proprietary or independent; in the case of proprietary directors, stating the shareholder they represent or have links with.

d) The date of their first and subsequent appointments as a company director, and

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e) Shares held in the company and options on the same

COMPLIES

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See: B.1.2

COMPLIES

30. Proprietary directors should resign where the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter's number should be reduced accordingly.

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

COMPLIES

31. That Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

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

COMPLIES

32. Companies should establish rules obliging directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Law, the board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The board should also disclose all such determinations in the Annual Corporate Governance Report.

See: B.1.43, B.1.44

COMPLIES

33. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

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

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

NOT APPLICABLE

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state the reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See: B.1.5

COMPLIES

35. 35. The company's remuneration policy, as approved by its Board of Directors, should specify at least the following points:

- a) The amount of the fixed components, itemised where necessary, of board and board committee attendance fees, with an estimate of the fixed annual payment they give rise to;
- b) Variable components, in particular:
 - i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
 - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related remuneration.
 - iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and.
 - iv) An estimate of the sum total of variable payments arising from the remuneration policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.
- c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount of annual equivalent cost.
- d) The conditions to apply to the contracts of executive directors exercising senior management functions. among them:
 - i) Duration
 - ii) Notice periods; and
 - iii) Any other clauses covering hiring bonuses, as well as indemnities or 'golden parachutes' in the event of early termination of the contractual relation between company and executive director.

See: B.1.15

COMPLIES

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

36. Remuneration comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See: A.3, B.1.3

EXPLAIN

In accordance with Article 56 of the Bylaws, directors who carry out executive functions and the Chairman, for his special dedication, are given share options. See section G for the detail of the grant of share options.

37. External directors' remuneration should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

COMPLIES

38. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

COMPLIES

39. In the case of variable awards, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

COMPLIES

40. The board should submit a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the remuneration policy the board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 35, except those potentially entailing the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year, with a global summary of how the policy was applied over the period in question.

The role of the Remuneration Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See: B.1.16

COMPLIES

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

41. The notes to the annual accounts should list individual directors' remuneration in the year, including:

- a) A breakdown of the remuneration obtained by each company director, to include where appropriate:
- i) Participation and attendance fees and other fixed director payments.
 - ii) Additional remuneration for acting as chairman or member of a board committee.
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual.
 - iv) Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes.
 - v) Any severance packages agreed or paid.
 - vi) Any remuneration they receive as directors of other companies in the group.
 - vii) The remuneration executive directors receive in respect of their senior management posts;
 - viii) Any kind of remuneration other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the director.
- b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemised by:
- i) Number of shares or options awarded in the year, and the terms set for their execution;
 - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
 - iii) iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
 - iv) Any change in the year in the exercise terms of previously awarded options.
- c) Information on the relation in the year between the remuneration obtained by executive directors and the company's profits, or some other measure of enterprise results.

COMPLIES

42. When the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the board itself. The Secretary of the board should also act as secretary to the Executive Committee.

See: B.2.1 and B.2.6

Partially complies

The composition of the Board of Directors and the Executive Committee is as follows:

Board of directors

Executive directors – 20%
Proprietary directors – 46.66%
Independent directors – 33.333% (periodic)

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Executive Committee

Executive directors – 25%
Proprietary directors – 37.5%
Independent directors – 37.5%

The posts of Secretary to the Board and Secretary of the Executive Committee are held by the same person.

43. The board should be kept fully informed of the business transacted and decisions made by the Executive Committee. To this end, all board members should receive a copy of the Committee's minutes.

COMPLIES

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

44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Remuneration should be set forth in the board regulations, and include the following:

a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first board plenary following each meeting;

b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.

c) Committees should be chaired by an independent director.

d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.

e) Meeting proceedings should be minuted and a copy sent to all board members.

See: B.2.1 and B.2.3

COMPLIES

45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

COMPLIES

46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

COMPLIES

47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

COMPLIES

48. The head of internal audit should present an annual work programme to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

COMPLIES

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

49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See: D

COMPLIES

50. The Audit Committee's role should be:

1- With respect to internal control and reporting systems:

- a) Monitoring the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Reviewing internal control and risk management systems on a regular basis, so the main risks are properly identified, managed and disclosed.
- c) Monitoring the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report, confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2-With respect to the company's external auditors:

- a) Making recommendations to the board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.
- 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) Monitor the independence of the external auditor, to which end:
 - i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii) The Committee should ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;

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

iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.

d) In the case of groups, the Committee should urge the group auditor to take on the auditing of all component companies.

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

COMPLIES

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

COMPLIES

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to board decision-making:

a) The financial information that all listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See: B.2.2 and B.2.3

COMPLIES

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See: B.1.38

COMPLIES

54. The majority of Nomination Committee members – or Nomination and Remuneration Committee members as the case may be – should be independent directors.

See: B.2.1

EXPLAIN

The Appointments and Remuneration Committee is composed of two independent and three proprietary directors. The Chairman is an independent director. The acquisition of a stake in Mediaset España by the Prisa Group at the end of 2010 required changes to the committees. In the case of the Appointments and Remuneration Committee, this meant an increase in size. As a result, there is not a majority of independent directors.

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

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

a) Evaluate the balance of skills, knowledge and experience on the board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.

b) Examine or organise, in appropriate form, the succession of the chairman and chief executive, making recommendations to the board so the handover proceeds in a planned and orderly manner.

c) Report on the senior officer appointments and removals which the chief executive proposes to the board.

d) Report to the board on the gender diversity issues discussed in Recommendation 14 of this Code.

See: B.2.3
COMPLIES

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors.

Any board member may suggest directorship candidates to the Nomination Committee for its consideration.

COMPLIES

57. The Remuneration Committee should have the following functions in addition to those stated in earlier recommendations:

a) Make proposals to the Board of Directors regarding:

- i) The remuneration policy for directors and senior officers;
- ii) The individual remuneration and other contractual conditions of executive directors.
- iii) The standard conditions for senior officer employment contracts.

b) Oversee compliance with the remuneration policy set by the company.

See: B.1.14, B.2.3

COMPLIES

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

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.

A thorough review of Medlaset España's governance rules was carried out in 2011 to adapt them to the latest changes in legislation and revise them, in terms of corporate governance, to consider the possibility of making improvements in this respect. The result of the review was a proposal to amend a large number of articles of the Bylaws, the General Shareholders'

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Meeting Regulations, the Regulation of the Board of Directors, the Rules of the Audit and Compliance Committee, and the Rules of the Appointments and Remuneration Committee. These amendments will be submitted for approval at the General Meeting and by the pertinent governing bodies in 2012.

These amendments include expanding the responsibilities of the General Meeting to include approval of the Report on the Directors' Remuneration Policy. Accordingly, the remuneration policy for senior executives of the company will not only be approved by the Board of Directors, subject to a favourable report by the Appointments and Remuneration Committee, but also by the governing body representing all shareholders.

In addition, in order to strengthen the transparency of the information we publish, in 2011, for the first time, the 2011 Report on the Directors' Remuneration Policy, which will be put to vote at the General Meeting, was audited by an independent expert, Pricewaterhousecoopers.

. Noteworthy regarding the rights of shareholders included in the Regulations of the Board of Directors is the guarantee of equal treatment between rights to attend and rights to vote of all shareholders in the same position.

In 2011, a crime prevention system was established, reinforcing internal controls and leading to the creation of new control systems. An Ethics Code was approved that is applicable to all employees of Mediaset España and its Group.

Among the proposed amendments to the Rules of the Audit and Compliance Committee are the powers of the Committee to call on any employee it sees fit and the requirement that the post of Chairman be held by an independent director, as has been the case since the company was incorporated. Moreover, the Committee's remit will be expanded to include the establishment and control of the Internal Control over Financial Reporting (ICFR) of Mediaset España.

This year, the Electronic Forum Meeting was enabled on the Mediaset España website from the call notice of the Extraordinary Shareholders' Meeting until the meeting. No new proposals were made to include items on the agenda and no questions were posed through this channel.

Moreover, again this year the Report was submitted for verification by an independent auditor, PriceWaterhouseCoopers.

SECTION A.2.- The data contained in this Report comes from the CNMV as pursuant to prevailing legislation book-entries must be kept by a third party.

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

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- a) Alejandro Echevarría (Chairman): in 2011 he was granted 67,250 share options, equivalent to 67,250 shares.
- b) Paolo Vasile (CEO): in 2011 he was granted 134,500 share options, equivalent to 134,500 shares.
- c) Giuseppe Tringali (CEO): In 2011, he was granted 134,500 share options equivalent to 134,500 shares.
- d) Massimo Musolino: in 2011 he was granted 61,000 share options equivalent to 61,000 shares.

All of the options have the same features and may be exercised from 27 July 2014 to 26 July 2016. The options will be equity-settled after the payment of a set price of 5.83 euros per share. No options were exercised in 2011. See section B-1.11 for more information on the remuneration paid in 2011.

Although only two (consolidated EBIT and free cash flow) of the three conditions (consolidated EBIT, free cash flow and advertising revenue) stipulated for accrual of all the options were met in 2011, the rights initially granted were decreased. Therefore, the rights initially granted to Mr. Echevarría, Mr. Vasile, Mr. Tringali and Mr. Musolino and the final figures after the reduction are as follows:

	Options initially granted	Options finally granted
Alejandro Echevarría	67,520	33,625
Paolo Vasile	134,500	67,250
Giuseppe Tringali	134,500	67,250
Massimo Musolino	61,000	30,500

Accordingly, the Board of Directors intends to approve the reduction at the meeting to be held in February 2012 to authorise the financial statements.

SECTION A4/A5

As indicated in previous reports, Pier Silvio Berlusconi, son of Silvio Berlusconi, indirect holder of 41.552% of Mediaset España'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 Mediaset España.

SECTION A.6.- Clause 4.4 of the Option Contract reads as follows: Prohibition of disposal of New Shares and Participation.- SOGECABLE agrees not to offer, sell, convey any title, neither directly nor indirectly to place any liens and encumbrances on, the New Telecinco's Shares, until the effect of this Clause 4 will be extinguished, all without prejudice to the events arising from the Pledge and NAT Pledge and other security referred to in paragraph (i) of Clause 4.6 below. Accordingly, clause 13.2 of the Integration Agreement shall be void.

The former corporate name (Gestevisión Telecinco, S.A. or Telecinco) has been included for a literal reproduction of the text of the agreement signed in 2010, before it was changed to Mediaset España Comunicación, S.A.

SECTION B.1.7.- Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U. and Sociedad General de Televisión Cuatro, S.A.U. were extinguished on 22 July following alter

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being taken over and merged by Mediaset España Comunicación, S.A. Canal Factoría de Ficción, SAU was liquidated and dissolved on 29 November 2011.

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 2011:

Alejandro Echevarría Busquet

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	60,000	76,000
Complementary remuneration:	784,499.30	784,499.30
Total	904,499.30	894.868,01
Option rights granted:	67,250	33.625
Option rights exercised:	0	0

The total remuneration paid in 2009 was 809,640.56 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 54,000 euros of per diems and 695,604.56 euros of complementary remuneration. 16.812 share options were granted, none of which were exercised.

Paolo Vasile

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	30,000	38,000
Fixed remuneration:	735,876,48	882.629,93
Variable remuneration:	511,249.50	223.437
Bonus:	200,000	0
Remuneration in kind:	48,018.62	46.767
Total:	1,585,144.60	1.263.334,81
Option rights granted:	134,500	67,250
Option rights exercised:	0	0

The total remuneration paid in 2009 was 1,195,924.63 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 27,000 euros of per diems, 729,694.50 euros of fixed remuneration, 333,460 euros of variable remuneration, 45,770.13 euros of remuneration in kind. 33,625 share options were granted, none of which were exercised.

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

Giuseppe Tringali

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	30,000	38,000
Fixed remuneration:	694,933.89	833.340,96
Variable remuneration:	511,249.50	223.437
Bonus:	200,000	0
Remuneration in kind:	37,531,42	35.332,81
Total:	1,533,714.81	1.202.610,77
Option rights granted:	134,500	67.250
Option rights exercised:	0	0

The total remuneration paid in 2009 was 1,149,043,04 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 27,000 euros of per diems, 689,399.87 euros of fixed remuneration, 333,460 euros of variable remuneration, 39,183.17 euros of remuneration in kind. 33,625 share options were granted, none of which were exercised.

Massimo Musolino

	2010	2011
Fixed Remuneration for the Board:	60,000	
Per diems:	21,000	
Total:	81,000	
Option rights granted:	61,000	
Option rights exercised:	0	0

The total remuneration paid in 2009 was 78,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 18,000 euros of per diems, 15,250 share options were granted, none of which were exercised.

Alfredo Messina

	2010	2010
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	30,000	42,000
Total:	90,000	114,500

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The total remuneration paid in 2009 was 87,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 27,000 euros of per diems.

Fedele Confalonieri

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	42,000	
Total:	102,000	

The total remuneration paid in 2009 was 102,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 42,000 euros of per diems.

Marco Giordani

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	33,000	45,000
Total:	93,000	117,500

The total remuneration paid in 2009 was 93,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 30,000 euros of per diems.

Pier Silvio Berlusconi

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	6,000	7,000
Total:	66,000	79,500

The total remuneration paid in 2009 was 60,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 0 euros of per diems.

Giuliano Adreani

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	48,000	64,000
Total:	108,000	136,500

The total remuneration paid in 2009 was 111,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 51,000 euros of per diems.

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Ángel Duráñez Adeva

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	39,000	52,000
Total:	99,000	124,500

The total remuneration paid in 2009 was 93,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 33,000 euros of per diems.

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

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	39,000	48,000
Total:	99,000	120,500

The total remuneration paid in 2009 was 99,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 39,000 euros of per diems.

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

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	54,000	76,000
Total:	114,000	148,500

The total remuneration paid in 2009 was 108,000 euros, broken down as follows: 60,000 euros of fixed remuneration for the Board, 48,000 euros of per diems.

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

Helena Revoredo Delvecchio ()

	2010	2011
Fixed Remuneration for the Board:	60,000	72,500
Per diems:	18,000	19,000
Total:	78,000	91,500

The total remuneration paid in 2009 was 57,000 euros, broken down as follows: 45,000 euros of fixed remuneration for the Board, 12,000 euros of per diems.

Manuel Polanco Moreno

2011

Fixed remuneration for the Board: 67,500 Per diems: 42,000 Total: 109,500

Juan Luis Cebrián Echarri ()

2011

Fixed remuneration for the Board: 67,500 Per diems: 29,000 Total: 96,500

For the record, Mr. Polanco and Mr. Cebrián were appointed members of the Board of Directors at the Extraordinary General Shareholders' Meeting of 24 December 2010.

No directors received any fixed remuneration or per diems for sitting on the boards of directors of other Group companies.

As in previous years, at the close of the 2011 financial year, the company had not granted any advances or loans to any of its directors.

With regard to employee benefits, the Company has life insurance, coverage against disability or death and medical insurance for the two Chief Executive Officers with annual costs of 21,005.99 euros and 39,478.94 euros in 2011. The items were included as part of the amount corresponding to remuneration in kind.

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

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

SECTION B.1.12

SECTION B.1.12.- The amounts shown in this section include aggregate remuneration paid to managers of Mediaset España and Group companies. For greater transparency, the report this year includes the breakdown of remuneration paid to Mediaset España managers in 2011.

Manuel Villanueva de Castro, Managing Director, Contents
Massimo Musolino Chief Operating Officer
Luis Expósito Rodríguez, Managing Director, HR and Services Division
Eugenio Fernández Aranda, Managing Director, Technology Division
Mr Mario Rodríguez Valderas, Corporate General Manager
Javier Uria Iglesias, Managing Director, Economic and Finance Division
Patricia Marco Jorge, Managing Director, Antenna Division
Leonardo Baltanás Ramírez, Managing Director of Contents Production
Ghislain Barrois, Managing Director, Cinema Division and Acquisition of Rights
Mirta Dragoevich Fraerman, Managing Director of Communications and External Relations
Juan Pedro Valetín Padín, Managing Director, News Division
Pedro Piqueras Gómez, Managing Director, Telecinco News Division
Jesús M Bautista Pérez, Managing Director, New Business Division

Total: 5,666,987 euros

The total in 2010 was 4,559,851 euros.

Note: The increase compared to 2010 is the result of the takeover and merger by Mediaset España of Sociedad General de Televisión Cuatro, SAU and Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U. in 2011 and the transfer of their senior executives to Mediaset España.

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.

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

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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

The main features of the golden parachute clauses referred to therein are described in the document attached to this Report and indicated said article.

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)

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 Mediaset España 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 2011 has been described.

This section may include any other information, clarification or detail related to previous sections of the report provided it is relevant and not repetitive.

Specifically, indicate whether the Company is subject to corporate governance legislation from any country other than Spain and, if so, include the compulsory information to be provided when this is different from that required for this report.

Binding 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 an independent director pursuant to the provision of paragraph 5 of the Unified Good Governance Code:

NO

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

Date and signature:

This annual corporate governance report was approved by the Company's Board of Directors at a meeting held on

22 February 2012

Indicate whether any Directors have voted against or abstained from voting on the approval of this Report:

NO

ADDITIONAL INFORMATION TO THE ANNUAL CORPORATE GOVERNANCE REPORT

In addition to the Annual Corporate Governance Report, the Board of Directors of Mediaset España Comunicación, SA. (hereinafter "Mediaset España") has prepared additional information to adapt to the format indicated in section 4 of Article 61 bis of the Spanish Securities Market Act (*Ley del Mercado de Valores*).

a) OWNERSHIP STRUCTURE OF THE COMPANY:

3. - Information on the securities which are not admitted to trading on a regulated market in a Member State, where appropriate with an indication of the different classes of shares and, for each class of shares, the rights and obligations attaching to it, and the percentage of total share capital represented by treasury shares and the main changes therein (Art. 61 bis 4, a, 3 LMV).

Mediaset España's shares are traded exclusively in a regulated EU market.

The Company's shares afford all holders the same rights and obligations. Therefore, there are no different classes of shares.

At 31 December 2011, Mediaset España's treasury shares represented 1.577% of share capital, unchanged from 31 December 2010.

4. - Information regarding applicable legislation concerning amendments to the company's Bylaws (Art. 61 bis 4, a 4 LMV).

According to Article 25 of the Bylaws of Mediaset España, for a General Meeting called to debate amendments to the Bylaws to be validly convened, following a first call shareholders representing at least fifty percent (50) of share capital with voting rights must attend the meeting. Following a second call, the attendance of twenty-five per cent (25%) will be sufficient.

Article 34 of the Bylaws states that all Bylaw amendments must be approved by the majorities stipulated in the Public Limited Companies Act.

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b) ANY RESTRICTIONS ON THE TRANSFER OF SECURITIES AND ANY RESTRICTIONS ON VOTING RIGHTS (ART. 61 BIS 4, B LMV).

The Bylaws do not contain any restrictions on the transfer of shares.

The only restrictions on the transfer of the Company's shares are the general restrictions in the Law on Audiovisual Communication 7/2010, dated March 31, and in particular in the shareholder agreements signed with the Prisa Group.

b.l) Regarding the General Audiovisual Communication Law, Articles 29 and 36 state:

Article 29.- Legal transactions on audiovisual media licenses.

1. The conclusion of legal transactions whose object is an audiovisual media licence requires prior authorisation from the competent audiovisual authority and shall be subject to the payment of a fee determined by the government for licenses with national coverage, or by the regional governments in all other cases. This authorisation may be refused only when the applicant does not comply with all the conditions legally established to obtain the licence, or is not substituted on the obligations of the previous licensee.

2. In addition, rental and broadcast shall be subject to the following conditions:

- a) At least two years should have passed since the initial award of the license in order for legal transactions to be concluded.
- b) When undertaken by natural or legal persons from countries that are not members of the European Economic Area, they shall be subject to the principle of reciprocity and shall accrue the payment of the legally established fee. In compliance with the provisions in the International Treaties and Conventions to which Spain is party, and having submitted a report to the competent audiovisual authority, the Council of Ministers or the competent body of the Autonomous Community may authorise an operation by way of exception and on grounds of public interest when this term has not been met.
- c) When the license entails the award of a full multiplex or of two or more channels, no more than 50% of the license capacity may be leased. The lease must comply with the provisions of Article 24.3 concerning the occupation of the multiplex radioelectric spectrum and the use of channels with total or partial pay content.
- d) Lease of channels shall only be authorised if the holder certifies compliance with all the legally established conditions for obtaining the license.
- e) Sublease is prohibited under any circumstances.
- f) Compliance with the offer through which the award of the license was obtained.

Article 36. Pluralism in the Television Audiovisual Market.

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

1. Natural and legal persons may hold shares or voting rights simultaneously in different television audiovisual service providers.
2. However, no natural or legal person may acquire significant holdings in more than one television audiovisual media service provider with national coverage when the average audience of all the channels of the considered providers with national coverage exceeds 27% of the total audience for the 12 consecutive months prior to the acquisition.
3. If the average audience exceeds 27% of the total audience after the acquisition of new significant holdings, this shall have no effect on the holder.
4. The shares or voting rights of natural or legal persons from countries that are not members of the European Economic Area are subject to compliance with the principle of reciprocity. In the event of an increase in the shares held by natural and legal persons from countries that are not members of the European Economic Area, on the entry into force of this Act, the total percentage held in the share capital of the television audiovisual media service provider must be less than 50% at all times.
5. No natural or legal person may acquire significant holdings or voting rights in more than one television audiovisual media service provider.
 - a) When national audiovisual media service providers accumulate rights of use over the radioelectric public domain which together are greater than the technical capacity of two multiplex channels.
 - b) When regional audiovisual media service providers accumulate rights of use over radioelectric public domain which together are greater than the technical capacity of a multiplex channel.
 - c) No natural or legal person or participant in the share capital of a national television audiovisual media service provider may acquire significant holdings or voting rights in the capital of another provider of the same service, where this would prevent the existence of at least three different private national television audiovisual media service providers, thus ensuring respect for pluralism of information.

b.2) In compliance with Article 112 of the Securities Market Act, the Company informed the CNMV on 8 February 2011 of the clauses restricting the transfer of shares or the exercise of voting rights at the general meetings included in the Integration Agreement and the Option Agreement entered into between Mediaset, Prisa Televisión, SA. Unipersonal ("**Prisa Televisión**") and

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Promotora de Informaciones, S.A. (“**Prisa**”), as described in the Mediaset prospectuses approved and filed with the CNMV on 18 November 2010 and 25 January 2011 (the “**Prospectuses**”):

1. Integration Contract

Subject to Clause 3.4 of the Integration Agreement and as described in the Prospectus dated 18 November 2010, Prisa Televisión (formerly Sogecable) is entitled to appoint two members of the Board of Directors of Mediaset España Comunicación

8 (Mediaset S.p.A. will have eight) and will be entitled to appoint on director for as long as it holds a minimum of 5% of the company’s share capital. In addition, whilst Prisa Televisión holds 10% of Mediaset’s share capital, it will be entitled to appoint, among the directors it has appointed, a non-executive Vice-president, a member of the Executive Committee, a member of the Audit and Control Committee and a member of the Remuneration and Nomination Committee. Mediaset SpA has expressed its agreement with the contents of the indicated clause.

The following is the transcription of clause 3.4 of the Integration Agreement:

“3.4. Telecinco Government

Following the integration, when it becomes effective, Sogecable will have a proportional representation on the board of Telecinco, and in particular, the following rights in relation to corporate governance of Telecinco:

- (i) Sogecable has the right to appoint two of the 15 members that make up the Board of Directors of Telecinco (and without prejudice to the said right of Sogecable, the directors appointed by Mediaset will be reduced to eight);
- (ii) the rules of proportional representation will be taken into account for purposes of giving rights to appoint directors to Sogecable (a) if a change in the total number of board members specified in paragraph (i) above, or (b) if occurs a change in the participation of Sogecable in Telecinco; all without prejudice to the right granted to Sogecable under the following paragraph;
- (iii) the extent to which Sogecable maintains a share of at least 5% of the share capital of Telecinco, Sogecable has the right to retain one board member, and
- (iv) while Sogecable has an ownership interest in more than 10% of the share capital of Telecinco, Sogecable has the right to appoint, among its representatives in the board of Telecinco,
 - a non-executive vice president;
 - a member of the executive committee;
 - a member of the audit and control committee, and

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- a member of the remuneration and nomination committee.” ”

2. Option Agreement

Pursuant to clause 4.4 of the Option Agreement and as described in the Prospectus, Prisa Televisión has committed to the Company not to transfer the New Mediaset Shares subscribed in exchange of the contribution of Sociedad General de Televisión Cuatro, SAU (representing 17.336% of the Mediaset's share capital after the adjustment contractually agreed in the deal), shares that, for this purpose, have been pledged in favour of Mediaset.

This commitment will remain in effect until 28 March 2012 or, if the option is exercised as per the Option Agreement, as set out in paragraph 5.2.3. (F.6) of the Registration Document of the Pre-Prospectus approved and registered as of 18 November 2010 (the "Pre-prospectus"), until it gets: (i) the unconditional authorization or subject to no substantial conditions of the antitrust authorities; and if necessary ruled by an independent expert or experts designated for that purpose by the parties, or (ii) an agreement between the parties on the conditions imposed by competition authorities. Therefore, it will remain in effect as long as Mediate does not obtain the additional corporate rights granted by the sale agreement and shareholders agreement in Digital+ as described in paragraph 5.2.3 of the Pre-prospectus (the "Additional Corporate Rights"). If not, or if it is impossible to apply the Additional Corporate Rights, there would be, among other things, the cancellation of the New Shares owned by Prisa Televisión, as indicated in the mentioned paragraph 5.2.3. (F.6) of the Pre-prospectus.

The following is the transcript of the, limited to pledges of non-availability of Mediaset shares to Prisa Televisión (formerly Sogecable), clause 4.4 of the Option Agreement:

"4.4. Prohibition of disposal of New Mediaset Shares and Participation Telecinco

SOGECABLE agrees not to offer, sell, convey any title, neither directly nor indirectly to place any liens and encumbrances on, the New Telecinco's Shares, until the effect of this Clause 4 will be extinguished, all without prejudice to the events arising from the Pledge and NAT Pledge and other security referred to in paragraph (i) of Clause 4.6 below. Accordingly, clause 13.2 of the Integration Agreement shall be void. Accordingly, clause 13.2 of the Integration Agreement shall be void. ”

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C) STRUCTURE OF THE COMPANY'S MANAGEMENT:

3.- Information on the powers of the Board of Directors, and, in particular, those relating to the ability to issue or buy back shares (art. 61. bis 4, c, 3 LMV).

The rules in this respect are found first in the Bylaws and second in the Internal Code of Conduct.

A. Article 37 of the Bylaws governs the administration and supervisory powers, stating that:

1. With the exception of items reserved for General Meetings, the Board of Directors is the highest corporate decision-making body.
2. The Board of Directors has all the necessary powers to manage the Corporation. Nonetheless, as a general rule, it will entrust the management of regular company activities to the appointed members and to the management team and will concentrate its efforts on determining the overall corporate strategy and general supervisory functions. In any case, decisions related to the following issues will fall under the scope of its responsibilities without the option of delegation:
 - a) Formulation of the annual financial statements, the management report and the profits distribution proposal as well as the consolidated financial and management reports.
 - b) Appointment of co-opted directors and bringing forward to the General Meeting proposals in relation to the appointment, ratification, re-election or dismissal of directors.
 - c) Designation and renewal of internal Board of Directors' positions and Committee members.
 - d) Determination of Directors' remuneration in accordance with the proposal of the Appointments and Remuneration Committee.
 - e) Interim dividend payments.
 - f) Any tender offer announcement regarding securities issued by the Corporation.
 - g) Approval and amendment of the Regulations of the Board of Directors governing its organization and internal operations.
 - h) Formulation of the Annual Corporate Governance Report.
 - i) Exercising the authorities delegated by the General Meeting when the option for delegation is not available and exercise any functions charged to it at the General Meeting.
 - j) Entering into any contract or formation of any legal relationship between the Corporation and a shareholder (or corporation belonging to the same group as a shareholder) holding more than five per cent and that is valued at more than 13,000,000 euros.
 - k) Entering into any contract or formation of any legal relationship between the Corporation and a third party valued at more than 80,000,000 euros.
 - i) Approval of annual budgets and the strategic plan, if any.

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- m) Approval of the investment and financing policy.
- n) Supervision of the Mediaset Group corporate structure.
- o) Approval of the Corporate Governance policy.
- p) Supervision of the Corporate Social Responsibility policy.
- q) Approval of the remuneration policy for Executive Directors depending on executive functions and their main contractual obligations.
- r) Performance evaluation of the Company's Executive Directors.
- s) Compliance with risk control and management policies as well as internal information and control systems as stipulated by the Audit and Compliance Committee report.
- t) Approval of the Company's treasury stock policy.
- u) Information about the removal and appointment of senior management as well as their contractual terms.
- v) Approval of financial information that the corporation must periodically publish at the request of the Audit and Compliance Committee.
- w) Approval of the creation or purchase of holdings for special purposes or located in countries or territories designated as tax havens, as well as any transaction or operation of a similar nature that, due to its complexity, may undermine the Group's transparency.
- x) Authorisation, with approval from the Audit and Compliance Committee, of related-party transactions completed by Mediaset with directors or related individuals or majority shareholders with the exception of those who comply with the following conditions: (i) are wholly dedicated to a group of clients and effected according to standard conditions, (ii) are effected at prices established by the supplier of the service or at market prices, (iii) where the amount does not exceed 1% of Mediaset's annual revenues. Directors affected by related-party transactions that are subject to a vote by the Board of Directors because of their characteristics, will not attend the meeting and shall have no right to vote thereon nor to delegate their vote.
- y) Any other issues that the Regulations of the Board of Directors reserves for that body as a whole.

The powers inherent to the Board of Directors, except those that cannot be delegated by law by the Bylaws, are held by the Executive Committee and two joint and several directors, Paolo Vasile and Giuseppe Tringali.

B. Section 9 of the Internal Code of Conduct of Mediaset España and its Group of Companies Regarding Stock Market Activities (ICC) sets out the regulations in relation to treasury stock transactions, as follows:

9.1. Definition of Treasury Stock transactions subject to the ICC

Treasury Stock transactions shall mean transactions involving shares issued by entities of Mediaset España and derivative instruments whose underlying instrument are such shares.

The transactions may be carried out:

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- (i) Directly by the Company or other companies belonging to Mediaset España Group.
- (ii) Indirectly through third parties on an express or implied agency basis.
- (iii) By third parties that are not agents but act for the same purposes.

9.2. Treasury Stock policy

Within the scope of the authority granted by the General Shareholders' Meeting, the Board of Directors of the Company shall be in charge of formulating specific plans for the acquisition or disposal of Treasury Stock.

9.3. General working principles in Treasury Stock transactions

The Treasury Stock management shall be subject to the following working principles:

9.3.1.Regulatory compliance

All the persons involved are under the obligation to know and comply with such regulations and internal procedures as may be applicable.

9.3.2. Objective

The main purpose of Treasury Stock transactions is to provide investors with adequate volumes of liquidity and depth of securities and minimize any possible imbalance between supply and demand on the market. Under no circumstances shall the purpose of such transactions be to intervene in the free pricing process.

9.3.3.Transparency

Transparency in the relationships with supervisors and governing bodies of markets regarding treasury stock transactions shall be ensured.

9.3.4 Non use of Privileged Information

On no account shall the persons with access to Privileged Information about Securities and Instruments Affected carry out Treasury Stock transactions.

9.3.5.Pricing neutrality

Transactions shall be neutral; dominant positions on the market are not allowed under any circumstances.

9.3.6. Intermediary

The companies that are part of Mediaset España shall channel all their transactions involving shares of the Company through a limited number of market members. Before any trading transaction is conducted, the Company shall give the CNMV notice, on a confidential information basis, of the member appointed, as well as any replacement thereof. If any contract regulating the Treasury Stock trading is signed with any market member, a copy of such contract shall be confidentially sent to the CNMV and the relevant Governing Bodies.

9.3.7. Counterparty

The companies that are part of Mediaset España may not carry out any transactions involving the purchase or sale of shares of the Company in which the counterparty is any of the following individuals or entities: (i) companies of Mediaset España; (ii) its Directors; (iii) its significant shareholders or (iv) intermediaries for any of the above. Moreover, the Mediaset España companies may not keep simultaneously purchase and sales orders for shares of the Company.

9.3.8. Limitation

During processes involving the public offering or takeover bid of shares of the Company, mergers or other similar corporate dealings, no transactions involving such shares shall be carried out, unless otherwise provided for in the relevant transaction prospectus. Moreover, the Company

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may not carry out Treasury Stock transactions during the closed periods mentioned in Article 4.3.4 herein.

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9.3.9. Modification

In urgent cases and in order to protect the interests of Mediaset España and its shareholders, the Chief Executive Officer or the RCG may resolve to amend or suspend on a temporary basis the application of the preceding rules, which shall be reported to the Board of Directors and the CNMV.

9.4. Stock option plans

Notwithstanding the foregoing, the rules contained in Sections 9.1 to 9.3 of this Code shall not be applicable to transactions involving the acquisition of the Company's Treasury Stock for its subsequent transfer to the beneficiaries of option plans involving Company shares (Share Option Plans) approved by the Board of Directors, or any other transactions carried out by the Company involving own shares within the framework of a share buyback programme. Such transactions shall be conducted according to the specific characteristics of this type of transactions, in such a way and with such characteristics as may be established by the Board of Directors upon approving such plans, which shall meet the conditions contained in the provisions implementing Section 81.4 of the LMV.

9.5. Appointment and duties of the Department in charge of Treasury Stock management.

The Management Department shall be in charge of the Treasury Stock management.

9.5.1. Special duty of confidentiality

The members of the Management Department shall undertake a special duty of confidentiality regarding the Treasury Stock strategy and transactions.

9.5.2. Functions

The Department shall be in charge of:

- (i) Managing Treasury Stock according to the general principles established herein and such principles as may be determined by the governing bodies of Mediaset España.
- (ii) Monitoring changes in Mediaset España securities, notifying the RCG of any significant variance in quotation that may not be reasonably attributable to the market shifts.
- (iii) Keeping a record of all the Treasury Stock transactions ordered and carried out available to the RCG and the Board of Directors or any such persons as may be appointed by the Board of Directors.
- (iv) Establishing such relationships with supervisory entities as may be necessary for the proper implementation of the provisions of this Code.
- (v) Preparing a report, on a quarterly basis or whenever required, on the department's activities.
- (vi) Notifying the RCG of any significant incident in Treasury Stock management.

4.- Information on any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company. This exception shall not apply where the company is specifically obliged to disclose such information on the basis of other legal requirements (Art. 61 bis 4, c 4 LMV).

Mediaset España has not entered into any agreements that would alter or terminate upon a change of control of the company following a takeover bid

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5.- Information on any agreements between the company and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid (Art. 61 bis 4, c 5 LMV).

(i) Agreements between Mediaset España and its board members or employees providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid:

Agreement between the company and a chief executive officer: includes compensation in the event of voluntary redundancy equal to one year of fixed salary and annual bonus/13.5 times the total number of years worked. The agreement does not include compensation in the event that the employment ceases because of a takeover bid.

(ii) Agreements between Mediaset España and senior executives providing for compensation if they resign or are made redundant without valid reason:

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Senior executives	Termination of contract by the Company (except in case of just cause): An indemnity of one year of gross fixed salary plus legally prescribed severance.
Senior executives	Termination of contract by the Company (except in case of just cause): (replacing the legal compensation applicable, unless such compensation is higher) Termination from 24/04/02 to 31/12/07: 24 months of salary. Termination from 2008 to 2011: 18 months of salary. Termination after 2011: 12 months of salary