



Relevant data on the Telecinco Group

Corporate Governance

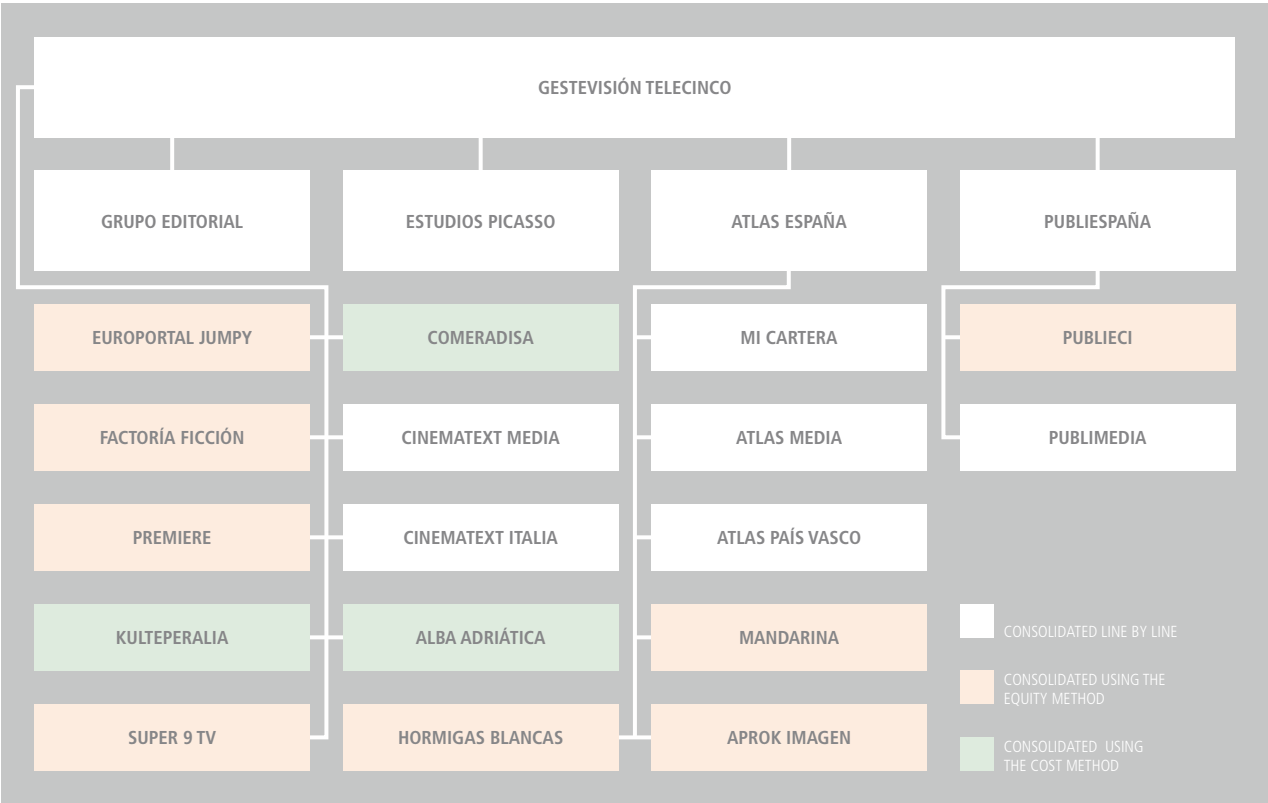
BOARD OF DIRECTORS
Mr. Alejandro Echevarría Busquet, Chairman
Mr. Paolo Vasile
Mr. Giuseppe Tringali
Mr. Pier Silvio Berlusconi
Mr. Marco Giordani
Mr. Alfredo Messina
Mr. Giuliano Adreani
Mr. Fedele Confalonieri
Mr. José M ^a Bergareche Busquet
Mr. Miguel Iraburu Elizondo
Mr. Angel Durández Adeva
Mr. Borja de Prado Eulate
Mr. José Ramón Álvarez-Rendueles
EXECUTIVE COMMITTEE
Mr. Alejandro Echevarría Busquet, Chairman
Mr. Paolo Vasile
Mr. Giuseppe Tringali
Mr. Fedele Confalonieri
Mr. Giuliano Adreani
Mr. José María Bergareche Busquet
Mr. Miguel Iraburu Eliozondo
MANAGEMENT TEAM
TELECINCO
MR. PAOLO VASILE
Chief Executive Officer Television
MR. GIUSEPPE TRINGALI
Chief Executive Officer Advertising
MR. MASSIMO MUSOLINO
Management & Operations Director
MR. MANUEL VILLANUEVA
Director of Programmes

MS. MIRTA DRAGO
Head of Communications & External Relations
MR. MARIO RODRÍGUEZ VALDERAS
Secretary General
MR. ALBERTO CARULLO
Antenna Division
MR. ALVARO AUGUSTIN
Spanish and European Film Division
MR. RAFAEL RAMIRO
Technologies Division
MR. LUIS EXPÓSITO
Human Resources and Services Division
MR. JAVIER URÍA
Finance Division
MS. KATJA GÖRNE MANN
Investor Relations Division

PUBLIESPAÑA
MR. GIUSEPPE SILVESTRONI
General Manager Sales
MR. FRANCISCO ALÚM
General Manager Marketing and Sales Operations
MR. OSCAR GONZÁLEZ
Commercial Director
MR. MIGUEL ÁNGEL JIMÉNEZ
Special Initiatives Director
MR. JOSÉ LUIS VILLA ALEGRE
Central Manager
MR. LÁZARO GARCÍA
Corporate Marketing Director

ATLAS ESPAÑA
MR. PEDRO PIQUERAS
General Manager News Programmes
MR. JESÚS M ^a BAUTISTA PÉREZ
General Manager Business Development

Structure of the Gestevisión Telecinco Group



HUMAN RESOURCES	2005	2006
Average workforce (number of employees)	1,185	1,184
Average age (years)	38	38
Average time with the Group (years)	10.0	9.7
Percentage of female workers	45.1%	45.6%
Percentage of permanent employees	97.0%	98.2%

History of Telecinco

1990. Telecinco begins broadcasting on the 3rd of March.

1995. Launch of the series “Médico de Familia”, the blueprint for content based on in-house production of quality fiction series.

1995. Telecinco establishes the foundation for a late-night viewing habit with the premiere of “Esta noche cruzamos el Mississippi”. Subsequently succeeded by “Crónicas Marcianas”, consolidating the ratings leadership in this timeslot.

1996. Grupo Correo (currently Vocento) becomes a leading shareholder.

1998. Telecinco implements the pioneer Digital Broadcast of Telecinco News, the first and most modern in Spain, and creates Agencia Atlas.

2000. Telecinco launches the social project “12 months, 12 clauses”, becoming the first station to dedicate its potential to increasing awareness among viewers of 12 specific social causes each year.

2000. Telecinco debuts reality TV in Spain with the premiere of “Gran Hermano”, the television program that marked a new beginning in the way we make and watch television.

2004. Telecinco acquires the rights to rebroadcast Formula 1, which has become one of the top rated spectator sports with a huge following in Spain.

2004. Telecinco goes public and just six months later is chosen to be included in the selective Ibex 35 index. Publiespaña becomes part of the Telecinco group to handle the marketing aspects of the initial public offering.

2004. Telecinco snatches TVE1’s historic audience leadership, becoming the top rated television station in Spain. Telecinco repeated and consolidated its undisputed leadership in 2005 and 2006.

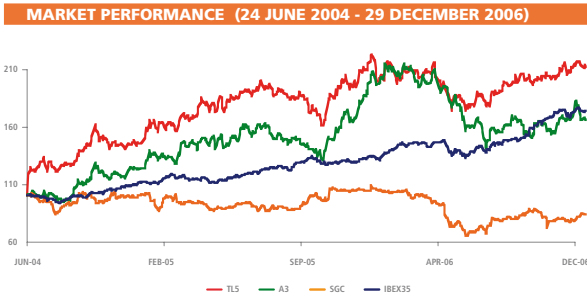
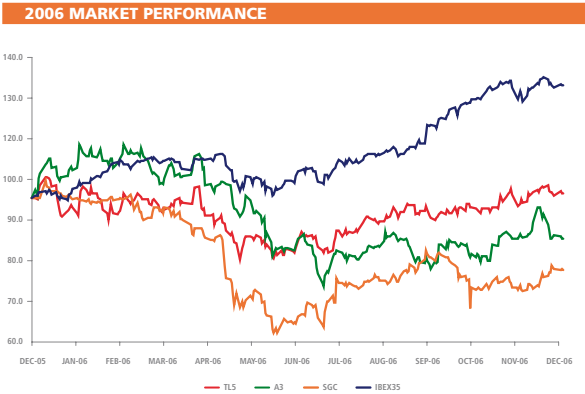
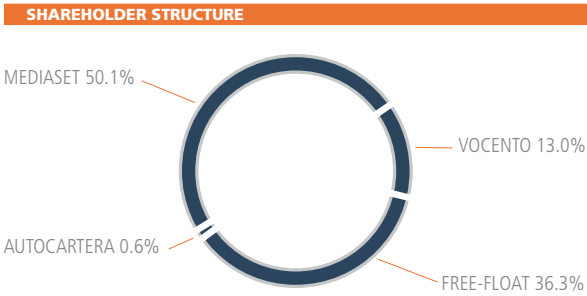
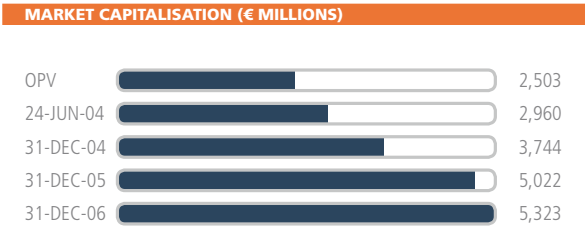
2005. Telecinco inaugurates the Central Control and Broadcasting Centre in July, using the latest and most advanced technologies. The station completed the digitalization project started six years earlier with Digital Production in a further step towards the final establishment of Digital Terrestrial Television (DTT). This technology will allow Telecinco to broadcast multiplatform content , DTT, theme channels mobile television and the Internet.

2005. Telecinco launches, on 30 November, the broadcast of two DTT channels: Telecinco Estrellas and Telecinco Sport.

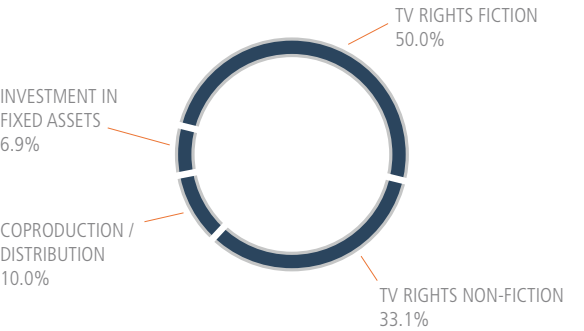
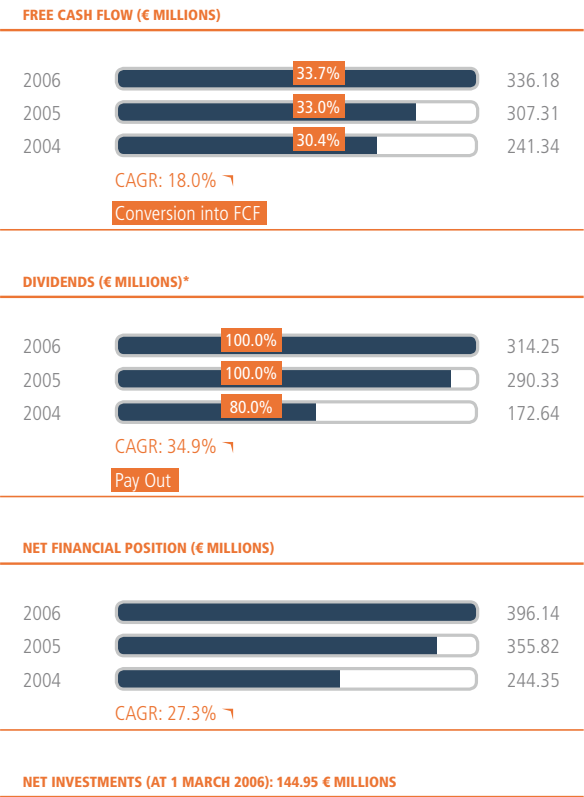
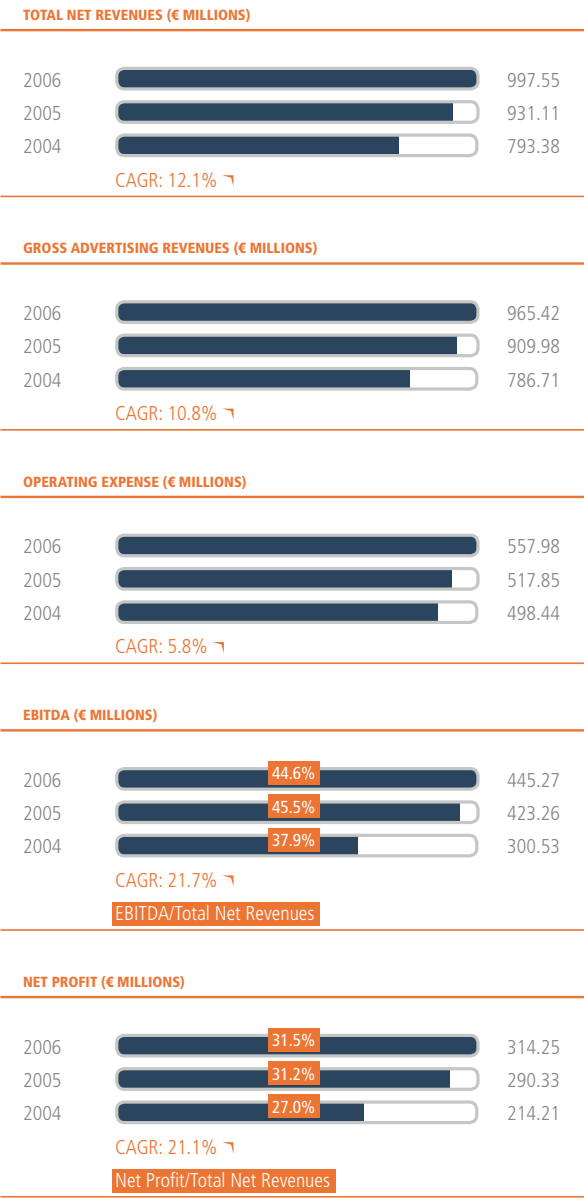
Telecinco Shares

	2004	2005	2006
Earnings per Share	0.88 €	1.18 €	1.28 €
Gross Dividend per Share ⁽¹⁾	0.70 €	1.18 €	1.28 €
Pay-Out Ratio: Dividend/Net Profit	79.96%	100.00%	100.00%
Dividend Yield: Dividend/Share Price	4.15%	5.76%	6.09%

(1) Pending approval by shareholders.



Earnings performance

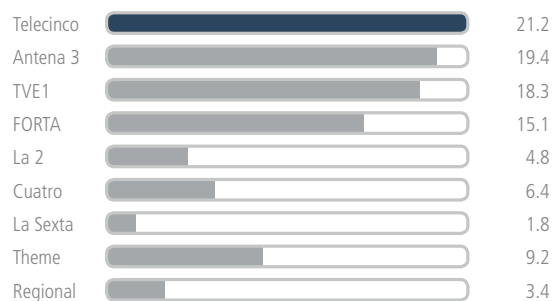


CAGR: Compound Annual Growth Rate
* 2006 pending approval by shareholders

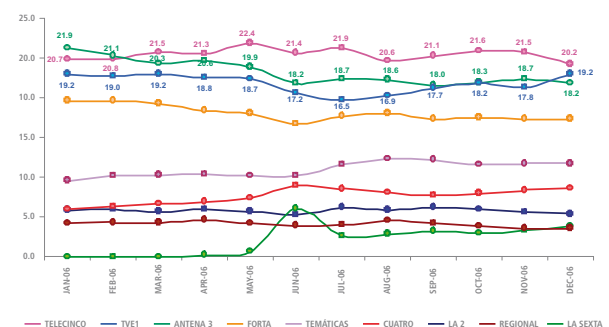
Audience Share

Telecinco has maintained its annual leadership position for the third consecutive year with an audience share of 21.2%, consolidating its competitive position as the top-rated channel for 10 consecutive months and attracting more viewers than any other channel for 229 days, marking a new all-time high.

AVERAGE DAILY AUDIENCE IN 2006 (%)



MONTHLY AUDIENCE SHARE IN 2006



AUDIENCE SHARE IN 2006

	TELECINCO	ANTENA 3	TVE1	FORTA	LA 2	CUATRO	LA SEXTA	THEME	REGIONAL
Total-day	21.2	19.4	18.3	15.1	4.8	6.4	1.8	9.2	3.4
Morning	20.3	16.5	19.6	14.7	6.0	5.8	1.7	11.4	3.6
Late morning	21.7	20.7	18.9	16.6	5.4	5.0	1.4	7.5	2.5
Afternoon	20.5	20.0	18.5	15.7	4.0	5.9	1.7	10.0	3.3
Prime time	21.4	19.1	18.1	15.4	4.4	7.2	2.2	8.5	3.4
PT 20:30	21.4	19.1	18.3	15.5	4.3	7.0	2.1	8.6	3.3
Late night	24.6	20.8	15.3	10.8	4.6	8.1	1.6	9.0	4.9
Day time	21.2	19.6	18.3	15.0	5.0	6.0	1.6	9.4	3.4



CONTENT

	RELEVANT DATA ON THE TELECINCO GROUP	2
	LETTERS FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICERS	10
	GROUP STRUCTURE AT 31 DECEMBER 2006	17
	FINANCIAL HIGHLIGHTS	23
	TELECINCO SHARES	29
	GROWTH STRATEGY	37
	CORPORATE GOVERNANCE	61
	CORPORATE SOCIAL RESPONSIBILITY	75
	ANNEX	103



Alejandro Echevarría
Chairman

The strength of a company is measured during difficult times. In 2006, immersed in the full catharsis of the new audiovisual context, Telecinco was able to successfully overcome the expectations of change in the market which has raised concerns across the communications industry. Within this environment, we were able to demonstrate and reinforce our solidity and absolute leadership on the new playing field faced by broadcast television.

For the third consecutive year, Telecinco was reaffirmed as the most watched television channel in our country across all day-parts and with audience levels that surpass all of our competitors by a wide margin. We can once again declare that Telecinco is the benchmark for profitability in the audiovisual market in Europe.

The targeted ability to attract viewers, together with impeccable commercial management by Publiespaña, has once again placed us as the leaders in advertising revenues and market share.

The sum of these factors has once again provided us with record earnings figures. Gross advertising revenue rose 6.1% over the previous year to 965.4 2 million euros. Performance on the bottom line was even better with net profit rising 8.2% over the previous year to an all-time high of 314.2 5 million euros. On the cost side, the Telecinco management team did an impeccable job in containing the impact of the content of the competition, against which the Telecinco business model has demonstrated an enormous capacity for adaptation.

In all, we will close the year with the huge satisfaction of having worked hard for our viewers and our shareholders. The Telecinco stock closed the year with a 1.2% gain at 21.57 euros per share. Ever loyal to our shareholder return policy, this year we will again distribute 100% of our consolidated net profit as dividends, maintaining our record as one of the most profitable companies in the Ibex 35.

Within this context, I would like to thank each and every one of the people that made it possible for Telecinco to be the leading television station according to the industry benchmarks. Of course I would also like to thank our viewers and shareholders for the confidence they have shown in us and I make this promise, we will continue to face the new audiovisual reality with the passion and professionalism that has accompanied us throughout our history.

This document attempts, above all, to inform, with absolute precision and transparency, on the performance of our company and includes a summary of the corporate governance structure of the group and our second annual Corporate Responsibility Report. The reason why we decided to include the corporate social responsibility report rather than issue a separate report as in the previous year is to attempt to advance in the integration of sustainability into all dimensions of our business activity, including in our annual reporting requirements.

The section that we have included on corporate social responsibility attempts to continue in the line of commitment and continuous improvement that we launched in 2005, and has been prepared in conformity with the 2002 version of the Global Reporting Initiative guidelines and represents a fair and balanced view of the financial, environmental and social performance of our organisation.



Paolo Vasile
Chief Executive Officer

2006 was not a standard year in our industry. Numerous difficulties arose and the success recorded by Telecinco this year gains much more significance, as does the efforts of all of the professionals in our company and of our loyal shareholders who have maintained their confidence in us, you can all feel very proud.

The solidity of our business model has allowed us to face the major changes occurring during the year in the regulatory and technological environments, with the promotion of digital terrestrial television and, primarily, the appearance of two new direct competitors in the analogical field.

All of these changes contribute to the fragmentation of the audience and the income in the industry, provoking a natural inflation in costs. Our attitude, always proactive, has allowed us not only to adapt, but also to anticipate and implement the best solutions. While in 2004 we sought to maintain and in 2005 to advance, in 2006 we were able to **leap forward**.

For the third consecutive year, we are again the market leaders with figures that rank us as the most-watched commercial television station in Spain: a 21.2% audience share and 229 days of leadership over all of our competitors. Accordingly we have surpassed our own all-time high thanks to the strategic vision and quality in the design of our content.

Financially, we far exceeded our profitability goals and in 2006 again ranked among the most profitable companies, not only within the Ibex 35, but also within the rest of the European markets. Our stock gained 1.2% on the year to close at 21.57 euros per share. The excellent performance of our advertising business and the soundness of our television business were again this year the two key drivers behind this excellent performance.

I would now only like to say that I am firmly convinced that 2007 will be another year that is, at least, as important for Telecinco as was 2006. I know that the road that we face is not an easy one, but I am confident that we will continue to move forward with a firm step this year as we have always done, by supporting ourselves on the professionalism and qualifications of our workers, on the loyalty of our audience and on trust of our shareholders.



Giuseppe Tringali
Chief Executive Officer

With the entrance of two new commercial television stations into the Spanish market and a changing technological environment, 2006 was undoubtedly a year of challenges. Nonetheless, the solid business base created by Publiespaña throughout its history has allowed us to close the year with the enormous satisfaction of having recorded magnificent results. For another year, we have maintained our leadership position in audience, price, market share, market capitalisation and revenues, which rose 5.7% to the all-time high of 952.2 million euros.

There is little more than we could ask for at a time like this, when we have again achieved the best balance in our history thanks to the confidence of our clients. Telecinco has definitively established itself as the first choice in the advertising market and Publiespaña as a point of reference in television advertising. It is difficult to hope for more in a year that has probably been the most complicated in recent history.

The excellent programming and integration of commercial messages, the rationalisation of advertising occupancy and the à la carte products created based on the specific needs of each client represent the backbone of these results, without forgetting the important contribution made by the consolidation of Special Initiatives within our product catalogue, now accounting for over 15% of total invoicing.

The satisfaction of Publiespaña extends to Publimedia Gestión, dedicated to new media and opportunities. Publimedia Gestión increased gross revenues 19.1% to 28.3 million euros, but the growth was not only financial, but rather the company continued to set new standards and create new forms of communications that are progressively being adopted by the leading advertisers in our country.

These achievements have reinforced our position in the new audiovisual scenario, driving us forward in 2007 with the determination, enthusiasm and solidity that characterizes all of the work groups: that of Telecinco, who provide us with quality and a leading audience share, that of Publiespaña, who assure us of the best advertising management possible for our channel, and that of Publimedia Gestión, who are firmly committed to the development of all new technologies and opportunities. To all of you, my sincere thanks and congratulations on the results obtained.





GROUP
STRUCTURE AT 31
DECEMBER 2006



Group Structure

Gestevisión Telecinco, S.A. (hereinafter Telecinco) was founded in Madrid on 10 March 1989. Its corporate object is the indirect management of Public Service Television in accordance with the terms of the 1989 State concession and other operations related to said management.

Gestevisión Telecinco S.A. became a publicly traded company on 24 June 2004, and is listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. On 3 January 2005, the Company was selected to be included in the IBEX-35 index.

Gestevisión Telecinco heads a group of dependent companies which form the Telecinco group. This chapter includes information on the group's investee companies and a description of their main activities.

Publiespaña, S.A.U (100%)

Active in the production and execution of advertising projects and activities related to marketing, merchandising, and telesales; the organisation and production of cultural, sports, musical and any other type of event and providing advisory, analysis and management services for the above activities.

Publimedia Gestión, S.A.U. (100%)

Subsidiary of Publiespaña, SAU, Its field of activities includes the production of advertising projects, broadcasting advertising messages through any broadcasting or public media, the use of audiovisual, printed or computerised works; the organisation of activities related to marketing, merchandising and other commercial activities and the acquisition, marketing and exploitation of industrial property rights and copyrights.

Publieci Televisión, S.A. (50%)

This company is held through Publiespaña, S.A.U. and is active in the sale of products and services for the end consumer using broadcast television systems. Operates the telesales activities of Telecinco.

Estudios Picasso Fábrica de Ficción, S.A.U. (100%)

Their main activities focus on the creation, production, and distribution of audiovisual works of fiction, animated features and documentaries.

Grupo Editorial Tele5, S.A.U (100%)

Active in the distribution of audiovisual recordings, phonograms and graphic material.

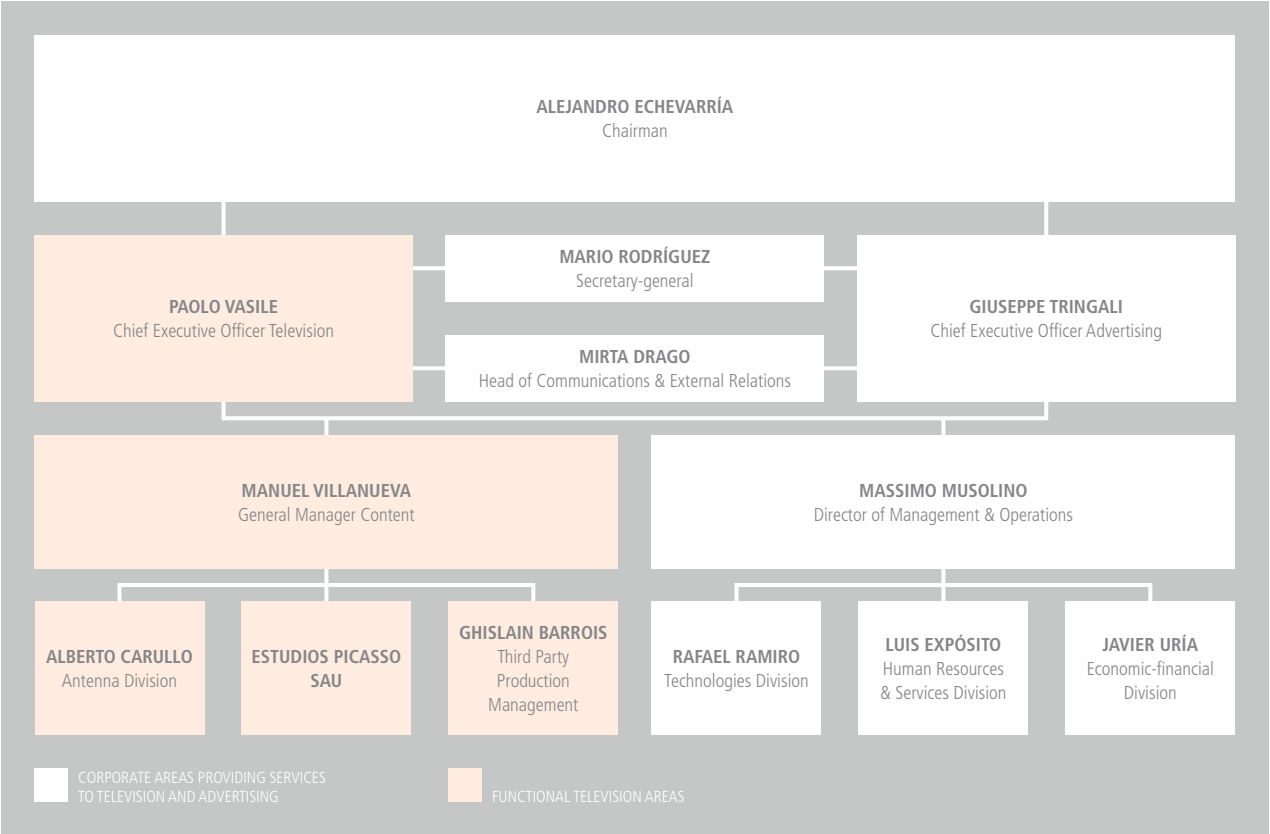
Agencia de Televisión Latino-Americana de Servicios y Noticias España S.A.U. (Atlas España) (100 %)

The subsidiary is active in news agency activities in any media: print, radio, television and audiovisual media in general. Production, recording, postproduction and any activities required for any type of broadcasting of news programmes and audiovisual work in general.

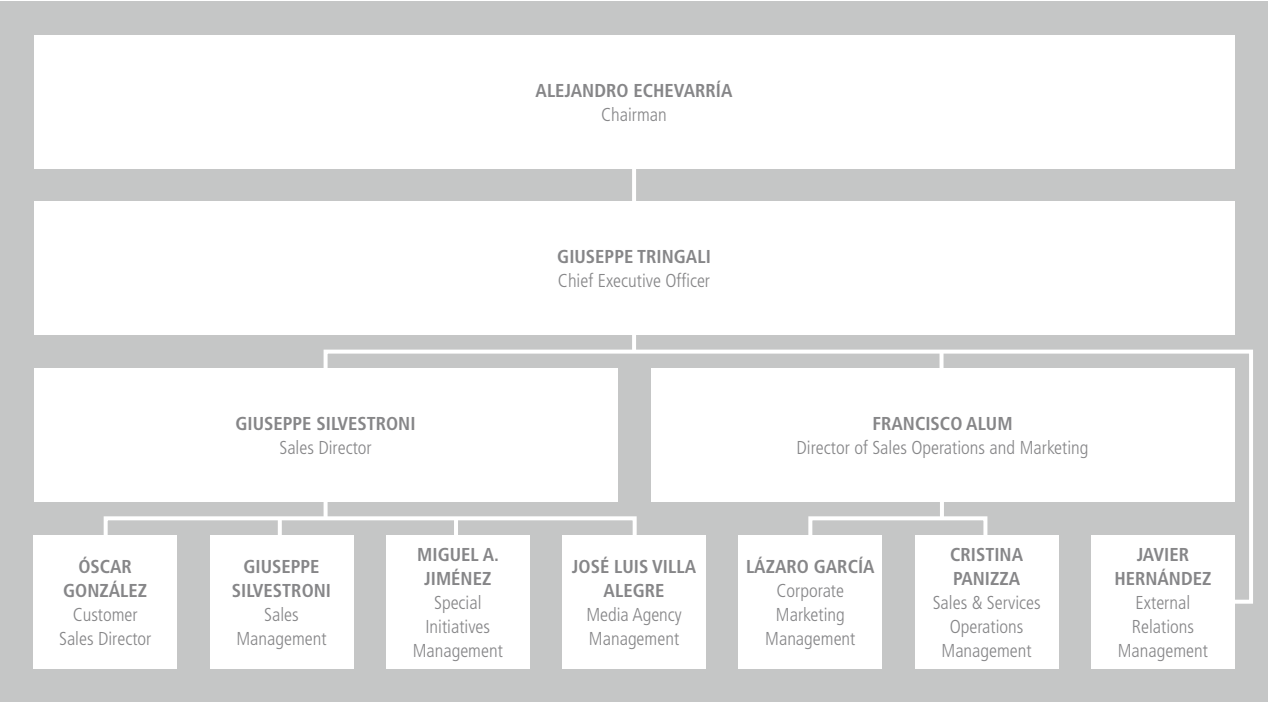
Agencia de Televisión Latino-Americana de Servicios y Noticias País Vasco, S.A.U. (Atlas País Vasco) and Atlas Media, S.A.U. (100%)

Both companies are held through Atlas España and are active in news agency activities in any media: print, radio, television and audiovisual media in general.

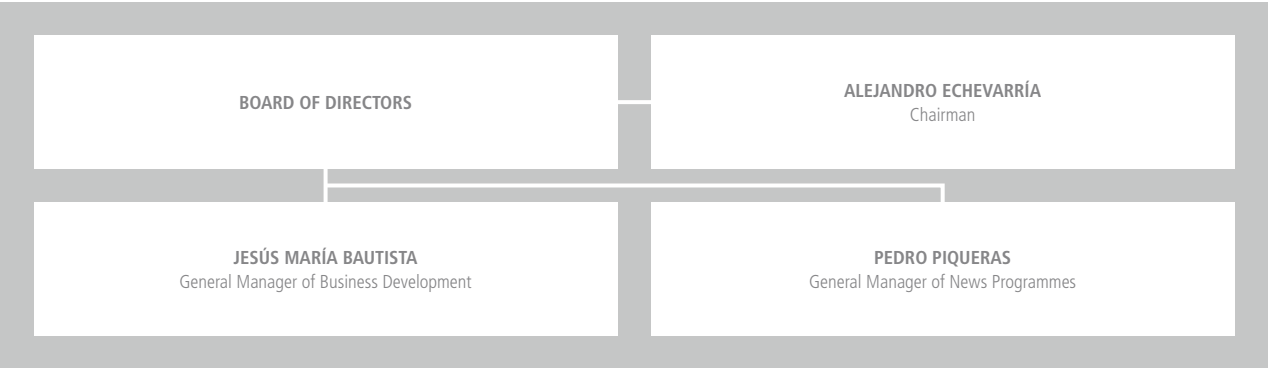
ORGANISATIONAL FLOWCHART FOR TELECINCO



ORGANISATIONAL FLOWCHART FOR PUBLIESPAÑA



ORGANISATIONAL FLOWCHART FOR ATLAS ESPAÑA



Mi Cartera Media, S.A.U. (100%)

This company is held through Atlas España. Its primary activity is multimedia operations with financial and economic content in all formats.

Producciones Mandarina S.L. (30%)

This affiliate is active in the creation, development, production and commercial operation of audiovisual content in fiction, entertainment, etc., in any format. This stake is held through Atlas España.

Hormigas Blancas Producciones, S.L. (30%)

Also held through Atlas España, This affiliate is also a producer involved in the development, production and marketing of audiovisual content in any format.

Cinematext Media, S.A. (60%)

This company's primary activity is the production of subtitles for the film industry, video and television. Provide services to Telecinco and other channels.

Cinematext Media Italia, S.R.L. (60%)

This company was incorporated in Italy in 2005 for the doubling and subtitling of audiovisual works and recordings. This stake is held through Cinematext Media, S.A.

Europortal Jumpy España, S.A. (50%)

This is an Internet service provider and is responsible for the management of the Telecinco website (www.telecinco.es)

Premiere Megaplex, S.A. (50%)

Cinema operator (Multiplex).

Canal Factoría de Ficción, S.A. (40%)

This affiliate operates theme channels offering fiction programming.

Aprok Imagen, S.L. (40%)

News agency providing services primarily to print and audiovisual media.

Super Nueve Televisión, S.A. (25%)

This affiliate is active in the direction, production, marketing and acquisition of programs for dissemination and/or broadcast on local television.

Kulteperalia S.L. (15%) and Alba Adriática S.L. (15%)

Producers involved in the direction, distribution and marketing of audiovisual programs in general.

CONTRIBUTION TO EARNINGS	2005	2006
Gestevisión Telecinco, S.A.	72.3%	71.6%
Publiespaña, S.A.U.	23.1%	22.2%
Atlas España	1.6%	1.8%
Publimedia Gestión. S.A.U.	1.4%	1.5%
Grupo Editorial Tele5, S.A.U.	1.0%	0.9%
Mi Cartera Media, S.A.U.	0.5%	0.3%
Rest of Group	0.1%	1.7%
TOTAL	100%	100%





FINANCIAL HIGHLIGHTS



Economic environment

The general tone of the Spanish economy has a noticeable influence on Telecinco's earnings given that the Group operates exclusively within the national market and over 90% of revenues stem from advertising, which is strongly linked to basic macroeconomic variables.

The Spanish economy in 2006 performed favourably with year-on-year GDP growth outpacing the leading European economies. This translated into a notable increase in advertising spend, a fundamental aspect on which the business model of broadcast television is based. The good performance of the Spanish economy was accompanied by an incipient recovery of the main European economies, which also had a favourable impact given the significant concentration of advertising spend in Spain by multinational companies.

Less positive factors in the macroeconomic environment included the maintenance of a sizable inflation differential with the European Union average and the interest rate hikes by the European Central Bank, a dangerous trend given the high level of indebtedness among Spanish families. Also, there have been signs of a weakening of the US economy in the second half of the year, particularly in real estate and manufacturing.

In conclusion, the overall impact of the macroeconomic environment in 2006 on Spanish broadcast television has been positive, but there are trends that may spell problems in the future (US economy, inflation and interest rates) and need to be watched.

Telecinco earnings

The financial performance of the Group in 2006 was more than satisfactory. On the one hand, gross TV advertising revenues increased 5.7%, despite two new broadcast television operators entering into the market during the year and the fact that two major sporting events (world football/soccer and basketball championships) were broadcast by the competition.

On the other hand, we should also highlight the very positive evolution of non-television advertising income, which grew 48% over the previous year, and of non-advertising revenues, which benefited from the coproduction of two blockbuster films ("Alatriste" and "Pan's Labyrinth"), growing 24.2% over the previous year and pushing the weight of non-advertising revenues in the total up to 7.5%.

Regarding costs, the Group has continued with its efficient cost control policies, which allowed the growth in general and administrative expenses to nearly match inflation. This, together with the costs of the two new digital channels and that corresponding to the operations in Spanish and European films, resulted in total annual growth in costs of 7.7%.

With this cost and revenue performance, the EBIT margin rose 6.4% to 44.1%, once again making Telecinco one of, if not the most, profitable broadcasters in the world television market.

Pre-tax net profit rose 6.9% over the previous year thanks to the increase in financial income derived from higher cash surpluses and an improved return on investment, as well as the good performance of the equity-method subsidiaries and despite having distributed 290 million euros in dividends during the year (equalling net consolidated earnings in 2005).

Lastly, net after-tax profit rose 8.2% over the previous year.

OPERATING EARNINGS	2004	2005	2006
EBIT	294.9	413.3	439.6
EBIT margin	37.2%	44.4%	44.1%
EBITDA	300.5	423.37	445.3
EBITDA margin	37.9%	45.5%	44.6%
NET PROFIT	214.2	290.3	314.2
Profit margin	27.0%	31.2%	31.5%

Revenues

As commented previously, advertising is the main source of income for broadcast television. However, in Telecinco non-advertising income recorded stronger growth than advertising revenues, accounting for approximately 7.5% of total 2006 revenues, a very respectable figure given the Group's sizable total income figure in absolute terms.

Within advertising revenues, we would highlight that from so-called television advertising (mostly derived from the operation of the advertising on the Telecinco channel) and those from non-television advertising, specifically what the Group invoices to third parties through a specialised concessionaire.

Television advertising revenues rose 5.7% on the year, a truly respectable figure given the shock to the broadcast television industry in 2006 with the appearance of two new national analogical channels.

Also under this heading, strong growth recorded was in the so-called "Special Initiatives", advertising concepts other than spots which, thanks to their added value, degree of personalisation/interaction with the viewer and impact on the audience, allows for a higher price per GRP than traditional spots and are therefore fundamental in achieving the growth and expansion of the business. These Special Initiatives expanded 11.5% in 2006, accounting for approximately 15% of total advertising income managed by the concession holder Publiespaña /Publimedia.

Non-television advertising revenue managed by the specialised subsidiary Publimedia Gestión grew 48% during the year, spectacular results that demonstrate the company's strength and dynamic nature.

Non-advertising income also performed admirably, with 24.2% growth thanks to the income from the commercialisation of two blockbuster films ("Alatriste" and "Pans Labyrinth"), which were coproduced by Telecinco.

With all of the above, total net revenues of the Group increased 7.1% over the previous year to 997.5 million euros.

NET REVENUES	2004	2005	2006
GROSS ADVERTISING INCOME	786.7	909.9	965.4
AGENCIES AND PUBLISHERS	-48.3	-39.0	-42.6
AND NET ADVERTISING INCOME	738.4	870.9	922.8
OTHER INCOME	55.0	60.2	74.7
NET REVENUES	793.4	931.1	997.5

Profitability

Telecinco’s cost structure is directly related to the business model of the channel, predominantly based on in-house production and the acquisition of rights to third-party productions. At the close of 2006, the percentage of hours of in-house production against the total number of hours broadcast was 80.7%, which has remained constant in recent years. This provides us with a wide degree of flexibility, which largely explains our successful cost control policy and our ability to record the highest margins in the industry.

As defined, in-house production is comprised of two components: amortisation of in-house production rights and expenses (supplies and others) needed for the production of television programmes. The sum of the amortisation of in-house and third party production rights, equalling the total of the amortization of rights, rose 7.8% on the year, while supplies and expenses for the production of programmes, including the news, expanded 9% over the period..

COSTS	2004	2005	2006
PROGRAMME PRODUCTION	129.7	147.8	161.4
NEWS PROGRAMMES	22.9	23.5	25.3
RIGHTS	157.2	151.8	163.7
OPERATING EXPENSE	183.2	184.7	201.8
AMORTISATION & PROVISIONS	5.6	10.0	5.7
TOTAL COSTS	498.4	517.8	557.9

Personnel costs in 2006 rose 5.8%. Other expenses, meanwhile, including depreciation, expanded by 8.2% over the previous year.

In all, total consolidated expense in 2006 rose 7.7% to 557.9 million euros.

On the operating level, earnings before interest and taxes (EBIT) for 2006 reached 439.6 million euros, up 6.4% over the previous year. This resulted in an EBIT margin of 44.1%, one of the highest in the industry worldwide.

Financial position and investments

Once again, Telecinco has achieved a new record net financial position of 396.1 million euros at 31 December 2006, representing an 11.3% increase over the 355.8 million euros recorded in 2005. Free cash flow for the year, boosted primarily by operating cash flow, reached 336.2 million euros, for a 9.4 increase over the 2005 figure (307.3 million euros) and even surpassing the Net Profit for the year. This highlights the Group’s capacity to generate internal financial resources through its normal operations. In addition, it should also be noted that this financial position was reached after having distributed a dividend of 290.3 million euros, which equal total consolidated net results in 2005.

Thanks to the efficient and active management of the Groups cash surplus, financial income for the year reached 10 million euros, an increase of 72.8% over the previous year.

Among the Group’s investments, acquisitions of rights declined over the previous year to 135.0 million euros (153.8 million euros in 2005), while total investments declined 11.3% to 144.9 million euros. Among total investments, investments in third-party production rights declined 4.1%

over the previous year to 48 million euros. Investment in in-house productions of fiction increased 3.0% to 72.5 million euros. Coproduction/distribution declined 56.5% over the previous year to 14.5 million euros. It should be noted that this decline merely represents a timing difference, and will be recovered in 2007.

Technical investments remained stable over the previous year at 9.9 million euros.

INVESTMENTS	2004	2005	2006
3RD-PARTY PRODUCTIONS	69.6	50.1	48.0
FICTION PRODUCTIONS	68.9	70.4	72.5
COPRODUCTION	1.9	33.3	14.5
TECHNICAL	10.2	9.7	9.9
TOTAL INVESTMENTS	150.6	163.5	144.9

Income Statement Highlights

CONSOLIDATED INCOME STATEMENT	2004	2005	2006
NET REVENUES	793.8	931.1	997.5
OPERATING COSTS	-498.4	-517.8	557.9
NET OPERATING INCOME	295.3	413.3	439.6
EARNINGS BEFORE TAXES			
AND MINORITY INTERESTS	301.8	421.5	450.6
CONSOLIDATED NET PROFIT	214.2	290.3	314.2

Balance Sheet Highlights

CONSOLIDATED BALANCE SHEET	2004	2005	2006
NONCURRENT ASSETS	319.2	318.5	294.7
CURRENT ASSETS	433.1	574.8	636.9
TOTAL ASSETS	752.3	893.3	931.6
	2004	2005	2006
NET EQUITY	478.1	571.2	599.0
NONCURRENT LIABILITIES	66.6	76.0	82.5
CURRENT LIABILITIES	207.6	246.2	250.1
TOTAL LIABILITIES	752.3	893.3	931.6





TELECINCO SHARES

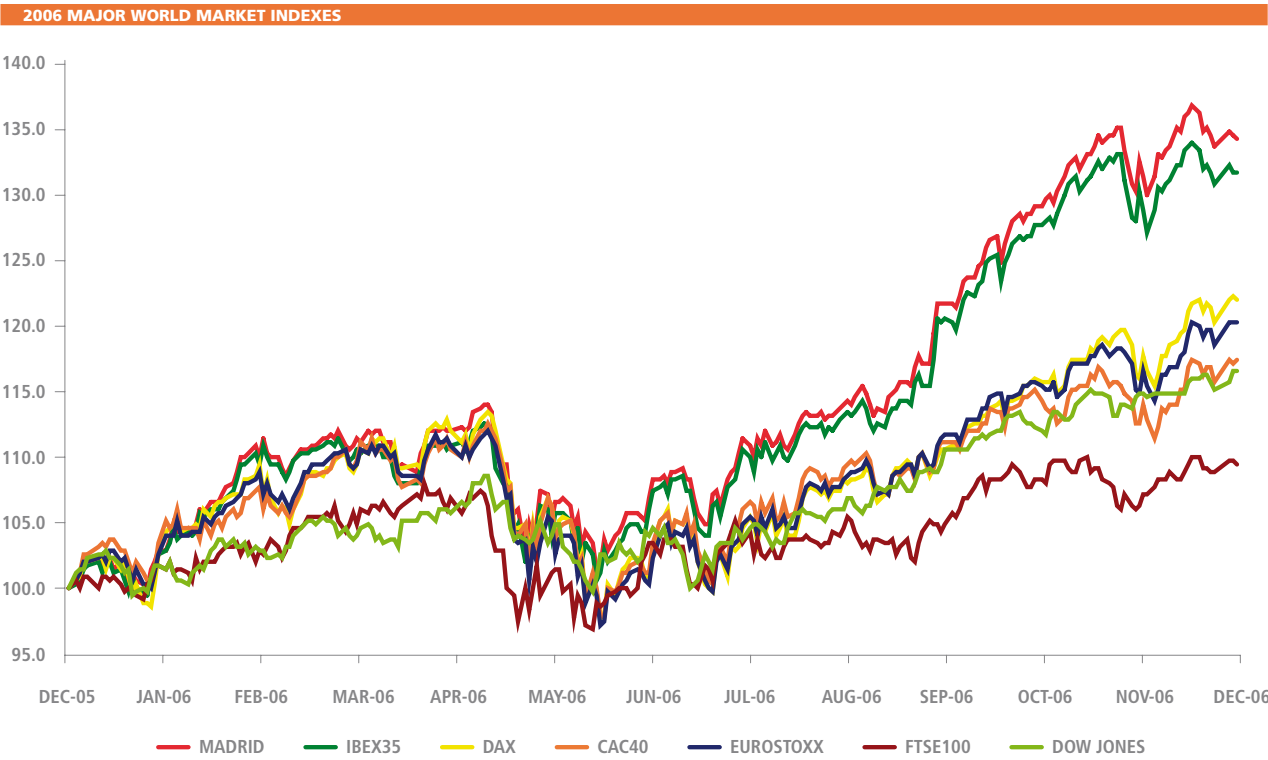


Market Performance

2006 was the fourth straight year of gains in the world’s equity markets, with Spain coming in as one of the top performers. Spain’s benchmark index, the Ibex 35, repeatedly recorded new highs throughout the year to close 2006 with a 31.8% gain. According to the 2006 Market Report issued by Spain’s stock exchange holding company, BME (Bolsa de Mercados Españoles, Informe de Mercado 2006), total shareholder return in 2006, which includes dividends,

exceeded 36%. Total trading volume in euros also marked a new record and broke through with the one billion euro barrier (US trillion).

This performance was possible thanks to a macroeconomic environment in which listed companies recorded better-than-expected earnings and expanded activities including outside of Spain’s borders. The success of this international expansion and the strength of the results obtained boosted investor confidence and pushed shares to new highs.



Source: Infobolsa

There were 10 IPOs in 2006, through which media companies, real estate firms, financial institutions and manufacturers increased the investment opportunities available on the Spanish exchange. 2006 was also a record year in M&A activity, helping to increase investor excitement and boost share prices. Overall, this past year, coincidentally 175th anniversary of the Spanish Stock exchange, was a highly dynamic year thanks to a favourable economic environment and solid corporate earnings.

As can be seen on the following chart, there was a sharp correction in the second quarter in response, among other reasons, to inflationary pressure, volatile oil prices, and climbing interest rates. In the second half of the year, the markets retook the general uptrend following a correction in oil prices, an end to the US rate hikes, a favourable world economy, and the high liquidity existing in the international financial system.

Spanish equities benefited not only from a positive global macroeconomic environment, but also from the excellent performance of the Spanish economy, which recorded its eighth consecutive year of growth despite strict budget discipline.

According to BME, only two sectors closed the year with a loss, aerospace and communications media / advertising. In the case of the latter, this was due in part to the transformations launched, which caused some nervousness among investors. Along these lines, the most noteworthy were the government award of two new television licenses, the restructuring of RTVE, and the launch of the new Digital Terrestrial Television channels, which gave rise to a certain level of uncertainty regarding the future regulation of the sector.

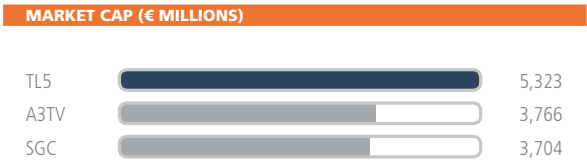
INDEX	% GAIN 2006/2005
IGBM	34.5
IBEX 35	31.8
FTSE100	9.5
CAC40	17.5
DAX	22.0
DOW JONES	16.6
EURO STOXX	20.3
DOW JONES MEDIA	7.5

Telecinco Market Performance

In 2006, Telecinco outperformed all other communications media shares listed in the Ibex 35. There can be no doubt that the excellent earnings, again reaching a new high, together with our shareholder return policy, helped our shares achieve this excellent performance. Telecinco closed the year as Spain's leading communications media company by market capitalisation at 5,323 million euros. Telecinco's market cap far exceeds that of all of our competitors.

After a difficult start to the year for the major market indexes and communications media companies, Telecinco shares began a strong recovery in the beginning of May supported by a quarterly earnings report that once again exceeded market expectations. Additionally, the favourable outlook for the Spanish advertising market and the Channel's excellent ratings, allowed Telecinco shares to not only recover but continue to climb through the end of the year.

As mentioned above, trading volumes in Spain also rose sharply in 2006. Trading volume in Telecinco shares reached 424.2 million shares, or 8,355 million euros, a 13% increase over the previous year. The heaviest trading on the continuous market was recorded on May 4, 2006, with 6,450,518 shares changing hands, which represented 127 million euros. Among the 35 stocks included in the Ibex 35, Telecinco ranked 15th in trading volume in 2006.

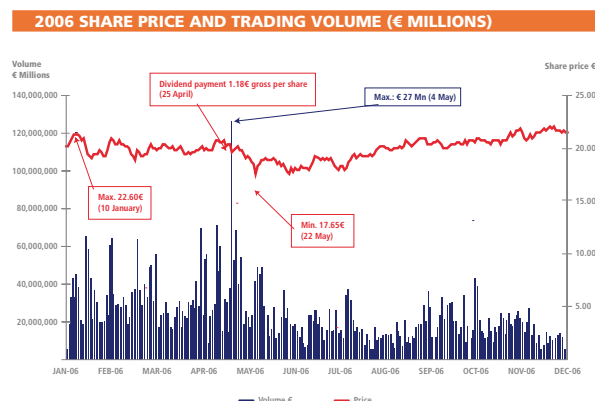


Telecinco reached an intraday high on 11th January at 22.90 euros per share. The annual intraday low was recorded on



Source: Infobolsa

14th June at 17.47 euros per share. Based on closing prices, as reflected on the charts, the share's annual high was recorded on 10th January at 22.60 euros, and the annual low on 22nd May at 17.65 euros per share.



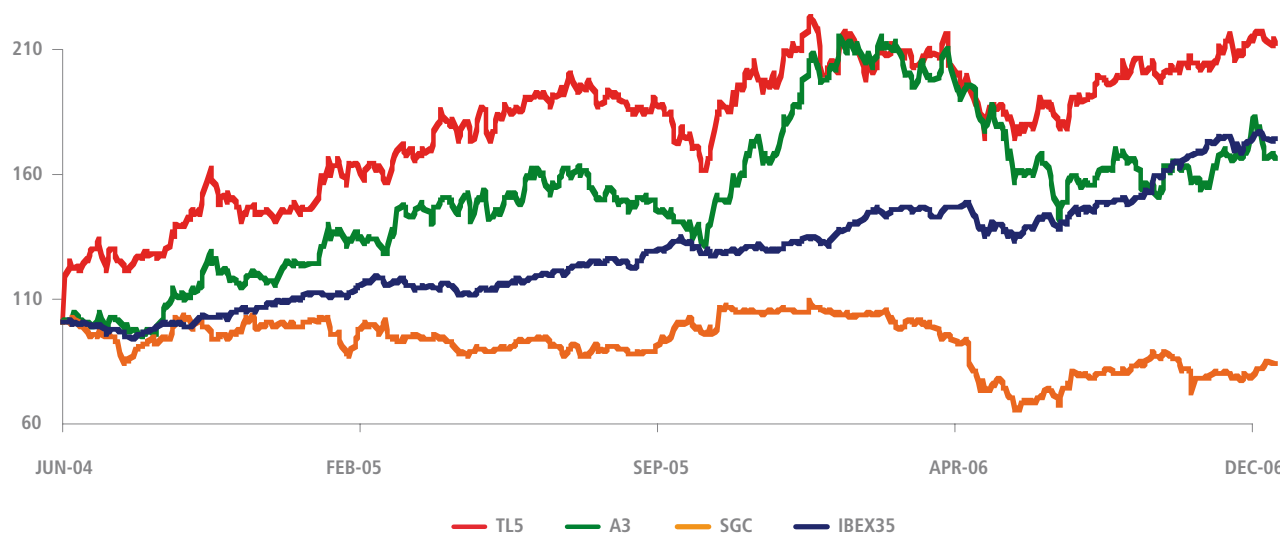
Since Telecinco's initial public offering on the 24th of June in 2004, the share has doubled in price and consolidated its position within the Ibex 35, having joined this selective index in January 2005.

Since the IPO, as seen on the attached chart, Telecinco has not only outperformed all of its competitors, but is also outperformed the Ibex 35.

MARKET CAP (€ MILLIONS)

OPV	<div></div>	2,503
24-JUN-04	<div></div>	2,960
31-DEC-04	<div></div>	3,744
31-DEC-05	<div></div>	5,022
31-DEC-06	<div></div>	5,323

MARKET PERFORMANCE (24 JUNE 2004 - 29 DECEMBER 2006)



MARKET DATA	2004	2005	2006
Number of Ordinary Shares	246,641,856	246,641,856	246,641,856
Market Cap (30/12), €	3,774,023,374	5,258,404,370	5,322,531,252
Shareprice (intraday Madrid Stock Exchange)			
- Maximum	13/10/04 : €16.44	22/12/05 : €21.74	11/01/06 : €22.90
- Average	€ 13.14	€ 18.61	€ 20.37
- Minimum	24/06/04 : €11.82	3/01/05 : €15.10	14/06/06 : €17.47
Earnings Per Share ⁽¹⁾	0.88 €	1.18 €	1.28 €
Gross Dividend per Share	0.70 €	1.18 €	1.28 €
Pay-Out Ratio: Dividend/ Net Profit	79.96%	100.00%	100%
Dividend Yield:			
Dividend / Shareprice	4.15%	5.76%	6.09%
Total Trading Volume (Shares)	382,535,962	442,393,320	424,213,771
Efectivo Negociado Total (millions of €)	4,819.90	7,863.55	8,335.05
Average Daily Volume (Shares)	2,942,584	1,728,098	1,670,132
Percent Gain Telecinco	49.6%	40.4%	1.2%
Percent Gain Ibex35	15.3%	18.2%	31.8%
Percent Gain DowJones Media Index	7.3%	12.5%	7.5%

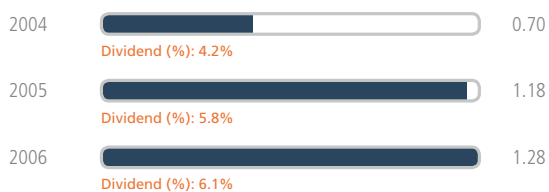
(1) Net Profit 2006 = €XXX million, Net Profit 2005 = €290.33 million, Net Profit 2004: €214.21 million
(2) Excluding treasury shares: 1411540 shares at 31 December 2006, 1,450,000 shares at 31 December 2005, 11,250 shares at 31 December 2004
(3) Market Price on Data Preparation of Annual Reports: 1 March 2005 €20.55 and 1 March 2004 €16.88



Dividends

The Board of Directors of Telecinco notified the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) on 28 February 2007 of its intention to propose the distribution of a gross dividend of 1,28 euros per share in the Annual General Meeting. This dividend would translate into a payout of 100% and a dividend yield, at the time of publication of the annual report, of 6,1%.

GROSS DIVIDEND PER SHARE (€)



Investor relations

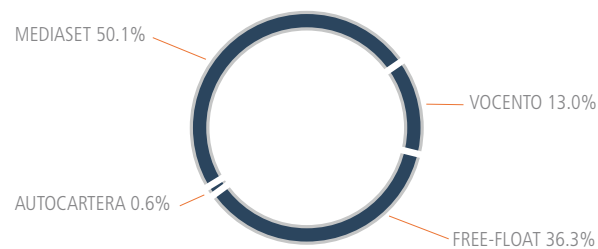
Telecinco's Investor Relations Department in 2006 continued in its intense efforts in maintaining fluid communications with shareholders and potential investors. More than 30 financial institutions regularly publish analysis on Telecinco and maintain an exhaustive and continuous surveillance of the financial and operating performance of the Company. The Department held 710 meetings with fund managers and analysts and gave 16 investor presentations and road shows. In addition, the multiparty conferences presenting our quarterly earnings have allowed the financial community to gain additional information and insight into the performance and goals of the company.

We would also like to highlight the specific website we have put up for investors and analysts, www.inversores.telecinco.es, where you can find all of the information used in the meetings and presentations to analysts and investors, as well as quarterly earnings reports and relevant press releases. All of the information has been previously communicated to the National Securities Market Commission (CNMV) and the website complies with all requirements established under CNMV Circular 1/2004 of 17 March.

Shareholder structure. Our shareholders as stakeholders

The ownership structure of Gestevisión Telecinco S.A. is stable, with two majority shareholders: Mediaset SpA, with 50.1% of equity, and Vocento, with 13%. Treasury shares represent 0.6% of share capital and the remaining 36.3% is the free float, held mainly by institutional investors from Spain, Britain and the United States, all of which belong to highly developed financial markets subject to very strict regulation. Telecinco, through its Investor Relations Department, is very concerned with meeting the information needs of minority shareholders, institutional investors and analysts, and strictly follows the guidelines established by the Spanish National Securities Market Commission.

SHAREHOLDER STRUCTURE







GROWTH STRATEGY



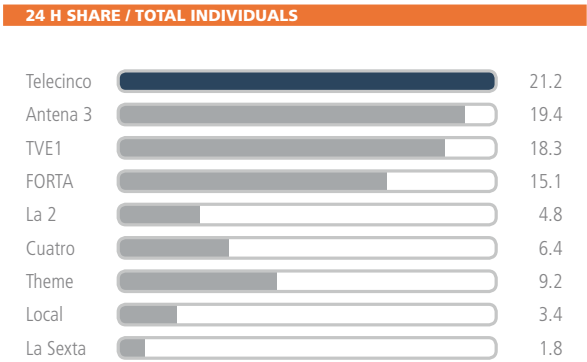
Audiovisual Business

Three years of uninterrupted leadership

This past year confirmed the strength of Telecinco. For the third consecutive year the channel has led the market in total audience share, and this in a year when Spanish television saw the entrance of new operators and the implementation of new television technologies. Despite these difficulties, Telecinco was able to reinforce its solidity and remained as the only television station with an audience share of over 20%.

With an audience share of 21.2%, Telecinco was the television station with the best performance despite the increase in competition, even widening its leadership over its closest competitor, Antena 3 (19.4%), to 1.8 points –the widest lead held by Telecinco against its nearest competitor since 2003- and over TVE 1 (18.3%) to 2.9 points.

Telecinco led the ratings 229 days and beat its own record with 10 months of consecutive leadership during the year, the best run in a single year in Telecinco’s history.



In dayparts, the channel was the undisputed leader not only in prime time (21.4%) and late night (24.6%), but also in the morning (20.3%), midday (21.7%) and, for the first time in history, the evening (20.5%). These victories clearly demonstrate Telecinco’s domination of the day time (21.2%) With the widest lead over its nearest competitor in the station’s entire history.

In addition, 2006 was the eighth consecutive year in which Telecinco was the absolute leader in its commercial target



with an audience share of 23.1%. Regionally, Telecinco was the most viewed station in six of the nine regional markets: the Basque country (26.3%), Madrid (22.9%), Valencia (22.1%), Galicia (21.4%), Catalonia (19.3%) and, for the first time in its history, in the Canary Islands (23.0%).

This success in 2006 was once again based on the quality of the in-house productions of Telecinco, which now account of 80.7% of total programming. Telecinco has achieved an optimal balance between its already consolidated programming and new programmes in a wide variety of genres. The wide public acceptance of Telecinco's programming has resulted in the channel boasting a total of 14 programmes among the top 20 for the year, including all of its series, the reality show "Gran Hermano" and Formula 1 racing.

PROGRAM		CHANNEL
1	FUTBOL: LIGA CAMPEONES	TVE1
2	FUTBOL: LIGA DE CAMPEONES	A3
3	AQUI NO HAY QUIEN VIVA	A3
4	C.S.I. MIAMI	T5
5	HOSPITAL CENTRAL	T5
6	C.S.I. LAS VEGAS	T5
7	CUENTAME COMO PASO	TVE1
8	C.S.I. NUEVA YORK	T5
9	LOS SERRANO	T5
10	EL COMISARIO	T5
11	OPERACIÓN TRIUNFO	T5
12	FORMULA 1	T5
13	AIDA	T5
14	¡MIRA QUIEN BAILA!	TVE1
15	7 VIDAS	T5
16	GRAN HERMANO	T5
17	CAMERA CAFE (L-V)	T5
18	LOS HOMBRES DE PACO	A3
19	LOS MORANCOS CHANNEL Nº5	T5
20	CAMERA CAFE (D)	T5

Leadership in prime time

Telecinco has once again dominated during the time of day with the highest number of viewers, the so-called prime time, the day part where most of the advertising investment is concentrated. In this decisive time of the day, Telecinco was able to maintain absolute leadership during six of the seven days of the week with varied programming of both national and foreign series, reality TV and live programming.

The station was again able to demonstrate its ability to convert a good format into a successful programme. While last year's success story was the re-launch of the popular talent contest "Operación Triunfo", history repeated itself in 2006 with the survival reality show "Supervivientes: perdidos en el Caribe". Quality production, excellent casting and the superb performance of host Jesús Vázquez (TP de Oro Award for the Best Entertainment Programme Host), are combined to make this international format a true television success story with average viewers totalling 3,223,000, for an audience share of 23.3%.

Meanwhile, "Operación Triunfo" became the most watched entertainment television programme in 2006 with an average 4,226,000 viewers and an audience share of 26.4%. The flagship reality show "Gran Hermano" demonstrated that it still has not lost its pull. Spain's "Big Brother" reconfirmed its validity after eight seasons as the most popular reality show in Spain with the weekly gala registering an average 3,690,000 viewers and a 25% audience share. The related programme, "Gran Hermano: el debate" achieved a 24.4% audience share with 1,307,000 viewers. Even the daily recaps of the contest received high ratings, with a 20.6% audience share and 1,699,000 viewers.

The success of these programmes in 2006 was preceded by the zany antics of "Camera Café", a programme that week after week has attracted an average of 3,666,000



viewers, for an audience share of 22.8% at the start of prime time from Monday to Friday, the leading show in that timeslot. The show also achieved critical acclaim with the award of the “Antena de Oro” Award for Best Entertainment Programme.

But there is no way that we can talk about true success without mentioning the morning slot and the absolutely unbeatable news and entertainment programme “El programa de Ana Rosa”. Journalist Ana Rosa Quintana and her team’s firm commitment to social issues, current events and appealing entertainment have made this show the absolute leader in the mornings with an audience share of 25.1% and has earned the journalist yet another TP de Oro Award for Best Presenter. Following Ana Rosa, over 2 million viewers succumbed to the succulent recipes of leading Basque Chef Karlos Arguiñano and his show “Karlos Arguiñano en tu cocina”.

PROGRAM	CHANNEL	SHARE
EL PROGRAMA DE ANA ROSA	T5	25,1
POR LA MAÑANA	TVE1	19,9
LO QUE INTERESA (TIII 07/04/06)	A3	14,9
ESPEJO PUBLICO (MAGAZINE) (Since 11/12/06)	A3	11,6
LAS MAÑANAS DE CUATRO (Since 04/10/06)	CUATRO	4,7

Next up, Telecinco has programmed Spain’s most highly viewed news and entertainment programmes in the afternoon and evening slots with the current events and the goings-on of the rich and famous with “Aquí hay tomate” (3,032,000 and 25,8%), winner of the TP de Oro for Best Television Programme, “A tu lado” (20,7%) and the competition “¡Allá tú!” followed by more than 2 million viewers.

Telecinco also leads in the late-night with a varied mixture of programming, including the “TNT” show, the investigative journalism of “Diario de...” and the debut of “Esto es increíble”, a review of the most incredible images from a home videos. All this together with reruns of the best national and international series have made Telecinco the preferred television channel for Spanish night owls.

The weekend starts on Friday night with “Caiga Quien Caiga” and their irreverent and ironic review of current events in politics and society, which has attracted over 3 million loyal fans.

Investigative reporting, public service and exceptional stories combined in another of the channel’s new success stories with the launch in 2006 of “El buscador de historias”. The response from viewers was so positive that the show extended its broadcast time to include Saturdays and Sundays.

Saturdays, meanwhile, saw the successful debut of “Dolce Vita”, the renovated interview and talk show that attracted almost 2.5 million viewers to become the society show with the highest rating in Spain during the year.

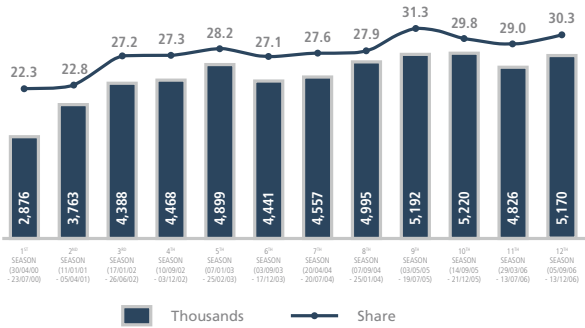
The best national fiction series, on Telecinco

While in 2005, 7 of Telecinco’s series ranked in the top 10, in 2006 the channel was able to increase its domination of the market with a total of 8 out of the 10 fiction series with the highest ratings in Spain, making Telecinco’s fiction productions a true benchmark for quality and success.



10 FICTION SERIES WITH THE HIGHEST RATINGS IN 2006			
SERIE	CHANNEL	SHARE	VIEWERS
AQUI NO HAY QUIEN VIVA	A3	31,1	5.331.000
C.S.I. MIAMI	T5	26,7	5.020.000
HOSPITAL CENTRAL	T5	30,0	4.998.000
C.S.I. LAS VEGAS	T5	26,8	4.688.000
CUENTAME COMO PASO	TVE1	26,5	4.594.000
C.S.I. NUEVA YORK	T5	27,5	4.588.000
LOS SERRANO	T5	25,8	4.485.000
EL COMISARIO	T5	24,3	4.392.000
AIDA	T5	27,6	3.980.000
7 VIDAS	T5	21,5	3.800.000

Within the “occupational” genre of television series, a genre that Telecinco inaugurated in Spain with journalistic series “Periodistas”, has continued to provide huge satisfaction with a solid combination of medical and personal subjects and the excellent performances by the cast of “Hospital Central”, making it one of the most widely viewed fiction series offered by Telecinco, with an average of 4,998,000 viewers and a 30% audience share. The studies and careful medical and health advice included in the scripts have also earned the series the Trébol Award granted by The Spanish Down’s Syndrome Federation for its portrayal of the syndrome.



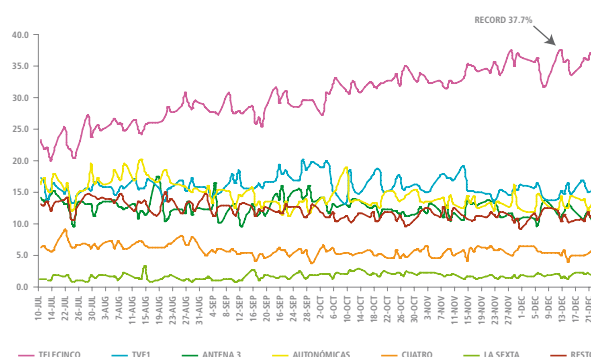
Thanks to its veteran cast, and the action and intrigue of its plots, the police drama “El Comisario” was able to close one of its best seasons ever. Spain’s longest running fiction series is also the undeniable leader of Tuesday nights with 4,392,000 viewers and an audience share of 24.3%.

But the public has not lost its taste for comedy, and Telecinco again topped the ratings throughout 2006 with two of the most viewed fiction series. The Spanish family stories of “Los Serrano” conquered the hearts of 4,595,000 viewers, for a 26.2% audience share, while “Aída” attracted an average of 3,980,000 viewers for a 27.6% share. However, the humorous plots and excellent acting not only gained the show a wide viewership, but also numerous awards, including the Ondas for Best Spanish Series, and the Fotogramas de Plata and Actors Union Awards given to Carmen Machi and Paco León for her role in the series, among others.

2006 was also a year for goodbyes, with the end of one of the channels most emblematic series: “7 Vidas”. The intellectual comedy of what had been Spain’s longest running series took its final bow after having completed 200 episodes. The special final episode was viewed by 5,514,000 spectators, for a 29.4% audience share.



“YO SOY BEA”, highest-rated soap opera since 1995



With an average audience share of 30.5% and 2,871,000 viewers, Extraordinary figures for the midday timeslot, “Yo soy Bea” has become the most highly rated soap opera on Spanish television since 1995, and the most widely viewed on Telecinco in all its history.

The series, which has remained unbeaten during every one of its episodes, is also an excellent opportunity for advertisers, offering this year an average of 36.6% share in the commercial target.

The most watched foreign series in Spain

Telecinco is not only a benchmark in national fiction series, but also in the selection of foreign productions, where the channel has harvested similar success. Crime Scene Investigations has led the ranking of most viewed international series in 2006 in Spain thanks to their spectacular and sophisticated solving of the most heinous crimes in “C.S.I. Miami” (5,020,000 and 26.7%), “C.S.I. Las Vegas” (4,688,000 and 26.8%) and “C.S.I. Nueva York” (4,588,000 and 27.5%).

The different versions of the saga have also achieved unprecedented success outside of our borders, winning over not only audiences everywhere but also the critics, with prestigious awards such as the People’s Choice Award for Best Drama Series on Television in 2003, two BMI Film & TV awards for Best Music, in 2003 in 2004, the American Society of Cinematographers award for Outstanding Achievement in Cinematography in 2003, as well as a multitude of nominations, including for an Emmy for its Florida version, “C.S.I. Miami”. This programme is considered as the most popular television series worldwide according to a study of television audiences in 20 countries prepared by the company Telecom and Media and published in the prestigious “Radio Times Magazine”.

Telecinco had another highly successful release with the first season of “Mentes Criminales”, originally known in the US as Criminal Minds, which revolves around an elite team of FBI profilers who analyse the country’s most twisted criminal minds, anticipating their next moves before they strike.

The Halliwell sisters continued to cast their magic spells over audiences in their eighth and last season in 2006, which was closely followed by the long-running show’s numerous loyal fans.

Magic was also the tool used by the characters in “Birkolok Klub” and “El mundo mágico de Brunesky”, two weekend morning shows for and by the most demanding of all audiences: children. Our youngest viewers found a very welcoming environment in both programmes that promotes creativity, participation, friendship and respect, as well as fun and entertainment with the animated series “Pokémon”, “Supercampeones”, “Los padrinos mágicos” and “Medabots”. New this year, Telecinco debuted “Let’s & Go” and the remastered version of “Los caballeros del Zodiaco”, the mythical Japanese series followed by viewers of all ages.



Content strategies

The content strategy pioneered by Telecinco in recent years is characterised by an increase in national fiction and in-house productions as opposed to films, for which there is decreasing demand among audiences. This strategy has been a resounding success for the channel and has continued to evolve in 2006. The uniformity of programming across all timeslots and the regular nature of its prime-time programming have been the channel's main weapons against the intrusion of new competitors in the market.

The channel has also gone a further step in its policy of establishing agreements and strategic alliances with trusted production companies in order to strengthen the leadership of Telecinco in the production of quality content for the Spanish market.

Accordingly, the channel acquired 50% of the production company of José Luis Moreno, Miramón Mendi, and following the agreement began to record the new fiction project "La que se avecina", starring Gemma Cuervo, Emma Penella, Mariví Bilbao, Malena Alterio, Isabel Ordaz and José Luis Gil, among others, and will begin broadcasting in 2007.

In addition to this agreement, Telecinco has acquired an interest in the new generation production companies "Hormigas Blancas" ("Aquí Hay Tomate", "TNT" and "Hormigas Blancas") and "Mandarina" ("Dolce Vita" and "El Buscador") in order to support and benefit from the creativity of television's younger professionals.

Within the reality show genre that Telecinco first introduced into Spain in the year 2000, the channel has reached a new three-year collaboration agreement with Zeppelin TV for the production of "Gran Hermano" and another reality show. Through this operation, Telecinco has reinforced its solid position in a genre that has produced excellent results.

New Telecinco news crew

In order to further reinforce the close relationship with our viewers and strengthen the values of modernity, independence and credibility enjoyed by Informativos Telecinco, the channel has renewed the news management and team of presenters with the incorporation of Pedro Piqueras as news director and anchor of the evening news at 9:00 p.m..

Other new team members include José Ribagorda as the weekend presenter –accompanied by Carme Chaparro- and J.J. Santos as Deputy Director of Sports and presenter of the sports news on the prime time edition. Telecinco has also created a new department under the news division for Events and Sports Transmissions under the direction of Antonio Lobato.

These professionals have added their experience and talent to that of the rest of the team of Informativos Telecinco professionals in a year marked by the announced cease-fire by ETA. Immediately following the news, the Telecinco news team moved to Bilbao to present a live broadcast from the Basque country on the first day following the historic announcement. Just a few days later, Pedro Piqueras would broadcast an exclusive interview with Spanish Prime Minister José Luis Rodríguez Zapatero, the politician's first television interview following the announcement of the cease-fire.

Informativos Telecinco has also been highly active in offering the most important events in 2006, going to where the news is being made to provide first-hand coverage. In 2006, the news team travelled to such places as Valencia, for the first visit to Spain of Pope Benedict XVI, and France, following the arrest of four members of Basque terrorist group ETA, the first images of which were broadcast in an exclusive by the channel. But this was not the channel's only scoop during the year and Informativos Telecinco was able to offer numerous previously-unseen documents and

testimonies, such as the letter from an Army Commander expressing the concern existing in the Spanish Armed Forces regarding the future of Spain due to the negotiations surrounding the Catalanian statute of autonomy and the first declarations from the four Spanish soldiers that saved his life following a terrorist attack in Afghanistan.

Formula 1, a leading sporting event on Telecinco

Once again we are able to announce the unprecedented success achieved by the Formula 1 race since Telecinco began rebroadcasting the event in 2004. In the 2006 series, the combination of the quality broadcast by the channel and the talent of Spanish driver Fernando Alonso combined to bring in historic audience levels in our country. 4,111,000 viewers, for an audience share of 48.4%, followed the 18 Grand Prix races in the championship series on Telecinco each Sunday.

The last race held in Brazil was a double triumph, with Fernando Alonso receiving his second world championship and Telecinco registering the most watched broadcast of this sport of all time (56% audience share and 8,620,000 viewers), and the fourth rated sporting event of the year, only surpassed by football.

Similarly, the channel also brought viewers the GP2 race, a category that acts as a trampoline for young drivers, as happened in 2006 with Lewis Hamilton, Alonso's new teammate on the McLaren-Mercedes racing team.

Football is also very present on Telecinco with three of the most decisive competitions on the sporting calendar, the final match of the King's Cup, and the UEFA championship, as well as Spain's Supercopa (with a share of between 30.6% and 40.3%). The Informativos Telecinco Sports Desk also broadcast the Teresa Herrera Tournament and the Mundialito de Clubes Sub-17.

Telecinco Estrellas and Telecinco Sport: fiction and sports on DTT

The end of 2006 also marked the first anniversary of Telecinco Sport and Telecinco Estrellas, the station's theme channels for digital terrestrial television offering the two genres with the greatest possibility for interactive development and future growth: fiction series and sporting events.

On Telecinco Sport, the content revolves around one hour blocks with sports and news bulletins every 15 minutes thanks to an agreement with Eurosportnews, the first and only international sports news channel. Throughout the year, Telecinco Sport progressively increased its programming with a wide range of in-house productions with varied themes and content.

Among the news programmes offered by the DTT channel, we would highlight "El Tiempo" presented by Mario Picazo, which offers weather reports with a sports focus; "Píldoras Más Que Coches" and "Más Que Coches Competición", offering the latest happenings in the world of automobiles and racing; "Swing Golf" and "Match Golf", which offer the most notable competitions on the fairways; "Danza Vertical", a show specialising in climbing, and last but not least, the hunting-themed "El Rincón del Cazador".

Telecinco Sport also broadcast first rate sporting events, such as the classification sessions for the Formula 1 and GP2 races, broadcast during prime time; The Med Cup 42, sailing competitions in Mediterranean waters; Bádminton GP, highlighting the five Grand Prix meets of the season; the American National Football League (NFL), and the World Touring Car Championships (WTCC). Telecinco Sport also broadcast the Superbike competitions and the matches of the National of Indoor Football League and Jai-Alai.

The fiction channel, Telecinco Estrellas, provides 24 hours a day of the most emblematic national and international fiction series, the most highly demanded genre among viewers, including “7 Vidas”, “Al salir de clase”, “Médico de familia”, “Ellas son así”, “El pasado es mañana”, “Hermanas” and Telecinco’s most successful soap opera of all time, “Yo soy Bea”, occupying a primetime slot.

We are preparing a business plan under which, in the future, some of the fiction productions will be broadcast at maximum audience times on Telecinco Estrellas, or, will be first broadcast on the analogical channel and offered 24 hours later on the digital theme channel.

Accordingly, the content and interactivity of Telecinco’s DTT channels will proportionally increase as the market expands given the ever increasing number of viewers of digital channels.

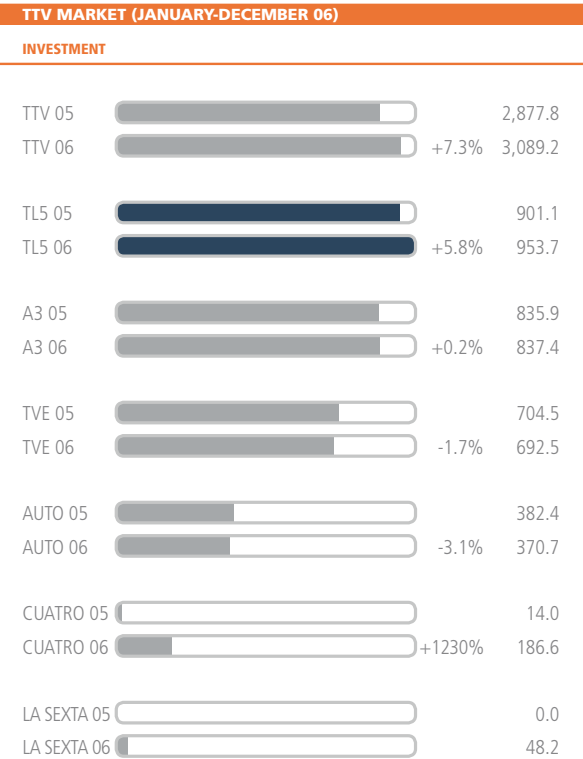
Along these lines, in 2006 Telecinco signed an agreement with Axión, a subsidiary of the TDF group (the leading European broadcast network operator) for the transportation and broadcast of the DTT signals starting in August 2007. This agreement will allow for an improvement in the development of interactive content and provide important advantages for both operators and viewers.

The advertising business

Telecinco leadership in the new broadcasting scenario would not be the reality it is today if there were not for the strength of Publiespaña, the holder of the concession on Telecinco’s advertising space. The company knows how to give Telecinco the best commercial advantage and in 2006

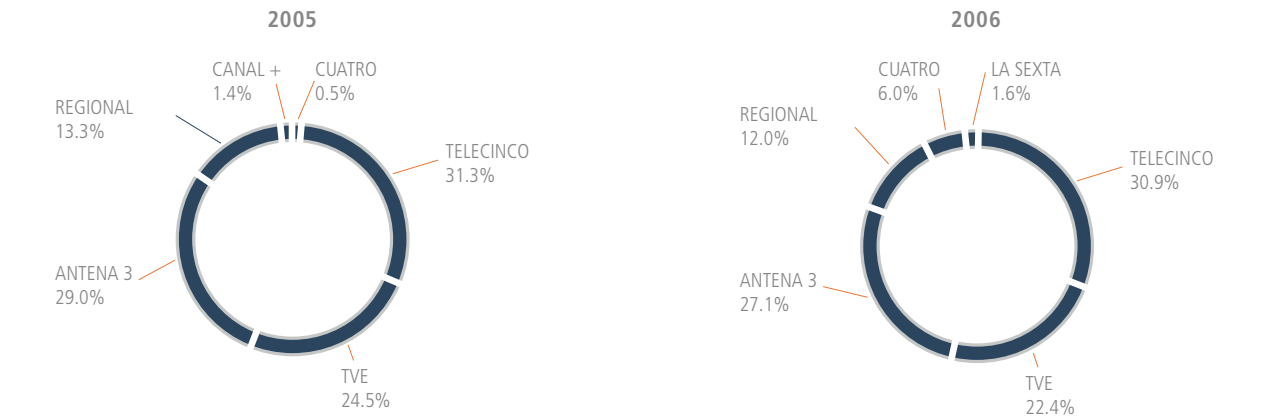
recorded the best year in its history with gross advertising revenues increasing 5.7% to 952.2 million euros.

In addition to leadership in revenues, making Telecinco an industry benchmark for profitability in Europe, and despite 2006 being an especially difficult year due to the entrance of two new competitors, Publiespaña was able to lead the industry across all major indicators: audience, price, profitability, market, and market share, the latter reaching 30.9% and widening the gap between Telecinco and the rest of the industry.



TV MARKET SHARE (JANUARY - DECEMBER 06)

INVESTMENTS



The success of special initiatives

The commercial policy followed by Publiespaña emphasises creativity, “à la carte” formats and actions that provide added value, awareness, and differentiation for the advertiser and is largely responsible for the company’s success.

The company has achieved its goal of increasing the weight of Special Initiatives to over 15% of total revenues, which demonstrates the growing interest of advertisers in the new advertising formulas, in which Publiespaña continues to be at the forefront in creation and development.

Advising the advertiser, offering new ideas for a better return on advertising spend, is the main mission of Publiespaña. In 2006, one of the most notable examples of the à la carte advertising that Telecinco clients can take advantage of is the work performed for the bank BBVA through the most watched in-house production of the year: “Operación Triunfo”. With the bank looking to reinforce its position among the youth target, Publiespaña not only offered them the possibility of sponsoring the musical competition, but also linked the strategy of the bank to the competition right from the start with the inaugural gala, with the contestants singing the bank’s theme song “Adelante”. Since then, this song closed every programme with all of the contestants abandoning the Academy singing the song on their way out.

similarly, Telecinco provided the advertiser with all of the information needed on “Operación Triunfo” so that the bank could, in turn, offer its clients the information through its website, on an interactive page that the bank uses to offer its catalogue of products and services designed for its younger customers. These actions were complemented by a superb marketing plan and exclusive blog on the competition and a direct link to what was happening at the facilities where the participants were undergoing their musical training.

With this campaign, still the only one of its kind on Spanish television, Publiespaña has established the foundation for the television of the future in which the greatest challenge will be to increasingly improve and expand the television content with advertising messages.

A commercial policy that reinforces the advertising efficiency of Telecinco

Anticipating the new market in which the demands of viewers and advertisers continuously increase, Publiespaña developed new products in 2006 to reinforce the advertising efficiency of Telecinco.

The company, aware that the manner in which the advertising message is programmed, broadcast and integrated is what sets a television station apart, has launched a new commercial policy reducing the advertising pressure on certain shows. The success of this strategy applied to the CSI series, during which Publiespaña voluntarily applied self-regulation and limited the amount of advertising broadcast –in all forms-, provided benefits not only to the advertisers, which saw a strong improvement in the results of the campaigns, but also to the channel, by helping to make the crime drama the most watched fiction series in Spain.

Publiespaña was also able to strike a good balance between content and advertising in the retransmission of the Formula 1 series, which was broadcast without commercial breaks and using advertising windows, thereby allowing viewers to watch the race without losing any moment of what was happening on the track.

The results of all of these innovations during the year have joined the already existing high-quality blocks (exclusive showing of a maximum of four spots) and other products such as the Allocation Guarantee (GARAD), all of which corresponds to a mature, flexible and highly ample com-

mercial policy that Publiespaña has applied to each product, with a specific cost based on its real value, the added value, demand, and associated service level. This strategy has helped Publiespaña to consolidate its price leadership throughout 2006.

Publimedia Gestión, the management of advertising in the new broadcasting reality

Technological advances, the myriad ways to access content and the digitalisation process have given birth to a new broadcasting reality that provides new opportunities for advertisers. Developing and marketing these new advertising formats, adapted to the singular nature and language of each medium, is today one of the primary objectives of Publimedia Gestión, a subsidiary of Publiespaña which

recorded a 19.1% increase in gross revenues over the previous year, reaching a total of 28.3 million euros.

So far in 2007, Publimedia Gestión has signed agreements with mobile operator Orange and cable television operator ONO to market their multimedia formats. Similarly, Publimedia Gestión has added Telecinco's two DTT channels, Telecinco Sport and Telecinco Estrellas, to its business line, and is testing nonconventional advertising formats and new marketing concepts.

The company has also reinforced its presence in the foreign markets –where it already marketed Canal Metro Madrid and Barcelona- with the management of seat backs on football pitches, a common advertising space on airlines which this year has been introduced into Madrid's San-



tiago Bernabéu Stadium and Barcelona's Camp Nou, among others.

On the Internet, Publimedia Gestión is in charge of the channels website, as well as that for Informativos Telecinco and Bolsacinc.com, a leading financial and stock market information site, as well as the weekly magazine "Mi cartera de inversión", the leading press format marketed by the company, as well as the mastheads of Italian publisher Mondadori.

Television formats are also among the leading formats for Publimedia, with its management of the advertising spaces of Telecinco such as "Más que coches", "nosolomusica" and "El mundo mágico de Brunelesky".

Innovation In Telecinco: Technology

2006 was characterised by the introduction and development of major technological innovations, among which we would highlight the following:

Multimedia content platform

This year saw the full operations of the Multimedia Content Platform implemented in 2005 for the production, storage and distribution of multimedia and text content through diverse channels, including teletext, mobile phones, Internet and DTT. Based on the latest technological standards such as XML and Web services, the Platform offers new functionalities on already existing channels, developing interactive applications for DTT or any other format, such as the emerging mobile television specification DVB-H. Thanks to its ability to generate and adapt content, the Platform is able to very simply reduce the distance between the birth of the idea and the development of the content.

Teletext

Since the first of April 2006, Telecinco has been producing, distributing, managing and internally marketing the channel's teletext service. This has allowed for the introduction of chats and interactive services for programmes such as "Supervivientes" and "Gran Hermano".

Mobile

During the year, we have adapted and produced exclusive content for distribution via mobile telephone operators. The programming includes news and weather programmes as well as fiction series and variety shows, such as "Camera Café", "CQC", "Yo soy Bea" and "Aquí hay Tomate", produced exclusively for this medium.

Internet

The online news offered through the website of Atlas (www.atlas-news.com) has undergone a significant increase throughout 2006, improving and expanding the quality of the formats with a simpler and more attractive new design. These improvements were possible thanks to the capabilities of the multimedia platform, which allows for the distribution of content over such diverse channels as the Internet and mobile phones.

DTT

The quality and efficiency of the company's work system for Digital Terrestrial Television (DTT) has increased notably since the Central Control and Broadcast Centre was first inaugurated in July 2005.

DTT provides a sizable increase in the possibilities for distributing content by satellite, fibre optics, mobile phones and broadband Internet and manages the reception, production and delivery of content in digital format, increas-

ing the available added value services (interactive market services - MHP), offering useful information such as stock market quotes, traffic reports, weather reports and news bulletins.

The channels of the future are currently under design and scheduled to be launched prior to the so-called analogue blackout planned for 2010. These offer competitive content, not only for the DTT market, but also for the multimedia industry in general. Bridges will also be established between the content currently broadcast on the general channel and the digital theme channels.

The content and interactivity offered by DTT channels will increase as the use of these channels grows.

The technological development and innovation process launched by Telecinco has also allowed for major advances in other fields:

Improvements in materials traffic

There has been a significant reduction in the time and cost needed to exchange materials with collaborators, improving on existing processes. The materials sent to daily to agencies electronically are automatically stored in the digital file of Telecinco and is available to the production teams in a record time without the need for any additional operations

Digitalisation of the library

Telecinco continued in 2006 with the digital conversion of its library of past programme and shows, which it had begun last year. This digitisation not only allows us to avoid the deterioration of media stored on tape, but also provides huge improvements in documentation, cataloguing, marketing and access to the content. Also, digital content is accessible from any point without need of making copies, reducing costs and increasing the efficiency of the production process.



Digital works

In-line with the adaptation to more efficient production environments, in 2006 Telecinco began work on the design of a digital production system. The first pilot experience will be launched in 2007 and will be the basis for the future rollout of the rest of the station's productions.

Electronic invoicing

Management areas have also introduced new innovations such as the Digital invoice with electronic signature which had already been in use by Publiespaña to facilitate and speed up its collaboration with clients.

Other business lines

Telecinco's commercial department manages the audio-visual rights to the channel's productions, both domestically and internationally, as well as of the promotional materials associated to the programmes and series, among which we would highlight the launch of the DVD edition of "Vientos de agua", the first fiction series produced by Juan José Campanella, which has become the best-selling series with over 30,000 DVDs sold.

Telecinco has consolidated its leadership position in the Spanish multimedia market with the launch of "7 Vidas", "Los Serrano", "Motivos Personales", "Aída", "Camera café", "Yo soy Bea", "C.S.I. Miami" and "C.S.I. Las Vegas". Similarly, the new edition of "Operación Triunfo" has

launched music and videos of the performances, the publication of a bimonthly magazine, and the production of the CD collection "Las 100 mejores canciones de O.T.", among other products. In this area, we should also highlight the DVD and box set for practicing "Batuka" at home. For sport lovers, the commercial department has also launched the emotion of Formula 1 Racing in DVD format through the kiosk channel, which included a series of ring tones, logos and interactive games for mobile phones.

In the sale of rights, Telecinco has reached a new market milestone by opening the series "Aída", "Los Serrano", "Hospital Central" and "El Comisario" to the video-on-demand (VOD) channel through ONO and Imagenio. All of which can also be viewed on the theme channels FDF, Sony-AXN, Paramount Comedy, Universal Calle 13, Teuve and Multicanal, among others.

In the international market, Telecinco has sold rights to "Los Serrano" to Italy, Czechoslovakia and Finland; "Hospital Central" and "Motivos Personales" have been sold to Multivisión MVS for Mexico and Spanish-speaking channels in the US, while "Aída" has been incorporated into Sky Channel (Italy), placing Telecinco firmly in the sight of international broadcasters and distributors.

Operations in other group companies

Telecinco also participates in other important business lines, such as the signal distribution for news coverage, satellite broadcast and subtitling for television and cinema, through other group companies such as Atlas, Cinematext Media, Premiere Megaplex and Factoría de Ficción.

Atlas, Spain’s leading multimedia news agency

Atlas has consolidated its position as Spain’s leading supplier of news for television, a business in which it operates through two major business lines, the Agency service and the Broadcast area, both of which have registered record-breaking results in both income and number of subscribers.

In the news agency business, Atlas currently has over 200 clients as well as foreign correspondents and international

channels. The new clients signed in 2006 include Noticias Cuatro, La Sexta, CNN+, Canal Sur, Veo TV and Intereconomía TV, which now join Popular TV and the Vocento, Group, and over 100 local television stations belonging to diverse communication groups.

In 2006, Atlas surpassed the average of 60 daily coverages and made innovative tools available to users on its renovated website, www.atlas-news.com. Subscribers can use the site to view multimedia files prior to commercialisation, acquire fixed images obtained from video captures and



receive broadcast quality files for posting on the Internet without any additional satellite costs thanks to the implementation of a new video scrambling system.

These innovations represent a great opportunity for television stations of every stripe, mobile telephone channels, and digital media such as Elpais.com, As.com, Marca.com and 20minutos.es, just a few of the Agency's clients. Similarly, Atlas continues to supply audiovisual news to other digital media such as El mundo.es, Terra, and Ono.com, among others. In this regard, the volume of information available is of such a magnitude that in the six years that the Agency has been active it has compiled an archive of files in Internet formats that is unparalleled in Spain.

The Broadcast service, meanwhile, and the offer of direct signals have been a similar success for Atlas. The agency has been present at the most important events in 2006, such as the visit of Pope Benedict, the Malaya operation in Marbella and the World Cup in Germany, among others. The clients of the Atlas broadcast service include La Sexta, Cuatro, Antena 3, Real Madrid TV, TV3, Canal Sur, Telemadrid, ETB, Sky News, Sky Sports, Mediaset, and Eurosport, among others.

Telecinco, producer of the most ambitious and acclaimed Spanish films and box office hits

Telecinco, through the subsidiary Estudios Picasso, continued in 2006 with its firm commitment to the Spanish film industry with the production of a very select range of films with an emphasis on quality and profitability.

This year saw two major premieres with "Alatriste" and "El Laberinto del Fauno" (released as Pan's Labyrinth in English). The first, directed by Agustín Díaz Yanes and starring Viggo Mortensen, Ariadna Gil, Javier Cámara, Juan Echanove, Unax Ugalde and Elena Anaya, among others, has been acclaimed as the best cinematographic production in the history of Spanish film with a budget of 24 million euros. The film is based on the novel by Arturo Pérez Reverte and has become Spain's greatest box office hit among Spanish films in 2006, bringing in receipts of 16.5 million euros from an audience of over 3,150,000 people. "Alatriste" (Goya Awards for Best Artistic Direction, Best Production Management, and Best Costume Design) close the year as the fourth grossing movie in Spanish cinemas.

The critically acclaimed "El Laberinto del Fauno", directed by Guillermo del Toro, was also a huge success at the box office, grossing over 8 million euros in Spain and over 35 million dollars in the United States, where it ranked as the fourth highest grossing Spanish-speaking movie in the history of the American film industry. "El Laberinto del Fauno" was also shown in all of the international markets of Europe, South America and Asia, including Japan. The motion picture starred Ivana Baquero, Doug Jones, Sergi López, Ariadna Gil, Maribel Verdú and Álex Angulo and received strong backing by national and international critics, resulting in numerous awards and nominations:

- 3 Oscars (Best Artistic Direction, Best Photographic Direction and Best Makeup)
- 7 Goya (Best New Actress -Ivana Baquero-, Best Original Screenplay -Guillermo del Toro-, Best Editing, Best Sound, Best Photography, Best Special Effects and Best Makeup and Hairdressing)
- Fotograma de Plata for Best Spanish Film.
- 3 BAFTA awards –considered as the British Oscars- for A Film Not in the English Language, Costume Design, and Makeup and Hair

- Satellite Award and the National Society of Film Critics award in the United States for the Best Film, among other awards.

Similarly, Estudios Picasso premiered “Los Managers”, a road movie directed by Fernando Guillén Cuervo about two unemployed middle-aged men who suddenly find themselves as the managers for two promising young singers, and “Volando Voy”, directed by Miguel Albaladejo and telling the story of the famous young criminal known as “El Pera”.

This year also saw the completion of the filming of a total of 10 feature length films and a documentary on the life of Maradona. The first to be shown, in January 2007, was “La caja de Kovak”, a thriller starring Timothy Hutton and Lucía Jiménez directed by Daniel Monzón. This was followed by the release of the comedy “Días de cine” directed by David Serrano and starring Nathalie Poza, Fernando Tejero and Malena Alterio, among others.

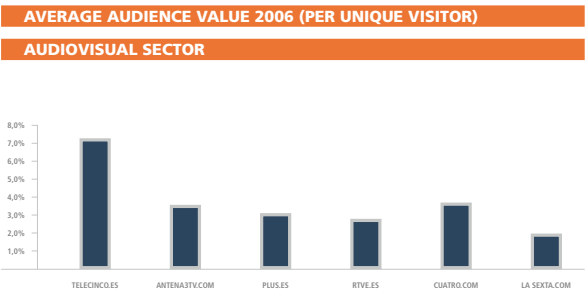
Telecinco has also participated in other projects, such as “El orfanato”, a horror film directed by Juan Antonio Bayona and starring Belén Rueda, Geraldine Chaplin and Daniel Jiménez Cacho; “Ladrones”, a film by Jaime Marques in which Juan José Ballesta plays a young thief that falls in love with a wealthy young girl; “Salir pitando”, a comedy directed by Álvaro Fernández Armero and starring Guillermo Toledo and Javier Gutiérrez; “El rey de la montaña”, directed by Gonzalo López-Gallego and starring María Valverde and Leonardo Sbaraglia; “Escalofrío”, from Isidro Ortiz; “Santos”, starring Elsa Pataky and Leonardo Sbaraglia; “Casual day”, a comedy Arturo Valls and Albarto San Juan in the starring roles, and “Un buen día lo tiene cualquiera”, from the director Santiago Lorenzo.

Telecinco.es, leader in the online audiovisual industry

2006 was a year of further consolidation in Telecinco’s Internet project, implemented through the company Europortal Jumpy España S.A.

The global audience figures once again place the station as the undeniable leader among television websites in Spain, with an average of 2.5 million unique visitors per month, 85 million visits, and over 1000 100 million page hits, and over 26 million videos downloaded.

Despite the entrance into the market of new competitors, Telecinco has also consolidated its leadership in the home access segment according to Nielsen Netratings, which show an cumulative increase of over 1.5 million unique visitors over the previous year, placing Telecinco far in front of its competitors.



This leadership was achieved thanks to the combination of two main factors. Firstly the integration of the audiovisual content on the Web, which has allowed for significant growth in the entertainment portal and sites associated

to competitions such as “Operación Triunfo” and “Gran Hermano” and popular series such as “Hospital Central”, “Los Serrano” and “Yo soy Bea”, among others.

There has also been a huge effort in innovating and strengthening the interaction with the users of Telecinco. es with the launch of blogs and tools that complement the traditional features such as chats and message boards. There are also applications that allow users to generate content, such as that for “Yo soy Bea” at www.yotambien-soybea.com, a very popular website visited by over one million users since August 2006 (7 million page hits), which allows users to post their photographs and distort them in a fun manner using a simple application. The site also includes a blog where the star of the show talks about her experiences in the series and receives input from the “ugly” users. In total, over 17,000 comments have been posted and users have shared over 33,000 morphed photos.

In 2006, Telecinco also launched an interactive institutional campaign to increase awareness of the attributes that constitute “the strength of cinco”, a young independent television station that is optimistic, brave and original, according to its viewers. To this end, the station created www.lafuerzadelcinco.com, a micro-site that awards the loyalty of users with trips to New York, Miami and Las Vegas, the scenario for “C.S.I.”, as well as other prizes. Once again, Telecinco was able to get in tune with its public through the web, with a total of over 22,000 visitors and almost 200,000 patients during the three weeks that the campaign was active.

The success of Telecinco.es has also benefited from two projects launched in 2005 which, throughout 2006, have consolidated their position on the web: InformativosTelecinco.com and Bolsacinco.com.

InformativosTelecinco.com, a site that provides continuous access to updated news 24 hours a day, has also bet on interactivity and multimedia content this year. The various blogs created promote debates and participation by users who can leave their comments, questions and opinions on current events in real time. The site also offers a tool that makes it easy to send multimedia content, and allows the news programmes to use the content in their reports. The design and content of InformativosTelecinco.com has also been renovated, with greater content dedicated to Formula 1, creating a new communication channel where fans and automobile experts get together with the team from the sports desk that make the show possible on Telecinco.

Bolsacinco.com, one year of providing financial information

Bolsacinco.com has completed its first year of service in 2006 with figures that demonstrate the website’s progressive introduction into the financial industry. During the year the site recorded 57 million page hits and close to 2 million unique visitors.

Since its launch, Bolsacinco has offered updated information and numerous exclusive reports, as well as a wide range of investment services, news and opinion. The site also offers a message board where listed companies can interact with industry professionals. The number of registered users has increased at a rate of 40 new users per day to close the year at 16,000.





CORPORATE GOVERNANCE



1. Corporate Governance in Telecinco

In May of 2006, the Spanish National Stock Market Commission (CNMV for its Spanish initials) approved the Unified Code of Good Governance of Telecinco which contains, in a single document, all of the corporate governance recommendations existing on both the national and international level. A large number of the recommendations mentioned in the new document have already been included in the Bylaws and Articles of Association and in the Regulations of Telecinco. The foregoing notwithstanding, and despite the fact that the new Code will not come into force until the presentation of the 2008 report, the Board of Directors of Telecinco has assumed the commitment of continuing to advance in maintaining the company at the highest possible level of compliance with the rules and recommendations for good corporate governance and has already put into place the measures needed to incorporate the new recommendations gradually so that the level of compliance in 2007 will be as complete as possible.

We have summarised below the most relevant characteristics of the corporate governance system in Telecinco, including the measures implemented in compliance with the recommendations of the Unified Code of Good Governance developed in 2006.

2. Shareholder rights

Absence of any restrictive measures on the rights of the shareholders

The Bylaws and Articles of Association and the Regulations of the Annual General Meeting do not contain any limitation on the maximum number of votes that can be cast by

a single shareholder or any antitakeover measures which could result in an unequal treatment of shareholders or prevent the acquisition of a controlling interest.

Rights to information

Prior to the publication of the notice of the Annual General Meeting, the Board of Directors publishes the estimated date of the AGM on the company website. The notice, in addition to containing all legally required information, informs shareholders of the possibility of requesting the delivery or shipment of copies of all documents relating to the items on the Agenda free of charge, including the full text of all proposed resolutions submitted to the Board of Directors, the Annual Report on Corporate Governance, and any other document which will be submitted to a vote.

Similarly, shareholders are reminded of their right to request clarifications and to ask questions in writing on the items in the Agenda or on any public information sent by Telecinco to the Spanish National Stock Market Commission since the last Annual General Meeting of Shareholders. The responses to such questions will be published on the Telecinco website.

The notice also reflects the right of those shareholders representing, at least, five percent of share capital to request the inclusion and publication of additional items or matters on the Agenda using a supplement.

Article 8 of the Regulations of the AGM establishes the mechanisms that Telecinco makes available to shareholders to facilitate exercising their rights and reflects those specific cases in which the Board of Directors is not required to provide information or clarifications when requested. Said exemption may be overruled when the request is supported by shareholders representing at least twenty-five percent of share capital.

In addition to the right to prior information, all shareholders attending the meeting will receive, upon entrance, all of the documentation to be debated in the meeting together with the Corporate Governance Report, Corporate Social Responsibility Report and, in general, all other documentation made available to shareholders since the date of publication of the notice for the meeting.

Likewise, the shareholders so requesting may actively participate in the meeting and formulate the questions, requests for information and clarifications as they may deem appropriate. Article 22 of the Regulations for the Annual General Meeting amply cover the right to intervene during the celebration of the General Meeting of Shareholders.

To facilitate the exercise of this right, the General Secretary shall enable a space, at the location of the AGM, where the shareholders wanting to actively participate must identify themselves when so required by the Secretary in order for their participation to be literally reflected in the Minutes. For said purpose, the text of the shareholders' involvement must be provided in writing. Shareholders shall intervene in the order and when called by the Secretary.

Responses to the shareholder queries or comments may be made by any of the members of the Board of Directors, the Secretary, or any other executive expert in the particular matter.

In the event of the impossibility of satisfying the right of the shareholder during the meeting, the Board of Directors shall provide a response in writing within the first seven days following the date of the meeting.

Right to attendance

Pursuant to the Bylaws and article 13 of the Regulations of the General Meeting, shareholder meetings may be attended by shareholders of record with at least 100 shares as recorded in the records of the Company at least five days prior to the date of the meeting.

Shareholders with fewer than 100 shares may form groups with a total holding of at least 100 shares and appoint one of their number or a third party to act as proxy for the entire group. Alternatively, such shareholders may confer their representation upon another shareholder with the right to attendance who would then represent the sum total shares in conformity with the law.

Nonetheless, as part of its commitment to strengthen the rules of corporate governance, the Board of Directors shall propose to the shareholders in the 2007 AGM, among other things, to modify the bylaws and eliminate the need to hold a minimum number of shares in order to have the right to attendance.

The primary change introduced into the AGM held in 2006 was the ability for shareholders to delegate their vote to a proxy by remote means, both physical mail and electronic.

Accordingly, following the change wrought by introducing remote appointment of proxies, not necessarily to another shareholder, proxies may be appointed by the following means:

- By means of a public document which shall contain the agenda, the instructions for exercising their right to vote and an indication of the manner in which the proxy should vote if no specific instructions are given, subject, in such a case, to that specified by law.
- By means of remote communications media: physical mail or electronic. Shareholders desiring to delegate

their vote must fill in the proxy form sent to their residence by Telecinco. The delegation may be made in favour of the Chairman of the Board of Directors or to a third party. In either case, all proxy forms that do not expressly name the person to act as proxy shall be understood to refer to the Chairman of the Board of Directors.

In the AGM of 2006, 1099 shareholders used the remote voting system by physical mail or electronic means.

The Board of Directors has assumed the commitment to approve the incorporation of new measures relating to proxies and remote voting over communications media in order to make it as simple and comfortable as possible for shareholders to exercise their rights in the meeting to be held in 2007.

3. Board Of Directors

Composition of the board of directors

The size and composition of the Board of Directors conforms to the recommendations contained in the Unified Code. There are 13 members, two of which are company executives and the remaining 11 are an external directors. The external directors can be either representational or independent and have an ample majority over the executive directors. All directors are either independent, representational, or executive. Representational directors are those that represent major shareholders.

The number of independent (4) and representational (9) directors on the Board depends on the composition of the shareholder base of Telecinco. Currently 63.135% of share

capital is held by two shareholders and the current representation on the Board of Directors attempts to reflect this situation as closely as possible. The number of independent members of the Board of Directors reflects the minimum required under the Unified Code, specifically one third of the total members.

STRUCTURE OF THE GOVERNANCE AND ADMINISTRATION OF THE COMPANY			
Mr. Alejandro Echevarría Busquet	Representational	External	Chairman
Mr. Paolo Vasile	Representational	Executive	CEO
Mr. Giuseppe Tringali	Representational	Executive	CEO
Mr. Pier Silvio Berlusconi	Representational	External	Member
Mr. Marco Giordani	Representational	External	Member
Mr. Alfredo Messina	Representational	External	Member
Mr. Giuliano Adreani	Representational	External	Member
Mr. Fedele Confalonieri	Representational	External	Member
Mr. José M ^a Bergareche Busquet	Representational	External	Member
Mr. Miguel Iraburu Elizondo	Independent		Member
Mr. Angel Durández Adeva	Independent		Member
Mr. Borja de Prado Eulate	Independent		Member
Mr. José Ramón Álvarez-Rendueles	Independent		Member

SHAREHOLDER STRUCTURE OF THE COMPANY					
NAME	DATE OF FIRST APPOINTMENT	DATE OF LAST APPOINTMENT	DIRECT SHARES	INDIRECT SHARES	% OF TOTAL SHARE CAPITAL
Mr. Alejandro Echevarría Busquet	15-05-1996	29-03-2004	10,540	0	0.004
Mr. Paolo Vasile	29-03-1999	29-03-2004	6,369	0	0.003
Mr. Giuseppe Tringali	29-03-2004	29-03-2004	0	0	0
Mr. Pier Silvio Berlusconi	07-05-2003	29-03-2004	0	0	0
Mr. Marco Giordani	07-05-2003	29-03-2004	0	0	0
Mr. Alfredo Messina	30-06-1995	29-03-2004	0	0	0
Mr. Giuliano Adreani	26-09-2001	29-03-2004	0	0	0
Mr. Fedele Confalonieri	21-12-2000	29-03-2004	0	0	0
Mr. José M ^a Bergareche Busquet	17-03-2000	29-03-2004	0	0	0
Mr. Miguel Iraburu Elizondo (*)	20-05-2004	20-05-2004	3,296		0.001
Mr. Angel Durández Adeva	20-05-2004	20-05-2004	6,237	0	0.003
Mr. Borja de Prado Eulate	28-07-2004	28-07-2004	490	5,050	0.002
Mr. José Ramón Álvarez-Rendueles	28-07-2004	28-07-2004	3,000	0	0.001

(*) After 31 December 2006, director Miguel Iraburu Elizondo executed the following operations: (i) 2 January 2007, sale of 3269 shares, (ii) 8 January 2007, acquisition of 134,600 shares. With these operations, he currently holds 134,600 shares of Telecinco, representing 0.055% of share capital.

There were no vacancies on the Board of Directors during 2006, so no elections of officers will take place during this year's annual general meeting. In any case, the Appointment and Remuneration Committee has reviewed the current situation of all members of the Board of Directors and confirmed that all continue to comply with the requirements in force when appointed; none have links to significant shareholders, or members of the executive team, and all are renowned professionals.

The Board of Directors is chaired by an external director that is not an executive. The Secretary maintains the Minutes for all meetings held. Resolutions are adopted in conformity with that established in the Regulations and Bylaws and all minutes of the meetings of the Board of Directors, associated Committees, and the Annual General Meeting are revised by the account auditors of Telecinco.

During 2006, the Board of Directors had met in accordance with the schedule established under article 23 of its Regulations. A total of six meetings were held and practically all were attended personally by all the members themselves. All resolutions were adopted unanimously. No meetings were held without the presence of the non-member Secretary.

Prior to holding the meetings of the Board of Directors, all members were provided with the information relating to the items on the Agenda. To date, no member has required any additional documentation or external advice.

Similarly, during the year the Board has initiated a process to review its Regulations in order to adapt them to the new recommendations on corporate governance. This process is expected to be completed during 2007.

Remuneration policy

Directors' fees are specified under article 56 and 28 of the Bylaws and the Regulations of the Board of Directors. It should be noted that, in line with the mentioned commitment of Telecinco to incorporate the rules of good corporate governance, the Board of Directors plans on submitting a proposal to the Shareholders to modify said articles, among others. If approved by the Shareholders, the proposed modifications would result in greater publicity and transparency in the preparation of the remuneration policy for company directors.

The process begins in the Remuneration and Appointment Committee, which is charged with the preparation of the proposed remuneration policy for directors and senior executives. This proposal must be approved by the Board of Directors and, ultimately, by the shareholders in the General Meeting, all in conformity with applicable legal requirements.

The Annual General Meeting, as a body, is responsible for establishing the maximum amount that the company shall pay to directors for fees and expenses, as well as the award

of any stock options. Once the global amount is approved by the Shareholders, the Board of Directors distributes it among its members in conformity with their dedication throughout the year.

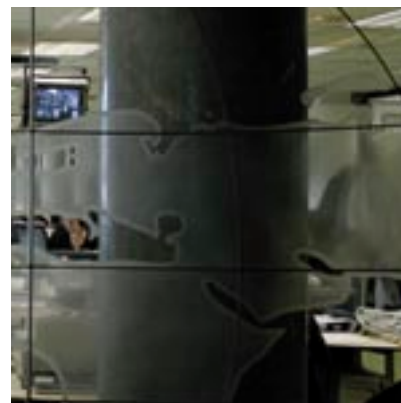
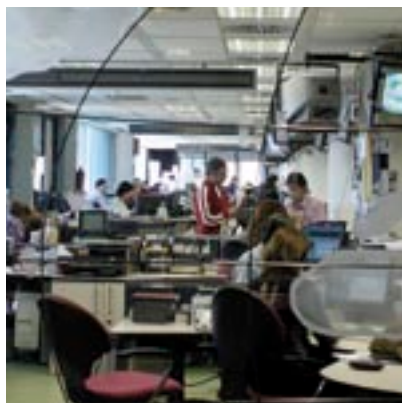
Remuneration system used by the Board of Directors during 2006

The remuneration system in 2006 was the same as that applied during 2005, with the main change being the publication of an individualised breakdown of the amount received by each director.

Directors fees and subsistence allowance

The amount received by each of the members of the Board of Directors for the concept of annual directors fees is 50,000 euros. The total amount paid to directors for this concept was 650,000 euros.

The total amount paid to each director as a subsistence allowance for attendance to the meetings of the Board of Directors and the associated Committees was 2500 euros. The Chairman of the Board of Directors and the Chairmen of the Committees received twice that amount.



The total amount paid for this concept in 2006 was 401,000 euros.

The Board of Directors agreed to grant its Chairman an additional annual bonus due to his special dedication consisting of a fixed and variable amount equalling 796,000 euros, complemented with 67,250 stock options which can be exercised after 26 July 2009 and provide the right to buy one share each at a fixed price of 18.57 euros.

Directors fees for executive directors

In addition to the above concepts, given their condition as executive directors, the two CEOs also receive the following remuneration:

THOUSANDS OF EUROS	
Fixed	960
Variable	1235
Stock options	269,000

During 2005, as part of the Stock option plan, each of the executive directors received 108,000 stock options for one share each which can be exercised after 27 July 2008 at a share price of 19.70 euros. As of the date of the close of 2006, each of the executive directors held 242,500 stock options on an equal number of Telecinco shares.

None of the above stock options have been exercised in 2006, nor have any modifications been made to the conditions applicable thereto.

Additionally, the executive directors have received payments in kind for a total of 53,000 euros. This includes the amounts derived from housing rental, vehicles, and life and medical insurance.

Remuneration for membership in other Boards of Directors of other companies within the Telecinco Group

None of the Directors of Telecinco have received any remuneration for belonging to other boards of directors.

Insurance systems

On behalf of the two executive directors, the company has paid annual premiums of 21,000 euros for life insurance, covering disability and death, and for medical insurance.

As in 2005, no contributions were made to any pension funds or pension plans on behalf of any of the members of the Board of Directors in 2006.

Loans and advances

As in the previous year, at the close of 2006 there were no loans or advances granted by the Company in favour of any of the members of the Board of Directors.

The concepts for which the members of the Board of Directors received the specified remuneration in 2006 are as described above. The individualised breakdown for each member of the Board of Directors is as follows:

REMUNERATION OF THE DIRECTORS										
NAME	POSITION	THOUSANDS OF EUROS								STOCK OPTIONS GRANTED
		FIXED REMUNERATION	SUBSISTENCE ALLOWANCE	FIXED BONUS	VARIABLE BONUS	FIXED REMUNERATION FOR MANAGEMENT FUNCTIONS	VARIABLE REMUNERATION FOR MANAGEMENT FUNCTIONS	PAYMENT IN KIND	TOTAL	
Mr. Alejandro Echevarría Busquet	Chairman of the Board of Directors	50	55	488	308				901	67250
Mr. Paolo Vasile	Chief Executive Officer	50	27			498	618	25	1218	134500
Mr. Giuseppe Tringali	Chief Executive Officer	50	27			462	618	28	1185	134500
Mr. Alfredo Messina	Director	50	28						78	
Mr. Fedele Confalonieri	Director	50	44						94	
Mr. Marco Giordani	Director	50	25						75	
Mr. Pier Silvio Berlusconi	Director	50							50	
Mr. Giuliano Adreani	Director	50	44						94	
Mr. José M ^a Bergareche Busquet	Director	50	38						88	
Mr. Ángel Durández Adeva	Independent Director /Chairman of the Audit and Compliance Committee	50	39						89	
Mr. Miguel Iraburu Elizondo	Independent Director /Chairman of the Appointments and Remuneration Committee	50	44						94	
Mr. Borja de Prado Eulate	Independent Director	50	17						67	
Mr. José Ramón Álvarez-Rendueles	Independent Director	50	14						64	

Committees of the Board of Directors
Executive Committee

This committee is comprised of seven members, all directors of Telecinco and appointed by the Board of Directors with at least the favourable vote of two thirds of the Board. The committee is governed by the same Regulations applicable to the Board of Directors.

The Committee meets, at least, four times per year and at any other time as may be deemed appropriate by the Chairman. The chairman May also suspends some or any of the ordinary meetings when deemed appropriate. The Executive Committee has all of the powers inherent in the Board of Directors with the exception of those which cannot be delegated by law. The agreement adopted by the Committee are submitted to the Board of Directors in the first following meeting.

Four meetings were held in 2006, with Minutes being prepared for each. The Board of Directors was properly advised of all resolutions adopted. All of the meetings were attended by all members.

Alejandro Echevarría Busquet	Chairman
Giuseppe Tringali	Member
Giuliano Adreani	Member
Miguel Iraburu Elizondo	Member
Paolo Vasile	Member
Fedele Confalonieri	Member
José María Bergareche Busquet	Member

Audit and Compliance Committee

Although the Unified Code does not expressly mention the need for specific Regulations for committees, given the wide scope of the new powers attributed it has been decided to incorporate the new recommendations in the specific regulations approved in 2006. These regulations

complement and complete that contained in the Regulations of the Board of Directors.

The Audit and Compliance Committee is an especially important body with functions that include not only an advisory capacity, but also oversight and control of many highly relevant aspects such as the preparation of the annual accounts, the financial statements and other information published periodically, the approval of the Internal Audit Plan, and, recently, it has also been charged with greater supervision of everything relating to the internal audit department, the external auditor, and the risk policy, among others. The Committee, chaired by an independent director, does not include any executive directors and operates with complete independence and autonomy from the governing bodies of the Company.

Ángel Durández Adeva	Chairman
Fedele Confalonieri	Member
Giuliano Adreani	Member
José María Bergareche Busquet	Member
Marco Giordani	Member
Alfredo Messina	Member

During 2006, the Audit and Compliance Committee had met four times, with all members attending each meeting. All of the resolutions adopted and the activities performed are included in an Activity Report which is published on the Telecinco website.

Appointments and Remuneration Committee

As in the previous case, following the publication of the Unified Code, the Board of Directors approved a new Regulation which expands the functions of this Committee to such areas as establishing the basic lines for the remuneration of directors and senior management. During the year, the Appointments and Remuneration Committee submitted

a proposal for a report on the remuneration of directors to the Board of Directors. This proposal will be submitted to the Shareholders for a vote in the upcoming AGM.

Miguel Iraburu Elizondo	Chairman
Fedele Confalonieri	Member
Giuliano Adreani	Member
José María Bergareche Busquet	Member

The Appointments and Remuneration Committee met four times during 2006, with all members attending in each. The report on the activities and agreements adopted by the Committee are included in the Remuneration Policy Report published on the Telecinco website.

The regulations for the Audit and Compliance Committee and for the Appointments and Remuneration Committee are both included on the Telecinco website: www.telecinco.es.

Information to directors

The Regulations of the Board of Directors and the recent Regulations of the Audit and Compliance Committee govern the procedure that must be followed by the members when requesting external advice or consulting. Article 6 of the Regulations reads as follows:

In order to receive aid and assistance in the performance of their functions, any director may request the contracting, at the expense of the Company, of legal advisers, accountants, technicians, financial advisors, commercial consultants, or other experts.

The mandate must be for specific problems of a search and entity and complexity that arise in the performance of their duties.

The request shall be channelled through the Chairman or the Secretary of the Board of Directors, who may submit it for the prior authorisation of the Board. The request may be rejected when there exists sufficient justification, for example:

- If the request for expert assistance is not necessary for the proper performance of the functions entrusted to the directors.
- If the associated costs are unreasonable in light of the magnitude of the problem and the financial situation of the Company.
- In the case of technical assistance, if such assistance can be appropriately provided by the experts and technicians employed by the Company.
- If, for reasons of confidentiality, it is inadvisable for the expert in question to access sensitive information.

Article 24 of the Regulations of the Board of Directors establishes that notices for meetings shall always include the Agenda and shall be accompanied by duly prepared and summarised relevant information. The notice and the accompanying information shall be delivered at least five days before the date scheduled for the meeting.

Additionally, article 29 expands the right to information of directors to that not directly relating to the items on the Agenda for the Meeting, including any other information regarding any aspect of Telecinco, such as its account books, records, documents and other information on corporate operations, as well as to the inspection of all facilities and installations and communications with the senior management of Telecinco.

Article 29 establishes that the right to information shall be channelled through the Chairman, the Chief Executive Officer, or the Secretary to the Board of Directors, who shall answer the request of the directors by directly providing the requested information, identifying the appropriate

intermediary, or establishing the measures needed so that the desired examinations and inspections may be carried out in situ.

Incompatibilities and conflicts of interest

Telecinco has always been especially scrupulous in the handling of situations of conflict of interest or the incompatibility of directors, establishing for said purpose the appropriate Regulations for the Board of Directors as well as an Internal Code of Conduct that expressly govern these matters, among other things.

Accordingly, above and beyond the mere duty of information established in Spanish corporate law, the Regulations of the Board of Directors establishes the prohibition for its Directors to render professional services to companies with a corporate object that is totally or partially analogous to that of the Company or of any of the companies of the Telecinco Group.

The Regulations, and especially the Internal Code of Conduct, establish the mechanisms to be followed in the case of a conflict of interest. Said mechanisms establish the obligation to abstain from any decisions or accessing confidential information impacting on said conflict. The directors must commit themselves in writing to always act with complete independence in their activities and to inform the Regulatory Compliance Department of any conflict of interest to which they may be subject due to their activities outside of the Telecinco Group, their family relationships, their personal patrimony, or to any other situation with: (i) persons with similar or analogous activities as those of the Telecinco Group and coincide with the channel in the same markets, or with (ii) external advisors and providers of professional services of the Telecinco Group.

The Regulations of the Board of Directors also establish those situations in which, due to a conflict of interest, the director must abstain from participating in deliberations and votes. The directors may only perform professional or commercial transactions with the company in those cases in which a prior report has been prepared by the Appointments and Remuneration Committee approving the relevant transaction.

4. Risk Policy

The Internal Audit service promotes Risk Management through the preparation of an Annual Internal Audit Plan which, upon proposal of the Chief Executive Officers, is submitted to the Audit Committee for approval.

In response to the growth in operations and the initial public offering of the Company's stock, and the firm desire to rank among the best practices in the industry in corporate governance, the company has recently launched a project to design and implement an integral risk management model in order to redefine the corporate risk management policies. To this end, we have resorted to the external assistance of a prestigious consultancy in accordance with the principles of "COSO II Enterprise Risk Management".

The specific objectives of the integral risk management model project are as follows:

- Understand and evaluate the current approach to Risk Management in Telecinco and the level of integration of the aspects specified in COSO II;
- Build the Risk Profile of the Company, where Telecinco is in relation to the primary risks, prioritisation of the risks and identification of existing mechanisms for risk mitigation;

- Analyse the existing level of organisational and technical support and the processes available for Risk Management within the Telecinco Group;
- Carry out a survey of the Risk Culture among group companies to evaluate the alignment of management with the principles of the Company regarding ethics, enterprise management, and people;
- Evaluate the risk environment faced by the Group;
- Design the conceptual framework for the Integral Risk Management model based on the environment and, lastly
- Implement a tool to assist in an appropriate management of identified risks and as support for the risk function of the Group.

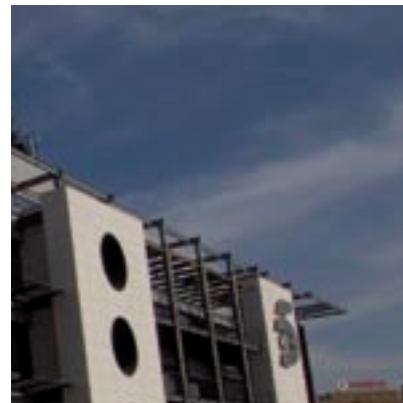
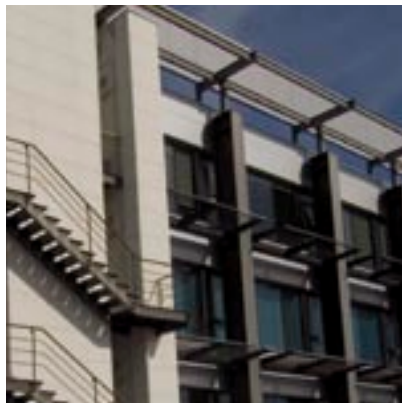
The approach used to build the model is divided into three different phases:

- Analysis of the current situation by means of interviews with senior management and the chief executive officers in order to identify and compare the risks, and specific interviews for the evaluation of Risk Management. Additionally, an analysis has been performed of the existing information published and a survey of the Risk Culture among selected personnel of the Group.

- Design of the Risk Management Function more closely aligned to the reality of Telecinco and adapted to the management and development needs of the Function.
- Implementation of a computer tool to identify, monitor, prioritise and manage the risks faced by the Group.

Internal Audit is in charge of the evaluation, control and monitoring of those business risks identified for each of the General Divisions of Telecinco, grouping the risks based on their nature in accordance with the following classification:

- Strategic Risks: Those risks relating to the Group's objectives and aligned with the mission of the Group;
- Operating Risks: Those relating to the efficient use of the resources of the Group;
- Reporting Risks: Those risk relating to the reliability and integrity of reporting, both internal and external, financial or otherwise, provided by the Group to its stakeholders, and
- Compliance Risks: Risks relating to the Group's compliance with applicable laws and regulations.



Risks are prioritised based on the probability of occurrence and the impact of the materialisation of the threat, evaluating the impact from the point of view of each of the four risk classifications mentioned above.

The risk management model implemented by the Telecinco Group defines the policies, practices, procedures and control responsibilities for the different Risks. Similarly, the model has the appropriate tools for the proper development of the model and for the definition of the risk management processes of the company. These processes are:

- Risk identification

Carried out on the division level by the owners of the processes and verified by senior management. This implies the identification of possible internal or external events that impact on the Company achieving its objectives, distinguishing between those events that represent risks and those that represent opportunities, or any combination of the two.

- Risk evaluation

The risks identified are analysed in order to establish a basis for the manner in which they will be managed, associating each to the objective upon which it may impact. The qualitative metrics weigh the risks based on the probability of occurrence and the impact of the materialisation of the event or threat in each of the four classifications identified. Similarly, the risk appetite is determined based on the strategy and objectives of the Entity. Risk appetite measures the level of risk that the Entity is willing to assume in order to achieve the objectives of each management area.

- Response to risks

Internal Audit and the Division evaluate the possible responses to the risks: avoid, accept, reduce or share. Division management selects a set of actions and control activities to place the risks in line with the respective appetite and tolerance accepted by the entity.

- Control activities

Internal Audit, in conjunction with each of the Divisions, establishes the control activities needed to assure that the responses to the risk selected by the Division are implemented efficiently. The action plan with the implementation of control activities and subsequent follow-up on efficiency and effectiveness form part of the Risk Management System.

- Monitoring of risks

Enterprise risk management is always supervised by implementing any modifications that may be necessary. In this way the entity can react dynamically and change in response to changes in circumstances. This supervision is carried out through the permanent activities of the Division, supported by Internal Audit by carrying out independent evaluations of Risk Management.

5. Corporate website

Since the Telecinco IPO, the Company has offered its shareholders –the current format conforming to the Law on Transparency– a corporate website that contains and organises all of the corporate, institutional and financial information of the company in an interactive format accessible by all shareholders year-round, and not only when shareholder meetings are called. The contents of the Telecinco website are freely available for consultation in both Spanish and English.

The corporate website is being updated this year in order to adapt its content to the requirements derived from the recent recommendations on corporate governance.



CORPORATE SOCIAL RESPONSIBILITY





Corporate Social Responsibility in Telecinco: approach, strategy and organisation

Telecinco understands Corporate Social Responsibility (CSR) as an integral commitment that affects every aspect of the activities of the station and all of its relationships with stakeholders. Accordingly, Telecinco resolutely seeks the integration of this commitment within its strategy, across all lines of activity and all business units.

To this end, we have created the Corporate Social Responsibility Department answering to the General Secretariat of the Board of Directors. The CSR department is responsible for the coordination of all areas involved in the management of corporate social responsibility, excepting the initiative “12 meses, 12 causas” (12 months, 12 clauses) and the associated Foundation. These activities, as social advertising activities, are managed by the Communications and External Relations Department, which answers directly to the Chief Executive Officer. This organisational structure places CSR at the highest level of decision-making within the company.

Telecinco understands that within, the current context of sustainability, communications media companies face different risks and have different opportunities than companies in other industries. Accordingly, Telecinco’s corporate social responsibility agenda incorporates these peculiarities, converting them into new challenges that require new solutions, with the conviction that the communications media will be decisive in the search for these solutions.

Telecinco is aware that it is only taking its first steps on the path to permanent improvement, year by year expanding its commitment to corporate social responsibility. Along these lines, it should be noted that in 2006 the station subscribed to two initiatives: the United Nations Global

Compact in support of universal environmental and social principles and the Global Reporting Initiative on transparency and accountability.

Telecinco stakeholders

Maintaining open channels of communication with stakeholders is fundamental for any company operating in a competitive environment. This becomes even more necessary for communications media companies given their permanent connection with the needs, preferences, expectations and priorities of society in general, which impacts, to a large extent, on the possibilities for the success of a television station such as Telecinco.

Accordingly, our commitment to our stakeholders is one of the pillars upon which the corporate social responsibility of the company is supported. The stakeholders identified by Telecinco are listed below. We have also included the descriptions of the communications and dialogue channels that we currently maintain with each. Additionally, it should be noted that one of the objectives of Telecinco for 2007 is to perform a general survey of stakeholder groups in order to further improve our next Annual Report on Activities, Governance and Corporate Social Responsibility by identifying the subjects that are most relevant for each group regarding our CSR performance and to answer, to the extent possible, the main stakeholder concerns.

To identify its stakeholders, Telecinco analyses all individuals, groups and institutions on which its activities have a significant impact and which, in turn, have a significant influence on the results obtained by the company. We maintain a permanently open, and often personalised, communications channel with each.



Employees. Telecinco's human resources are one of the channels most important stakeholder groups. During 2006, Telecinco continued in its efforts to improve the labour conditions of its employees. The specific section of this report on this stakeholder group contains more information on the company's employees and the communications channels that are available to them.

Shareholders. The channel's corporate strategy, based on transparency, is one of our most important assets in our relationship with shareholders. This strategy places a strong emphasis on maintaining the trust that the shareholders have continued to grant Telecinco since our initial public offering in 2004. The company maintains a permanent dialogue with shareholders through the Investors Relations Department, which, among other activities, is responsible for disseminating our quarterly reports among financial analysts, institutional investors and individuals, as well as for complying with reporting requirements with the stock exchange and the Spanish National Stock Exchange Commission (CNMV). The information, once reported to the CNMV, is also published on the station's website. Our efforts in this regard led to the channel being named as one of the "The top European shareholder-friendly companies of 2006", in the ranking published in June of 2006 by the magazine Institutional Investor.

Advertisers. In broadcast television, advertising is the primary source of income. Accordingly, the relationship with advertisers is of strategic importance in the industry. One of our most notable efforts in this regard was the signing of the Agreement on the Procedures for the Commercialisation and Management of Advertising Spaces on National General Television Stations with the Spanish Association of Advertisers (AEA) in 2005, the primary framework governing the relations between Telecinco and this collective.

Another of the channel's commitments with advertisers is the "Allocation Guarantee" (GARAD), which guarantees advertisers that their advertising campaigns will be broadcast on Telecinco with the precedence established by agreement between the parties. This year, the company has also made an effort to assign each product with a specific cost based on its real value, the added value, demand, and associated service level. This strategy has helped Publiespaña to consolidate its price leadership throughout 2006.

Viewers. The audience is a priority stakeholder group for any communications media. Within this group, we distinguish the relationships between the public and the intermediaries, and between the public and the channel. Regarding the latter, and given that both Telecinco and Publiespaña have assumed the commitment of offering news, entertainment and advertising that conforms to criteria of honesty, veracity, independence and responsibility, we have various commitments to codes of conduct subscribed with the Association for the Self-Regulation of Commercial Communications (Asociación para la Autorregulación de la Comunicación Comercial - www.autocontrol.es), a watchdog group that oversees broadcast advertising in the benefit of advertisers, consumers, and society in general. Publiespaña is a member of the Association.

In addition, on 9 December 2004 Telecinco subscribed to the so-called Code for the Development of Self-Regulation of Television Content and Children (Código de Autorregulación de Contenidos Televisivos e Infancia - www.tvinfancia.es) and at the same time signed an agreement with the government to promote the code.

The Self-regulation Code attempts to reconcile the legitimate financial (and audience) objectives of television stations with the obligation to protect minors as established under the Spanish constitution and widely demanded by society. Although the protection of minors with respect to

television programs and advertising is governed by numerous rules and laws on both the Spanish and EU level that are mandatory for television operators, the Code represents a voluntary and complementary commitment of television stations to:

- Define and specify the basic legal principle of harming the physical, mental or moral development of minors, establishing criteria and guidelines for evaluating and interpreting content.
- Further develop the recommended age classification of content, establishing restrictions for the broadcast of content based on said classifications.
- Reinforce the protection of minors established by Law by designating certain timeslots for which special care should be taken in accordance with the television consumption habits of children and the real possibility that they may be exposed to such content without direct adult supervision.

Telecinco uses various channels and quantitative and qualitative research tools in order to be in permanent and direct contact with its viewers and to be able to gauge their opinions. One of the quantitative research tools is the daily audience ratings (obtained from a panel of almost 9,000 people throughout Spain), the General Media Study (on a quarterly basis and based on personal interview of a sample of 43,500 people) and ah-hoc research (based on predesigned questionnaires directed at finding information on a particular aspect of programmes). The qualitative techniques focus on audience evaluations, opinions, attitudes and judgments on the TV channel's programmes. The most common research tools are discussion groups, panels of experts, in-depth interviews and ethnographic studies.

In recent years there have been over 238 group meetings and over 2000 people have been interviewed and this research has provided in-depth information on Telecinco audience preferences.

Competitors. Competition is a basic element in the efficient functioning of an industry such as communications media, but cooperation is also necessary in order to overcome general interest challenges in which the media companies can play a decisive role. Based on this premise, Telecinco maintains an open dialogue and cooperates with its direct competitors, such as the agreement signed jointly by Telecinco, Antena 3 and RTVE with the Spanish Association of Advertisers on Good Practices in Advertising.

Suppliers. The main suppliers of a television station are the content providers. A large part of the content that Telecinco uses in its programming comes from specialised production companies. Again, the ethical policies governing the activities of Telecinco is decisive in our relationships with suppliers, establishing specific criteria in order to guarantee a line of activity that is coherent with the station's policies.

Telecinco's commitment with its content suppliers also includes the support of young talent. Through the acquisition of minority stakes in new production companies, such as "Mandarina" and "Hormigas Blancas" in 2006, Telecinco is making a firm bet on the future, creating strategic alliances and facilitating the development of innovative initiatives in the communications and audiovisual market.

Lastly, as for any service company, Telecinco maintains relationships with other types of suppliers, applying the same code of conduct used for third parties.

Government and regulatory organisations. The regulatory environment is very important in the audiovisual market given that any decision can affect not only the configuration of the industry, but also the strategies followed by the companies. In this area, Telecinco maintains open communications with various regulatory and government agencies (individually and jointly with other operators) through which it channels its participation in the public

audiovisual policies. The main channel is the Union of Associated Commercial Television Stations (Unión de Televisiones Comerciales Asociadas, UTECA - www.uteca.com), currently comprised of Telecinco, Antena3, Sogecable, La Sexta, Net TV and Veo TV.

NGOs. Telecinco believes it is very important that it expand its links to civil society, given that one of its most important future objectives is to adjust the information broadcast as much as possible to social reality. One of the channels currently used for this purpose is the campaign “12 meses, 12 causas”, and the awards and Foundation of the same name. These are important frameworks for collaborating with NGOs, associations and other public and private organizations that represent society within different scopes. Some examples of Telecinco’s collaboration in this area are Telecinco’s membership in the Fundación Empresa y Sociedad, and the collaboration established in 2006 with AISGE (Artistas Intérpretes Sociedad de Gestión) and the Spanish Cancer Association. The section of this report detailing the social actions and contribution of Telecinco provides further information on these initiatives.

International commitments

In 2006, Telecinco joined two of the world’s leading initiatives for corporate social responsibility and sustainability, the United Nations Global Compact and the Global Reporting Initiative.

The Global Compact is an initiative launched by the former Secretary-General of the United Nations, Kofi Annan, in a speech given at the World Economic Forum at Davos challenging business leaders to join an international initiative that would bring companies together with UN agencies,

labour and civil society to support universal environmental and social principles. Today, over 4000 organisations from all regions of the world are engaged in the Global Compact, working to advance ten universal principles in the areas of human rights, labour, the environment and anti-corruption. Telecinco signed on to the initiative in 2006

PRINCIPAL ONE

Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPAL TWO

Businesses should make sure that they are not complicit in human rights abuses.

PRINCIPAL THREE

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPAL FOUR

Businesses should uphold the elimination of all forms of forced and compulsory labour.

PRINCIPAL FIVE

Businesses should uphold the effective abolition of child labour.

PRINCIPAL SIX

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

PRINCIPAL SEVEN

Businesses should support a precautionary approach to environmental challenges.

PRINCIPAL EIGHT

Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPAL NINE

Businesses should encourage the development and diffusion of environmentally friendly technologies.

PRINCIPAL TEN

Businesses should work against all forms of corruption, including extortion and bribery.



Also, with the publication in 2006 of the 2005 CSR Report, Telecinco joined the growing ranks of organisations that publish information on their performance in corporate social responsibility and sustainability using the 2002 sustainability report guidelines of the Global Reporting Initiative (GRI), a standard that allows for comparisons to be made between the social, environmental and financial indicators included in the annual reports. This document also follows the recommendations of the 2002 guidelines.

Telecinco continued to collaborate in 2006 with the Fundación Empresa y Sociedad, and has acquired other commitments in different areas with the organisations referred to in the previous section.

The corporate social responsibility agenda of Telecinco: relevant aspects

The strategy followed by Telecinco in corporate social responsibility and sustainability takes into account the dual impact of communications media: the normal impact of any service company on society and the undeniable capacity to inform and promote determined behaviours or attitudes in society.

Accordingly, the agenda followed by Telecinco in corporate social responsibility also has a dual nature. The first corresponds to the general elements relating to the common corporate social responsibility of any company, and therefore are also applicable to Telecinco. These common elements are:

Common elements for all industries

1. Dialogue with stakeholders
2. Transparency
3. Sustainable environmental, financial and social development
4. Responsible management of human resources
5. Respect for human rights and equal opportunity

However, in addition to the above, applicable to almost any company in any industry, communication media companies face additional elements given the different implications already mentioned for CSR in this industry.

Specific elements for communications media companies

In order to complete the corporate social responsibility agenda of Telecinco, and, therefore, the elements to be incorporated over the medium to long term in the CSR strategy, the company has carried out a specific analysis of the audiovisual industry with two fundamental objectives: the identification of good practices among media companies within the current context of sustainability, and the determination of the most relevant elements of CSR affecting communications media companies and specifically the audiovisual segment.

In order to meet the first objective, we have studied the sustainability reports of the most advanced European com-

SUBJECT	WHO DOES IT AFFECT	TELECINCO RESPONSE
Dialogue with stakeholders	All stakeholder groups	Opinion polls and surveys of viewers Investor Relations Department, collaboration with NGOs, regulators and competitors. Survey of stakeholder groups in 2007 for the preparation of the upcoming Annual Report.
Transparency	Shareholders, viewers, advertisers, suppliers	Internal Code of Conduct of Telecinco, S.A. and Subsidiaries on securities transactions, commitment to GRI, preparation of annual reports, communications to the CNMV, agreement with the AEA.
Sustainable environmental, financial and social development	All stakeholder groups	"12 meses, 12 causas", environmental protection activities, responsible management of human resources, commitment to the 10 principles of the Global Compact.
Responsible management of human resources	Workers	Commitment to the 10 principles of the Global Compact, collective bargaining, social benefits, conciliation policies, labour risk prevention policies, internal training.
Respect for human rights and equal opportunity	All stakeholder groups	Collective bargaining, conciliation policies, internal code of conduct, commitment with the 10 principles of the Global Compact, commitment with UTECA.
Independence and impartiality	Viewers, employees, NGOs	Internal code of conduct
Responsible advertising	Viewers, NGOs, regulators, advertisers	Agreements and collaboration with AEA, Autocontrol and UTECA. Internal code of conduct.
Plurality and freedom of expression	Viewers, workers, NGOs	Commitment to the Global Compact, internal codes of conduct
Cultural promotion	Viewers, NGOs	"12 meses, 12 causas", in-house production of television programmes, investment in films.
Capacity of disseminating the challenges of sustainability	Viewers, NGOs, CSR specialists	"12 meses, 12 causas", Broadcasts on climate change and other challenges facing society.
Child and teen protection	Society in general, consumer groups	Agreements and collaboration with Autocontrol and UTECA, adherence to the Global Compact, "12 meses, 12 causas".
Dissemination of socially responsible content	Society in general	"12 meses, 12 causas"

panies in corporate social responsibility. This has allowed us to identify a series of good practices in social and environmental matters.

Additionally, we have researched the recurring themes in the leading international think tanks involved in the search for common points between corporate social responsibility and communications media (such as Media CSR Forum and

SustainAbility ¹⁾, as well as the relevant concerns of other entities in the television and advertising field in Spain, such as UTECA and Autocontrol). This has given us a good overview of the current priorities for the industry in corporate social responsibility.

¹ SustainAbility, is a UK consultant and author of the two referenced reports: "Good News & Bad: The Media, Corporate Social Responsibility and Sustainable Development" and "Through the looking glass: Corporate Responsibility in the Media and Entertainment Sector"



Based on this analysis, Telecinco has prepared the following list of relevant aspects of corporate social responsibility in the communications media industry:

1. Independence and impartiality
2. Responsible advertising
3. Plurality and freedom of expression
4. Cultural promotion
5. Capacity of disseminating the challenges of sustainability
6. Child and teen protection
7. Dissemination of socially responsible content.

Accordingly, the corporate social responsibility agenda of Telecinco encompasses both areas. The following table details all of these, indicating the relevant stakeholder group and the initiatives launched by Telecinco to respond to their concerns.

Telecinco in society: our people

The total workforce of Telecinco in 2006 was 1,184 people, practically unchanged over the previous year. Within this context, Telecinco has continued applying its resolute policy for the promotion and incorporation of young professionals with a high development potential. Currently, the profile of the Telecinco workforce is relatively young, but with long experience in the company. There is also a good balance of gender.

The average age in 2006 was 38 years, with an average length of service of 9.7 years. Telecinco is also firmly committed to stable employment and 98.2% of our employees

are on indefinite contracts, a percentage that has been steadily increasing over the years. In 2006, 49 temporary contracts were transformed into indefinite. The average number of temporary employees, primarily from temp agencies, in 2006 was 395, primarily assigned to the areas relating to television production.

We have continued to apply our core value of equal opportunity in 2006 and further reduced the gender gap, with female employees now accounting for 46% and having a strong presence among journalists and department managers.

NATURE OF THE TELECINCO WORKFORCE

INDICATORS	2005	2006
Average workforce (number of employees)	1,185	1,184
Average age (years)	38	38
Average time in service (years)	10.0	9.7
Proportion of female employees (%)	45.1%	45.6%
Proportion of indefinite contracts (%)	97.0%	98.2%

BREAKDOWN OF WORKFORCE BY CATEGORY AND GENDER

CATEGORY	2005			2006		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
Executives	57	10	67	67	22	89
Department heads	63	56	119	44	48	92
Journalists	48	68	116	47	64	111
Staff	483	400	883	486	406	892
TOTAL	651	534	1185	644	540	1184

Intense training and professional development effort

Telecinco has a firm commitment to the professional development and strengthening of the talent of our employees. There were 377 training actions in 2006, for a total of 36,659 training hours and 736 participants. While continuing with traditional training techniques, we have also instituted online training actions (coordination of activities, office automation and foreign languages) for 99 workers and an equivalent of 484 classroom hours.

We have also contributed to the training of 275 students at universities and professional schools, four of them international, through internships in the different functional areas of the channel.

TRAINING ACTIVITIES	
ACTIVITIES	BENEFICIARIES
Group training	1540
Seminars and conferences	64
Masters programme	6
Languages	157
Online training	99
Employee scholarships	97
Internships and work-study	275

Labour relationships: collective bargaining and social benefits

82.5% of the workforce is directly represented by Works committees. 884 employees are covered by the collective bargaining agreement, representing 92.2% of the total workforce of the companies with individual collective

bargaining agreements (Telecinco and Atlas España) and almost three quarters of the total workforce of the group. The remaining employees are covered by the industry bargaining agreement. The number of employees represented by joint company-employee health and safety committees totals 977.

Telecinco and Atlas España include the conciliation of work and family life as part of their collective bargaining agreements, a clear improvement over the current legal requirements. Accordingly, we have increased the age limit for the workday reduction for child care from six to eight years of age. We have also allowed for the Baby Nursing Leave to be taken consecutively, thereby allowing 12 paid work days of leave immediately following the maternity leave. In those departments where it is possible, we have also instituted flexible work hours, allowing employees to vary entrance and exit times by ±30 minutes. Approximately 30% of the Telecinco employees will be able to take advantage of flexible work hours.

Other measures established under the agreements include:

- Personal hours: 25 hours annually to take care of personal business.
- Personal days: three days per year, one of which may be divided.

Additionally, Management offers employees a series of voluntary improvements, including the following:

- Special offers for employees (banks, travel agencies, restaurants, culture and leisure activities, etc.).
- Company buses.
- Special parking for pregnant workers.

MEASURE	BENEFICIARIES-2006 ⁽²⁾
Workday reduction for child care	60
Childcare leave	23
Family care leave	1
Cumulative nursing leave	18
Special parking for pregnancies ⁽¹⁾	11
Flexible working hours	332
Reduced work day on Fridays	379

(1) A parking space is assigned close to the building entrance.

(2) The number of beneficiaries is based on the use of the conciliation measures established by law or bargaining agreement applicable to the different companies of the Telecinco group.

Communication actions and personnel motivation

Telecinco follows an active policy of employee communication geared towards the integration and motivation of our people. We would like to highlight the role of the internal magazine Punto de Encuentro (for issues per year) and other tools such as the Portal del Empleado and the Bulletin Boards. To further advance in employee dialogue and 2006 we implemented the new intranet Cinco.net, based on flexibility, speed of response and simplicity of use, significantly expanding and improving the content and design.

As part of the obligations derived from current legislation, and the practices and commitments established with worker representatives, we study all organisational changes to identify whether they will have a negative impact on employees and should therefore be notified and avoided, or appropriately mitigated.

Publiespaña is also reinforcing his communication elements with the Work Breakfasts, bringing together the Senior

Executives of the Company and the members of the different Departments, facilitating the sharing of knowledge and information.

COMMUNICATION ACTIVITIES	
Number of publications on Cinco.net	112
Number of publications on Bulletin Board	105

Prevention of labour risks

Telecinco follows a labour risk prevention policy that includes the fundamental guidelines, as well as an Annual Labour Risk Prevention Plan that establishes the specific objectives for the year. Both documents must be approved by Management and presented to the Health and Safety Committee.

Telecinco first established the risk evaluation process in 1997 and has periodically examined the work positions and premises in order to apply the appropriate control measures pursuant to current legislation.

The Joint Prevention Service of Telecinco assumes all of the preventative specialisations contemplated under current rules and legislation and provides services to Telecinco S.A., Atlas España, Publiespaña S.A.U, Publimedia Gestión S.A.U and Cinematext Media S.A.

- The area the responsibility assumed by the Service are:
- Organisation and management of prevention.
 - Periodic risk control.
 - Information and training adapted to the activity and detected risks.

SPECIFIC LABOUR RISK PREVENTION TRAINING ACTIONS			
TRAINING ACTIONS	DEPARTMENT	PARTICIPANTS	TOTAL HOURS
Coordination activities (on line)	Various	150	450
Safety while working at heights	Technologies and operations (research heads)	8	184
Fire fighting practice	Various	19	152
Passive fire control	Engineering (Installation technicians)	6	12
Safety in the manual handling/ support of heavy loads	Sound/ Set design and props/lighting	61	183
TOTAL		244	981

- Fire protection (manuals for automatic elements).
- Adoption of the emergency measures needed in all work centres.
- Investigation and management of accidents, proposing corrective measures and statistical analysis thereof.

ON-THE-JOB AND "IN ITINERE" ACCIDENTS WITH LOST TIME				
(Rate of absenteeism* in percentages)				
COMPANY	2005		2006	
	ACCIDENTS W/LOST TIME	ACCIDENTS IN ITINERE	ACCIDENTS W/LOST TIME	ACCIDENTS IN ITINERE
Telecinco	0.25	0.23	0.19	0.12
Atlas	0	0	0	0.01
Publimedia	0.07	0.11	0	0.18
Publiespaña	0.08	0	0	0
Cinematext	0.2	0	0	0
Workfoce		1,185		1,184

(*) Absenteeism rate=Days lost*100/Number of workers * days worked

- Health monitoring (regular medical exams adapted to the work position and specific risks faced).
- Industrial hygiene.
- Ergonomics and applied psychology.
- The environment. Periodic control system for environmental factors (air quality, potable water quality and water stored in tanks for fire fighting, etc.) integrated into risk evaluations.

Telecinco in the society

12 MESES, 12 CAUSAS

Over the past seven years “12 meses, 12 causas” and Telecinco have become synonymous in the initiative is now a true icon of solidarity and social responsibility. The initiative clearly identifies with increasing awareness through the television of the problems facing modern society.

Through “12 meses, 12 causas”, Telecinco place is its most important value at the disposal of the public: the inherent communication capacity of what is today Spain’s leading television channel. This potential applies the new concept of social advertising by means of broadcasting and institutional advert at different times. The initiative also takes advantage of its news and other programs to spread the message. Another avenue used is by promoting the message through the plots of the station’s fiction series and, specific occasions, through special reports such as “Víctima 38”, presented by Ana Rosa Quintana in November of 2006 under the campaign “Against domestic violence” Using all of these tools, the Defense of human rights, the fight against discrimination, the prevention of health problems, and other causes have found a perfect platform for introduction into the homes of our viewers, working their way

into the public conscience and promoting involvement and complicity in the causes proposed each month.

As for any active and dynamic element, “12 meses, 12 causas” has evolved significantly over the years: the messages have increasingly focused on specific proposals for the via were, the tone has been made more positive and the aesthetics improved, with new causes being introduced. However, it was in 2006 when the most definitive step was taken to take advantage of all of the resources offered by the new technologies and emerging communication channels. Specifically we have developed the website www.docemesesdocecausas.com, and take advantage of the possibilities offered by e-mail and mobile phones in order to achieve a greater penetration of the actions as the perfect complement to the institutional advert dedicated to each cause and the support provided by the station’s programming.

In addition, the maturity of “12 meses, 12 causas” after seven years of existence has resulted in the birth of Fundación Telecinco “12 meses, 12 causas”, created to channel all of the actions carried out under the initiative, and of the Telecinco “12 meses, 12 causas” awards, to recognise the efforts of individuals, companies and associations, which is now in its third edition.

The strength of “12 meses, 12 causas” and the unquestionable efficacy of its campaigns, was quickly understood by institutions and organisations of myriad stripes, all contacting Telecinco to offer their support. In 2006 alone, the station achieved the collaboration and backing of the General Directorate of Traffic for the development of the June cause “For responsible driving”; The Instituto de la Mujer provided their assistance for the “Against domestic violence” campaign, one of the causes that is always present in the project in this year was based for the first time on giving notice to “spousal abusers”; the Spanish Cancer Associa-

tion worked jointly with Telecinco and provided their experience to the cause “for a smoke-free life”. The Ministry of Labour and Social Affairs collaborated in May with the cause “For equal job opportunities”. Similarly, numerous well-known personalities lend their voices and images to the causes, directly appealing to the social responsibility of the public, including: Mercedes Milá, Ana Rosa Quintana, Emma García, Jesús Vázquez, Manel Fuentes, Arturo Valls and David Bisbal to name just a few.

However, the most definitive characteristic of the actions launched under the “12 meses, 12 causas” initiative during 2006 was the defense of childhood, selected as a preferred target in that is one of the most unprotected collectives in society and one on which the messages could have the greatest effect given that the members of this group have a greater ability to incorporate new ways of acting. The development of healthy habits, school violence, handicapped children, the rights of children, promotion of reading, and child soldiers, reverend six of the twelve causes promoted during the year.



“12 meses, 12 causas” 2006

MONTH	CAUSE
January	For a smoke-free life
February	For the integration of handicapped children
March	For the right of children to be children
April	For the promotion of reading since infancy
May	For equal job opportunities
June	For responsible driving
July	For a complex free youth
August	For the prevention of breast cancer
September	For violence and abuse free schools
October	The Sahara has a lot to do with you
November	Against domestic violence
December	For an end to recruiting child soldiers

In order to value the advertising space dedicated to the “12 meses, 12 causas”, the audiovisual industry uses a unit of measurement called the Gross Rating or GRP. This value is the result of dividing the number of viewers of a particular ad by the total potential market identified for the advertisement. Among adults, we obtained 3232 points, meaning that, in financial terms, Telecinco allocates a total of 8,845,661 euros annually to the campaign.

Special actions in 2006

In March, Telecinco joined the campaign “Deja tu huella”, (literally translated as “Leave it your fingerprint” and loosely translated as “Leave your mark”) an original action under the Plan España –development organisation focusing on infancy- to collect 3 million fingerprints across Spain in order to increase awareness in society on the importance of registering births in order to increase the number of children registered worldwide. The station included a special link on its website www.docemesesdocecausas.com for

everyone who wanted to leave their fingerprints to benefit the cause. Famous television personalities such as actress Belén Rueda, chef Sergi Arola and other famous people like Álvaro de Marichalar also joined the campaign.

Another of the special actions carried out in 2006 was the Bookcrossing in support of the April clause “For the promotion of reading since infancy”. Mercedes Milá adopted the book exchange project which soon became a true success for public participation. At the stand in Madrid’s Retiro Park, the television presenter personally distributed the 2000 duly labelled volumes donated by Editorial Santillana for the occasion one by one. After reading, the goal was to leave the book behind for someone else to find, read and leave behind, the new owners were instructed to access the webpage designed by Telecinco for the event in order to track the course followed by each book.

In October it became obvious that the strength of “12 meses, 12 causas” was not limited to its capacity to increase awareness, but also as an indispensable element in the development of specific actions to mobilise society. Telecinco had proposed the collection of used eyeglasses from viewers in order to improve the quality of life of the inhabitants of the Moroccan desert. The station landed his full support and infrastructure for the “eye for an eye... lens for a lens” caravan, a cooperative initiative launched by Josto Maffeo, journalist and host of the program “La Mirada Crítica”, (aptly named the Critical View”) who worked in situ on a database of potential patients. Thanks to the efforts of everyone involved in the project and the efforts at increasing awareness by Telecinco throughout the month, a total of 17,000 pairs of eyeglasses were collected and sent to the nomads with eye problems.



The same month, for Breast Cancer De", the station launched another special initiative under "12 meses, 12 causas" with the show hosts and programmes and the website enabled for the project making special efforts increasing awareness in society of the importance of regular examinations in order to prevent this disease.

Telecinco "12 meses, 12 causas" Awards

The third edition of the Telecinco "12 meses, 12 causas" Awards was held in April 2006. The awards recognise the efforts of individuals, organisations and entities with notable involvement in these activities. The award ceremony was held at the Royal Cloth Factory and was attended by leading Spanish personalities.

- **Solidarity Path Award** to Father Padre Jaime Garralda, founder of "Horizontes Abiertos", in recognition of his 50 years of dedication to the social reinsercion of the underprivileged and disadvantaged.
- **Award for the Best Audiovisual Production on Social Awareness Raising** to the film "Princesas", written and directed by Fernando León de Aranoa, for the positive message that this drama underlined.
- **Award for the Best Social Awareness Raising Spot** to "Bienvenido", by ONCE, directed by McCann Ericsson, to demonstrate that a handicap is not necessarily a barrier.
- **Award for the Best Corporate Solidarity Trajectory** to the logistics and transportation company MRW for its corporate management tied to social actions.
- **José Couso Award** to the team of Roda Visual, for the report done on the Melilla fence.
- **Special Mention of the Jury** to the research team of Dr. Pedro Luis Alonso Fernández for their work on preventing malaria.

Also, Telecinco received an award by the Instituto de la Mujer in recognition of its efforts under "12 meses, 12 causas" against domestic violence. The award was received by CEO Paolo Vasile from the Spanish Ministry of Labour and Social Affairs, making Telecinco the first predication media company to be recognised by said entity.

Collaboration agreements and other social actions

A lo largo de 2006, Telecinco developed institutional campaigns in collaboration with the General Directorate of Traffic and the Instituto de la Mujer. The role played by the programmes broadcast by Telecinco in increasing awareness on illnesses, animal protection, or the fight against tobacco is also noteworthy.

Collaboration with the General Directorate of Traffic

For the fifth year since its launch, historia, "12 meses, 12 causas" has collaborated in a project with the General Directorate of Traffic. In this case for the cause "For responsible driving", selected for June.

Collaboration with the Instituto de la Mujer

Telecinco collaborated with this woman's rights institute into clauses during the year: in May, dealing with equal job opportunities, and in November, against domestic violence.

Collaboration with the Spanish Cancer Association

This collaboration was in the month of January, for the cause "for a smoke-free life" referring to the financing of smoking cessation treatments.

Contribution of Telecinco programmes to social causes

As indicated, the monthly awareness campaigns under "12 meses, 12 causas" are echoed by the station's pro-



gramming, through reports, interviews, and specific plots developed for our in-house productions.

Another noteworthy event in 2006 was the granting of the Trébol Award by The Spanish Down's Syndrome Federation for the portrayal of the syndrome by the medical series "Hospital Central".

In support of World Breast Cancer Day, the station's programming, particularly "La Mirada Crítica", "El programa de Ana Rosa", "Aquí hay tomate", "A tu lado" and "Gran Hermano", contributed to increasing awareness regarding the need to submit to regular annual examinations in order to achieve an early diagnosis and improve prevention.

Animal protection was evident in all editions of "Gran Hermano", where they focused in the last year on the adoption of abandoned pets. The competition also focused again on providing medical and psychological help to people who want to stop smoking.

Support for culture

Film production

Telecinco, through the subsidiary Estudios Picasso, continued in 2006 with its firm commitment to the Spanish film industry with the production of a very select range of films with an emphasis on quality and profitability. The premiers in 2006 included two major productions: "Alatriste", the highest grossing film of the year, and "El Laberinto del Fauno", ranked as the fourth highest grossing movie in 2006. Other premiers included "Los managers", by Fernando Guillén Cuervo and "Volando voy", by Miguel Albadalejo. The year also saw the completion of the filming of a total of 10 feature length films and a documentary. The chapter of this report titled Growth Strategy provides further information on the film production activities of Telecinco in 2006.

Collaboration campaign with AISGE

AISGE is the nonprofit association that manages the intellectual property rights of actors, dubbing actors, dancers, and stage managers. In September 2006, Telecinco collaborated in a campaign with the institution through which actors and performers thanked the public for their support through an institutional advertisement.

Telecinco and the environment

This section reflects the basic environmental principles that Telecinco uses to guide its activities and that of its subsidiaries. We also discuss the main environmental actions executed by the company in 2006 and those planned for next year, both in the daily activities of all of the workers and within the role of the station as a communications medium.

Accordingly, we should differentiate between two areas of activity: the internal management of daily activities on the one hand, and, on the other, those derived from the specific nature of the station and its ability to influence and increase awareness among viewers.

Environmental commitment assumed by Telecinco

In 2006, Telecinco subscribed to the United Nations Global Contact, accepting and promoting the 10 universal principles in the areas of human rights, labour, the environment and anti-corruption.

Above all, adherence to the Global Compact for Telecinco means a firm commitment to advance along the path established by the 10 principles, of which the seventh, eighth and ninth all expressly refer to responsible environmental management. These three principles require that companies subscribe to maintaining a preventative approach that favours the environment and to promote initiatives and technologies that are respectful of the environment and promote greater environmental responsibility.

Consequently, Telecinco attempts to adapt to the concept of eco-efficiency, understood as a continuous process of maximising productivity of resources, minimising waste and emissions and generating value for the company, its clients, shareholders, and other stakeholders. The objectives are the reduction of the environmental impact and the minimisation of resource consumption. In order to advance in these objectives, Telecinco has put in place a series of internal procedures, that are continuously being updated, for the responsible environmental management of its processes.

Direct environmental impact: internal management

Environmental control and management of the activities of Telecinco is the responsibility, primarily, of the Joint Prevention Service and the Department of Operational Continuity. Both area dedicated large part of their time to the rollout of the energy-saving plans of Telecinco and in the management of the waste generated in the development of the stations activities.

Water, energy and materials consumption

TOTAL CONSUMPTION	2005	2006
Water (m3)	50,000	54,589
Electricity (kwh)	15,590,732	17,512,170
Diesel (litres)	29,000	28,000
Propane (kg)	15,328	15,008
Paper (kg)	33,575	35,514

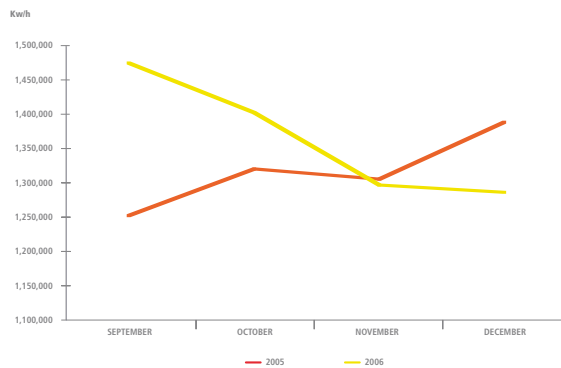
CONSUMPTION PER EMPLOYEE	2005	2006
Water (m3)	42.2	46.1
Electricity (kwh)	13,156.7	14,790.7
Diesel (litres)	24.5	23.7
Propane (kg)	12.9	12.7
Paper (kg)	28.3	30.0

CONSUMPTION PER HOUR OF PRODUCTION	2005	2006
Total hours of production (h)	146,710	149,335
Water (m3)	0.3	0.4
Electricity (kwh)	106.3	117.3
Diesel (litres)	0.2	0.2
Propane (kg)	0.1	0.1
Paper (kg)	0.2	0.2

During the year there was an increase in the consumption of electricity as a direct result of two unique events: the increase in the number of in-house productions in the particular requirements of certain programs during the year.

As from the second half of 2006, Telecinco launched a series of energy-saving measures, the positive effects of which were already noticeable in the last quarter of the year.

Specifically, comparing the last quarter of 2006 against the same year earlier period, which both had similar production figures, the reduction shown in energy consumption far exceeded the difference in temperatures registered.



The measures adopted consist of optimising the functioning of the automated lighting and heating and air-conditioning system for the stages, as well as a pro ration of a study on temperatures in order to rationally planned production hours and thereby allow for a more efficient use of energy and the subsequent savings.

Increasing awareness is part of the process. Specific notices were sent internally to the people responsible for electrical maintenance and five training meetings were held with the responsible technicians.

Regarding the increase in water consumption observed in 2006, the main cause was the construction works on the two new buildings in the Fuencarral complex, which did not use a direct water connection so the consumption was reflected as part of the total for the company in its fixed centres.

There was a decrease in both diesel and propane consumption year-on-year. In the case of diesel, the main cause was specifically the energy savings measures adopted in the second half of the year and the early summer, with the high temperatures register, all leading to a lesser use of heating systems in the first half in comparison with the same period in the previous year.

As an improvement measure adopted in 2006 for implementation in 2007, the Fuencarral facilities and the newly constructed buildings will start using natural gas, which pollutes less than the diesel currently used in the boilers.

In addition, and pursuant to the indication of the new Technical Building Code (CTE), new building shall incorporate thermal solar panels to help reduce the consumption of fuel.

Telecinco's work centres use an important amount of resources daily (paper, tapes, batteries, etc.), with paper being the most highly used consumable. In order to reduce consumption, Telecinco is using the Internet to carry out actions that were previously paper intensive, for example:

- Distribution of internal request forms and orders (technical material, etc).
- Memorandums issued to workers.
- Circulation of the summary of daily press clippings.
- Application for the planning control of technical and human resources.
- Distribution of payroll forms to employees.

This year, as in 2005, this report was printed on chlorine free paper.

Waste management

Telecinco makes a very important effort to control the waste generated by the company, following the internal guidelines established for waste management.

Both the Fuencarral and Villaviciosa de Odón facilities will undertake the treatment of the waste generated using an authorised waste manager.

WASTE MANAGEMENT	2004	2005	2006
Paper/cardboard (kg)*	67,620	70,450	76,795
Tape (kg)*	8964	11,255	35,255
Batteries (kg)*	3600	1800	1300
Electrical and electronic apparatus (kg)			15,403
Oil and fuel (kg)			233
Refrigeration liquid (kg)			2,104
Sludge (kg)			330
Sawdust (kg)			175
Paint remains (kg)			194
NAF SIII (kg)			24
Aerosols (kg)			25
Contaminated metallic packages (kg)			36

* The data provided in the 2005 report were estimates. This year we have made a special effort to provide real figures, applied directly measuring the volume managed in the three-year period since 2004

As can be seen from the data provided, Telecinco recycles more paper than it uses. This is due to the large amount of magazines, newspapers, and printed advertising that enters into our facilities. Once they are no longer useful, they are also sent for recycling. The amount of paper recycled by Telecinco in 2006 equals having saved over 1000 trees.

Telecinco continued in 2006 with the digital conversion of its library of past programme and shows, which it had begun last year and is expected to be completed in 2007. A large part of the digitalized tapes (68,363 units), were stored for reuse in turn away, proceeding with the recycling through an authorised manager for the oldest that have entered into disuse (35,255 units).

The decrease in the figures for batteries was due primarily to the substitution and withdrawal in 2005 of a large amount of data restored at the Telecinco facilities.

Assembly, pre-assembly and stage accessories for almost all Telecinco productions are carried out by the suppliers, who are responsible for the management of the waste generated in these processes. Nonetheless, Telecinco generates a certain amount of waste derived primarily from the production of small sets for sponsors and other commercial activities broadcast by the station. Despite the low volume, Telecinco manages such wastes appropriately.

As regarding paints, currently approximately 80% of those used our water soluble and low in polycyclic aromatic hydro-carbon and other volatile compounds. Once used, the remainder is managed and treated by an authorised manager.

Additionally, Telecinco provides its workers with the option of managing their expired medications using specific containers for subsequent collection and appropriate disposition.

Atmospheric emissions

The awareness in our society regarding the environmental implications of CO2 emissions into the atmosphere, and its direct relationship with global warming, has been

steadily on the rise in recent years. Given this increased awareness, there is also an increasingly noticeable interest in the estimation of the emissions generated by our daily activities, among which that generated by companies takes a special relevance

Telecinco, despite not belonging to an especially polluting industry, recognises its role and has activated measures in favour of reducing atmospheric emissions. One example is the commitment to adapt some existing buildings, and all new buildings, to natural gas heating starting in 2007.

In 2006, the air-conditioning systems were gradually replaced by others that do not contain chlorinated compounds as coolants, a condition which must be met by all new installations.

Telecinco also provides a company coach for its workers in order to facilitate access to the facilities and reduce the use of personal vehicles.

ATMOSPHERIC EMISSIONS (TONNES)	2006
CO2 of energy consumed by fuel	109.8
CO2 derived from air travel:	1,365.7
- National	824.8
- International	540.9
CO2 Drive from land transport:	1,203.54
- Vehicles owned by Telecinco	205.2
- Mass transportation (coach)	23.17
- Vehicles not owned by Telecinco	821.47
- Transportation by rail	153.7
CO2 of electricity consumed*	4,220.4
Article derive from electricity consumption*	1.1
NOx derived from electricity consumption*	12.3
SO2 derived from electricity consumption*	14.0

* Estimates based on electric utility data.

The CO2 emissions have been calculated using the methodology specified by the GreenHouse Gas Protocol, a joint initiative of the WBCSD (World Business Council for Sustainable Development) and the WRI (World Resources Institute).

Other aspects

Telecinco recording Studios are located in industrial parks or urban zones, far from protected natural spaces and therefore has no impact on local biodiversity. Accordingly, the impact generated by its activities and products are limited to those commented above (generation of waste and atmospheric emissions).

During the period covered by this report, Telecinco did not receive any fines or sanctions associated to environmental matters.

Indirect environmental impact: capacity to promote a culture of respect for the environment in society

Telecinco, as a communications medium, offers an excellent platform for increasing awareness in the population regarding environmental protection.

In this regard, the activity that Telecinco has been performing continuously through “12 meses, 12 causas” is particularly noteworthy. Since the creation of this initiative in 1999, the station has carried out campaigns relating to environmental protection with eight variable intensity depending on the cause is selected for each month.

The themes of “12 meses, 12 causas” during 2006, focus primarily on children, and represented a temporary interruption of environmental causes which we planned on resuming in the future. Over the years, the environmental causes promoted were as follows:

March 2000	"For energy savings and recycling"
April 2000	"For the conservation of nature"
February 2001	"For respect for the environment"
July 2002	"For the environment"
January 2003	" For the conservation of our coasts"
July 2003	"For the prevention of forest fires"
November 2004	"In promotion of recycling"
July 2005	"For a rational use of water"

Nonetheless, the commitment to environmental awareness of Telecinco goes far beyond this initiative and extends to the approach in news programs and design of programme content.

In news programming, the channel offers wide coverage of environmental news, such as climate change, environmental disasters, efficient use of energy, etc. in an attempt to increase awareness and involve all of our viewers.

As an example of programming support to increasing awareness, we would highlight the use of energy efficiency criteria in the design of the house used in "Gran Hermano", including the installation of solar panels on the roof and the use of recycled materials in the construction, their existence and functionality being described to viewers during the development of the competition .

Telecinco and data protection

Responsible information management

Since 2000, Telecinco has been immersed in the process of adapting to the legal requirements on personal data protection – and has gone even further by voluntarily executing non obligatory measures and this has had both organisational and technical consequences.

Since the last half of the year, in anticipation of the approval of the new Regulations developing the Personal Data Protection Act (Ley Orgánica de Protección de Datos de Carácter Personal or LOPD), which could take effect in the beginning of 2007, we have carried out various adaptations regarding the physical and computer security measures in order to improve the protection of the information and personal data handled by Gestevisión Telecinco.

Since the Regulation on Security Measures was passed in 1999 (developing the Organic Law on Personal Data Protection of the same year), Telecinco has had two external audits to verify its data protection system. The final conclusion of the last audit was that Gestevisión Telecinco has achieved an excellent degree of compliance, more so than other companies of similar dimensions in the same sector of activity.

Management of data protection by Telecinco

The company has created an organisational infrastructure for managing personal data protection. The infrastructure is managed by the LOPD (organic law on personal data protection) management office within Telecinco’s Human Resources and Services Division. The Office is responsible

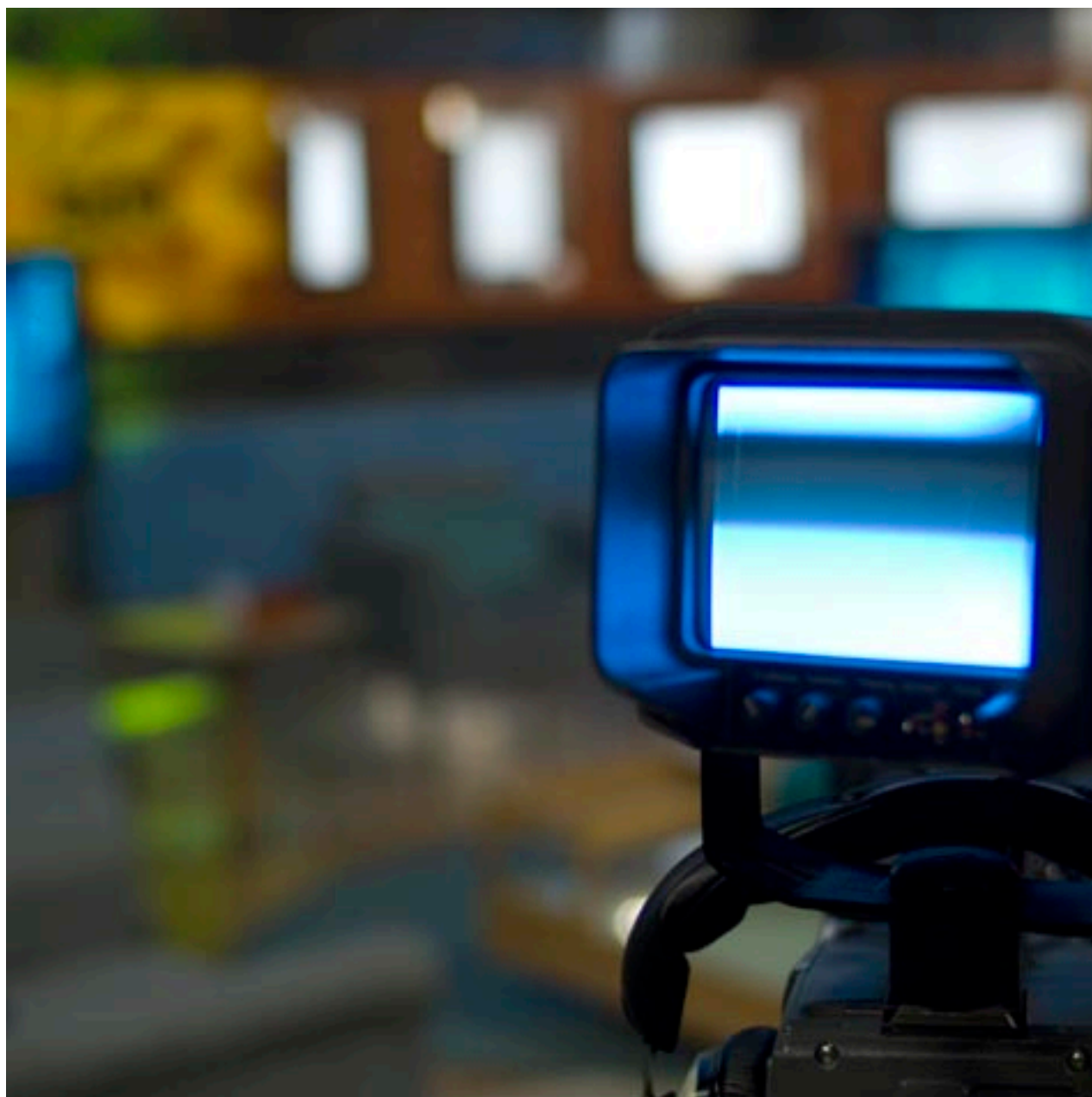
for relations with the Data Protection Agency, receiving and responding to any concerns and incidents which arise, checking compliance with the rights of those affected in relation to personal data protection, the coordination with the LOPD Committee, and the permanent training of Telecinco personnel for better compliance with our obligations in this area

The Office is in charge of three main bodies responsible for compliance and ensuring compliance with the company's commitment to data privacy. The bodies are as follows:

- The above mentioned LOPD Committee whose members are heads of the areas which are most affected by data protection regulations, specifically the Human Resources and Services Division, the Technical Office, the Legal Advice Office and Internal Audit Office (also on the committee is a representative from the LOPD Management Office and the Safety Representative). The Committee's functions include checking compliance with the LOPD and other regulations and promoting Gestevisión Telecinco Group's personal data protection policy.
- The Head of Security is a required post under the Regulation on Security Measures. The post holder is in charge of supervising the security duties and measures introduced, coordinating and controlling compliance with those measures in the field of information systems and studying new security measures to be introduced according to changes in the group's organisation and technological progress.
- The Personal Data Protection Managers (PDP Managers) are designated by each department in the Group which is in possession of or with access to personal data files, they are the executive arms of Gestevisión Telecinco's general policy on data protection, in charge of compli-

ance and ensuring compliance with internal regulations and notifying the Office of any events which occur in the course of ordinary management.

Finally, the group has made a significant effort to distribute "Basic Guide to Personal Data Protection" to all employees and workers in Telecinco to increase awareness and concern for these matters.





ANNEX



ABOUT THE PREPARATION OF THIS REPORT

As for the previous year, the preparation of this Annual Corporate Social Responsibility Report is oriented, primarily, to answering the concerns and needs of the company’s stakeholders.

Accordingly, we take into account the interests and concerns of different groups through the analysis of data and information obtained through indirect means, in other words, from sources not specifically geared towards the preparation of this report.

Regardless, as part of Telecinco’s policy of continuous improvement in Corporate Social Responsibility (CSR), towards the close of 2006 we began a more detailed and specific consultation among the different stakeholder groups regarding the implications of our activity on sustainability. The results will be published in our 2007 report.

The entire report preparation process, from the selection of content, to the compilation and organisation of the information, as well as project coordination, was managed



by an oversight committee created to control the progress in the report, with the Corporate Social Responsibility Department acting as overall coordinator.

This work method began to take form last year based on our initial steps established in 2005, which set the stage for the correct steps to take this year and into the future.

The information is structured differently this year; rather than producing four separate documents, we have combined to the information into two global reports:

- Annual Report on Activities, Governance and Corporate Social Responsibility.
- Annual Financial Statements and Corporate Governance Report

This year, Telecinco has incorporated the Corporate Social Responsibility Report into the Annual Report. We are not presenting an individual CSR Report as done last year in an effort to fully integrate sustainability, in all its dimensions, into every aspect of the business activities of the company, including the drawing up of the financial statements.

Basic references and international standards

The preparation of the report and the information contained therein have followed the protocol established by the Global Reporting Initiative's (GRI) 2002 version of its "Sustainability Reporting Guidelines", attempting to discover an appropriate social and environmental balance in our activities.

Similarly, the content has been selected in order to reflect our commitment to complying with the principles of the United Nations World Pact on sustainability, which was signed by Telecinco in 2006.

Scope and limitations

This report refers to the entire Grupo Telecinco S.A. group of companies for the calendar year ended December 31, 2006.

This year we have made an extraordinary effort to improve certain aspects of the report. Among other aspects, we have added a section on relevant data that should facilitate comprehension and a global view of the company. We have also expanded the content in some sections in order to meet GRI standards.

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For any clarification or additional information regarding this report, please contact:

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GLOSSARY

Audience (television)

Number of people over the age of 4 who are watching the television at a given moment.

Average Audience

The sum of minutes seen by an individual in the period, multiplied by the weighting for that individual and then divided by the minutes of the period being studied.

Average population

Population aged 4 years and over resident in Continental Spain, the Balearic Islands and since 1998, the Canary Islands.

Broadcast Quality

Technical specifications that the video signal and physical visual appearance of the broadcast image must meet in order to be considered acceptable by a television broadcaster.

Commercial target

Unless otherwise expressly indicated, it is the audience of individuals between the ages of 13 and 54, from the middle and upper social classes living in towns with 10,000 inhabitants or more. The commercial target in Spain represents 45.6% of the population.

DTT (Digital Terrestrial Television)

Digital television platform broadcast by land systems, in other words with land-based antennas.

DVB-H (Digital Video Broadcasting Handheld)

Open standard developed by DVB. DVB-H technology is a data broadcasting platform directed at portable terminals (mobile phones, electronic agendas...) which combines video compression and the transmission system used by DTT (Digital Terrestrial Television).

EBIT

Earnings before interests and taxes.

EBITDA

Earnings before interests, taxes, depreciation and amortization, also known as gross operating income.

Environmental impact

Any change in the environment either adverse or beneficial as a result either wholly or in part of an organisation's activities, products and services.

Free Float

The proportion of shares available to the public and not held by large shareholders or subjected to sales restrictions.

Greenhouse gases

Contaminating gases released into the atmosphere through the burning of fossil fuels and other means which increase the greenhouse effect. This effect is recognised as the main cause of global warming. The gases include CO₂, CH₄, N₂O, HFC, PFC, SF₆ and other CO₂ equivalents.

GRI (Global Reporting Initiative)

Process launched by several special interest groups and an independent institution with a mission to develop and disseminate global standards for sustainability reports.

GRP (Gross Rating Point)

A measure of advertising effectiveness which consists of the percentage of the audience which has seen a given television spot out of the total potential market established beforehand between the television operator and the advertiser/media centre, which is later compared with data from Taylor Nelson Sofres. GRPs are measured by the minute, although advertising spots are usually shorter. GRP can also be calculated as net coverage multiplied by spot frequency.

IFRS

International Financial Reporting Standards.

Indicator

Variable or measure of action, qualitative or quantitative, which can be used to measure an organisation's performance and the level of compliance with programmed actions and proposed goals.

Late Night

Broadcasting time between 00:00 and 2:30.

LOPD- Ley Orgánica 15/1999 de 13 de diciembre de Protección de Datos de Carácter Personal.

Spanish law on the protection of personal data, and the public freedoms and fundamental rights of natural persons, with special emphasis on their personal honour, intimacy, and personal and family privacy.

Mobile TV

The possibility of receiving television signals on portable devices and public transport, such as coach, train, Metro, automobiles and boats.

Multiplex Manager

Also known as Multiplex Operator: The agent responsible for managing multiple channel bandwidth for DTT.

Pay Out

The part of a company's profits which are assigned to pay the dividend. It is expressed in the form of a ratio and is the result of dividing the dividend by the net profit and multiplying the result by a hundred.

Prime Time

Broadcasting time of maximum available audience, in Spain between 21:00 and 00:00.

Roadshows

Touring technical, financial and commercial information forums held in different venues.

Share

The proportion of the average audience for a network with respect to the total television audience, expressed as a percentage.

Simulcast

A broadcast that is simultaneous or almost simultaneous to a main broadcast.

Social Action

Action by which an organisation dedicates financial resources to improving specific situations in determined collectives and segments of the population.

Special initiatives

Advertising formulas which are different from the traditional spots.

Stakeholders

Defined globally as those groups or individuals who can reasonably hope to be significantly affected by the organisation's activities, products and/or services, or those whose actions can be reasonably expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives.

Target audience

Group or groups of people to whom the station directs its advertising message.

TV Movie

Film especially made for television viewing.

Weblog

Normally referred to with the short form “blog”, it is a periodically updated web site which compiles texts and articles by one or several authors (bloggers) in chronological order with the most recent appearing first. Blogs generally cover a specific subject or theme, with the author or contributors, posting news, events or opinions on whatever they feel appropriate.

Windows

The different ways of commercially exploiting audiovisual content in terms of time. The most common windows for audiovisual content are cinema, DVD and video, pay per view, subscriber services and broadcast television.

XML

The Extensible Mark-up Language is a general-purpose mark-up language that supports a wide variety of applications with the primary purpose of facilitating the sharing of data across different information systems.

GRI INDICATORS

IA: Annual Report on Activities, Governance and Corporate Social Responsibility 2006
IE: Financial Statements - Annual Accounts and Corporate Governance Report
NA: Not applicable
ND: Not available

A. VISION AND STRATEGY, PROFILE, GOVERNANCE STRUCTURE AND MANAGEMENT SYSTEMS		
1	VISION AND STRATEGY	PAGE
1.1	Presentation of the organisation's vision and strategy with regard to its contribution to sustainable development..	IA: 77-81
1.2	Chairman's statement (or from an equivalent executive) describing the main elements in the sustainability report.	IA: 11
2	PROFILE	PAGE
ORGANISATION PROFILE		
2.1	Name of the reporting organisation	IA: 18,105
2.2	Main products and/or services, including brands, where appropriate	IA: 18-21
2.3	Organisation's operational structure	IA: 2,19
2.4	Description of the main departments, operating companies, subsidiaries and joint ventures	IA: 18-21
2.5	Countries where the organisation operates.	IA: 18-21
2.6	Nature of the ownership; legal form	IA: 18
2.7	Nature of the markets being served	IA: 38-59
2.8	Size of the reporting organisation	IA: 5,6,24-27
2.9	List of the stakeholders, main characteristics of each and relation to the reporting organisation	IA: 77-81
SCOPE OF THE REPORT		
2.10	Contact person/people for the issues in the report, with their web addresses and e-mail	IA: 105
2.11	Period covered by the report (e.g., tax/calendar year) for the information provided	IA: 105
2.12	Date of the most recent previous report (if it exists)	IA: 104
2.13	Coverage of the report	IA: 18-21,104
2.14	Significant changes in size, structure, ownership or the products/services which have taken place since the last report was published	IA: 18-21
2.15	Basis for producing reports on joint ventures, shared subsidiaries, leased installations, external services operations and other situations which could considerably affect comparisons between periods and/or reporting bodies	IE: 75,76
2.16	Description of the nature and effect of any reformulation of information already presented in previous reports and the reasons for such reformulation	IE: 75,76

PROFILE OF THE REPORT

2.17	Decisions to not apply GRI principles or protocols when producing the report	IA: 104,105
2.18	Criteria and/or definitions used in financial, environmental and social cost-benefit accounting	IA: 24-26,91
2.19	Significant changes with regard to previous years in the methods used to calculate key economic, environmental or social information	IA: 98
2.20	Internal policies and measures to guarantee the accuracy, thoroughness and veracity of the information presented in the sustainability report	IA: 77,104,105
2.21	Current policies and measures directed at providing independent mechanisms for verifying the report as a whole	N.D.
2.22	Resources for users to access additional information or reports on economic, environmental and social aspects	IA: 35,73,105

3 GOVERNANCE STRUCTURE AND MANAGEMENT SYSTEMS

PAGE

STRUCTURE AND GOVERNANCE

3.1	The organisation's governance structure, including the board of directors' main committees responsible for strategy design and supervising the organisation	IA:64,69
3.2	Percentage of independent, non executive directors on the board	IA:68
3.3	Process to determine the need for members of the group of experts to guide the organisation's strategies on issues such as environmental and social opportunities and risks	IA:70-73
3.4	Management processes for supervising identification and management of the organisation's financial, environmental and social opportunities and risks	IA:70-73
3.5	Relation between director remuneration and achievement of the organisation's financial and non financial objectives	IA:66
3.6	Organisational structure and main members in charge of supervising, start up and audit of economic, environmental and social policies	IA:67-70
3.7	Statements on mission and values, principles and internal codes of conduct and policies with regard to economic, environmental and social performance and the level of implementation	IA: 81
3.8	Mechanisms which allow shareholders to communicate their recommendations to the board	IA:62,63

COMMITMENT TO STAKEHOLDERS

3.9	The basis for identifying and selecting the main stakeholders	IA: 104-105
3.10	Methods used to consult stakeholders expressed in terms of frequency of consultation according to type and group of stakeholders	IA: 77-81
3.11	Type of information generated by consultations with stakeholders	IA: 77-81
3.12	Example of the information obtained as the result of commitments to stakeholders. Global policies and management systems	IA: 77-81

GLOBAL POLICIES AND MANAGEMENT SYSTEMS

3.13	Explanation of whether the organisation takes the precautionary principle or focus into account and in what way	N.A.
3.14	Commitments, series of principles or other voluntary initiatives of a financial, environmental or social nature developed outside the organisation which it endorses or supports	IA: 77-81,98

3.15	Membership of business to industrial associations and/or national and international advisory organisations	IA: 79-81,83
3.16	Policies and/or systems for managing the impact caused by processes before and after the organisation's involvement	IA:77-81
3.17	The organisation's approach to managing indirect economic, environmental and social impacts caused by its activities	IA:77-81
3.18	Main decisions taken during the period of drafting the report regarding the location or modification of operations	NA
3.19	Programmes and procedures regarding economic, environmental and social performance	[1]
3.20	State of certification for financial, environmental and social management systems	ND

B. PERFORMANCE INDICATORS		
1	FINANCIAL PERFORMANCE INDICATORS	PAGE
DIRECT FINANCIAL IMPACTS		
EC1	Net sales	IA:25,26
EC2	Geographical breakdown of markets	IA:18-21
EC3	Costs of all raw materials and goods acquired and all contracted services	IA:26
EC4	Percentage of contracts paid in accordance with the agreed terms	IA:26
EC5	Total salary costs by country	IE:110
EC6	Distribution among capital suppliers	IE: 34
EC7	Increase/decrease of retained earnings at year end	IA: 5
EC8	Total amount of all types of taxes paid, itemised by country	IE: 35
EC9	Subsidies received, itemised by country or region	IE: 11
EC10	Donations to the community, civil society or other groups, in cash and in kind, itemised by group type	IA:88
2	ENVIRONMENTAL PERFORMANCE INDICATORS	PAGE
RAW MATERIALS		
EN1	Total consumption of raw materials apart from water, by type	IA: 96
EN2	Percentage of raw materials used which are waste (processed or otherwise)	N.D.
ENERGY		
EN3	Direct energy consumption, itemised by primary sources	IA: 96
EN4	Indirect energy consumption	IA: 96
WATER		
EN5	Total water consumption	IA: 96

1 The indicator is met throughout the company's annual reports.

BIODIVERSITY

EN6	Location and extension of land owned, leased or managed in biodiversity-rich habitats	IA: 99
EN7	Analysis of the main impacts on biodiversity of activities and/or products and services in land, sea and fresh water environments	IA: 99

EMISSIONS, DUMPING AND WASTE

EN8	Greenhouse gas emissions	IA: 99
EN9	Use and emission of ozone reducing substances	ND
EN10	N2O, SO2 and other significant atmospheric emissions, itemised by type	IA: 99
EN11	Total amount of waste, itemised by type and destination	IA: 98
EN12	Significant dumping in water, by type	NA
EN13	Significant dumping of chemical substances, oils and fuels, expressed in figures and total volumes	NA

PRODUCTS AND SERVICES

EN14	Significant environmental impacts of the main products and services	IA: 100
EN15	Percentage of the weight which could be recovered from products sold at the end of their useful life and the percentage actually recovered	NA

COMPLIANCE

EN16	Incidents and fines related to breach of internationally applicable agreements/treaties/declarations and local, regional, subnational and national regulations on environmental issues	IA: 99
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3 SOCIAL PERFORMANCE INDICATORS**PAGE****EMPLOYMENT PRACTICES AND DECENT EMPLOYMENT**

LA1	Breakdown of the worker collective	IA: 85
LA2	Net jobs created and average turnover, itemised by region/country	IA: 85
LA3	Percentage of employees represented by independent trade union organisations	IA: 86
LA4	Policy and procedure for reporting, consulting and negotiating with employees on changes in organisation operations	IA: 87
LA5	Methods for recording and notifying occupational accidents and diseases with reference to the ILO's practical recommendations on the recording and notification of occupational accidents and diseases	IA: 88
LA6	Description of joint health and safety committees involving management and workers' representatives and the proportion of staff protected by these committees	IA: 87
LA7	Rates of absenteeism, occupational accidents and injuries, days lost and number of work related deaths (including subcontracted workers)	IA: 88
LA8	Description of HIV/AIDS policies and programmes (in the work place and other spheres)	ND
LA9	Average number of training hours per year	IA: 86
LA10	Description of equal opportunity policies and programmes and the review systems to ensure compliance and review results	ND
LA11	Composition of the top management and corporate governance departments (including the board of directors) noting the proportion of men and women and other diversity indicators where considered culturally appropriate	IA: 64

HUMAN RIGHTS		
HR1	Detailed account of policies, guidelines, corporate structure and procedure on human rights linked to the operations and the monitoring systems and their results	IA: 81
HR2	Examples of the fact that the impact on human rights is taken into account when deciding on procedures, investment and the choice of suppliers/contractors	ND
HR3	Detailed account of the policies and procedures required to evaluate action on human rights with respect to the supply chain and suppliers and the monitoring systems and their results	ND
HR4	Detailed account of the global policies and procedures/programmes dedicated to avoiding any type of discrimination in operations and the monitoring systems and their results	ND
HR5	Analysis of the freedom of association policy and how far it is applied	IA: 86
HR6	Presentation of the policy on eliminating child labour as defined in ILO Convention 138, the extent of information and application and account of procedures/programmes relevant to the issue and the monitoring systems and their results	IA: 81
HR7	Presentation of the policy to abolish forced, obligatory labour, extent of information and application and account of procedures/programmes relevant to the issue and the monitoring systems and their results	IA: 81
SOCIETY		
SO1	Description of management policies for impacts on communities in the region affected by the activities	NA
SO2	Description of policy, management/procedure systems and compliance mechanisms regarding corruption and bribery, directed at both the organisations and employees	IA:71,81
SO3	Description of policy and management/procedure systems and compliance mechanisms concerning contributions and instruments of political pressure	IA: 80
PRODUCT LIABILITY		
PR1	Description of policy on client health and safety during the use of the products and services, extent of information and application and account of the procedures/programmes on this issue and the monitoring systems and their results	IA: 77-81
PR2	Description of policies and management/procedure systems and compliance mechanisms on product labelling and information	IA: 77-81
PR3	Description of policies and management/procedure systems and compliance mechanisms for client privacy	IA: 100,101

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Design and production: 3ddb
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Legal Deposit: M-16138-2007

Printed on non-chlorine bleached cellulose 