2009

Financial Statements and Management Report

TeleCinco

Index

Gestevisión Telecinco, S.A.

Index

1.1. Audit Report

ERNST & YOUNG

Ernst & Young, S.L.
Torre Picasso
Plaza Pablo Ruiz Picasso, 1
28020 Madrid

Tel.: 902 365 456
Fax: 915 727 300
www.ey.com/es

AUDIT REPORT ON THE FINANCIAL STATEMENTS
(Free translation from the original in Spanish)

To the Shareholders of Gestevisión Telecinco, S.A.:

1. We have audited the financial statements of Gestevisión Telecinco, S.A., which consist of the balance sheet at December 31, 2009 and the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended, the preparation of which is the responsibility of the directors of the company. Our responsibility is to express an opinion on the aforementioned financial statements taken as a whole, based upon work performed in accordance with auditing standards generally accepted in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the financial statements, and the evaluation of their presentation, of the accounting principles applied, and of the estimates made.

2. In accordance with Spanish mercantile law, for comparative purposes the Company's directors have included for each of the headings presented in balance sheet, the income statement, the statement of changes in equity, the cash flow statement, and in the notes thereto, in addition to the figures of 2009, those of the prior year. Our opinion refers only to the financial statements for 2009. On February 25, 2009 we issued our audit report on the 2008 financial statements in which we expressed an unqualified opinion.

3. In our opinion, the accompanying 2009 financial statements give a true and fair view, in all material respects, of the equity and financial position of Gestevisión Telecinco, S.A. at December 31, 2009 and the results of its operations, changes in equity and cash flows for the year then ended, and contain the required information necessary for their adequate interpretation and understanding, in conformity with the applicable accounting principles and standards generally accepted in Spain, which are consistent with those applied in prior year.

4. The Company carries out a significant volume of transactions with Group companies. The transactions of this nature carried out in 2009 and the related balances at year end are described in Note 19.

Domicilio Social: Pl. Pablo Ruiz Picasso, 1. 28020 Madrid
Inscrita en el Registro Mercantil de Madrid a
Tomo 12749, Libro 0, Folio 215, Sección 8
Hoja M-23123, Inscripción 116, C.I.F. B-78970506

ERNST & YOUNG

2

5. The accompanying 2009 management report contains such explanations as the directors consider appropriate concerning the situation of the Gestevisión Telecinco, S.A., the evolution of its business and other matters, and is not an integral part of the financial statements. We have checked that the accounting information included in the aforementioned management report agrees with the financial statements for the year ended December 31, 2009. Our work as auditors is limited to verifying the management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the Company's accounting records.

ERNST & YOUNG, S.L.

(signed on the original in Spanish)

____

Antonio Vázquez Pérez

February 24, 2010

Thousands of euros

1.2. Balance sheets at 31 December 2009 and 2008

ASSETS	NOTES	2009	2008
NON-CURRENT ASSETS		**572,388**	**597,028**
INTANGIBLE ASSETS	6	**163,634**	**129,432**
PATENTS, LICENSES AND TRADEMARKS		245	275
SOFTWARE		2,465	2,543
AUDIOVISUAL PROPERTY RIGHTS		160,924	126,614
PROPERTY, PLANT AND EQUIPMENT	5	**45,328**	**50,106**
LAND AND BUILDINGS		29,869	31,009
PLANT AND OTHER PP&E ITEMS		14,749	18,949
PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION AND PREPAYMENTS		710	148
INVESTMENT IN GROUP COMPANIES AND ASSOCIATES	7	**260,353**	**333,602**
EQUITY INSTRUMENTS		83,229	129,377
LOANS TO COMPANIES	8	177,124	204,225
FINANCIAL INVESTMENTS	8	**3,153**	**12,081**
EQUITY INSTRUMENTS		1,913	10,995
LOANS TO THIRD PARTIES		1,159	922
OTHER FINANCIAL ASSETS		81	164
DEFERRED TAX ASSETS	15	**99,920**	**71,807**
CURRENT ASSETS		**228,279**	**402,832**
INVENTORIES	9	**6,557**	**7,190**
FINISHED PRODUCTS		6,231	7,025
PREPAYMENTS TO SUPPLIERS		326	165
TRADE AND OTHER RECEIVABLES	8,10	**144,151**	**244,768**
TRADE RECEIVABLES		11,119	16,202
TRADE RECEIVABLES FROM GROUP COMPANIES AND ASSOCIATES	19	127,314	185,344
OTHER RECEIVABLES		5	5
RECEIVABLES FROM EMPLOYEES		53	54
CURRENT INCOME TAX ASSETS	15	5,660	43,163
INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	8	**64,136**	**120,814**
LOANS TO COMPANIES		24,147	34,625
OTHER FINANCIAL ASSETS		39,989	86,189
FINANCIAL INVESTMENTS FINANCIAL INVESTMENTS	8	**1,556**	**2,142**
EQUITY INSTRUMENTS		-	-
LOANS TO COMPANIES		983	1,572
DERIVATIVES		3	262
OTHER FINANCIAL ASSETS		570	308
OTHER CURRENT ASSETS	11	**10,792**	**3,862**
CASH AND CASH EQUIVALENTS	12	**1,087**	**24,056**
CASH SURPLUSES		1,087	24,056
TOTAL ASSETS		**800,667**	**999,860**

Read with the attached explanatory notes.

Thousands of euros

EQUITY AND LIABILITIES	NOTES	2009	2008
EQUITY	**13**	**372,232**	**515,978**
CAPITAL AND RESERVES		**372,232**	**515,978**
SHARE CAPITAL		**123,321**	**123,321**
ISSUED CAPITAL		123,321	123,321
SHARED PREMINUM		**37,013**	**37,013**
RESERVES		**204,171**	**144,235**
LEGAL AND STATUTORY RESERVES		24,664	24,664
OTHER RESERVES		179,507	119,571
TREASURY SHARES AND EQUITY INVESTMENTS		**(60,734)**	**(57,813)**
PROFIT FOR THE YEAR		**68,461**	**269,222**
NON-CURRENT LIABILITIES		**48,445**	**39,268**
PROVISIONS	**14**	**16,399**	**38,240**
PROVISIONS FOR CONTINGENCIES AND LIABILITIES		16,399	38,240
BORROWINGS	**8**	**30,606**	**1,028**
BANK BORROWINGS		29,930	-
OTHER FINANICAL LIABITIES		676	1,028
DEFERRED TAX LIABILITIES	**15**	**1,440**	-
CURRENT LIABILITIES		**379,990**	**444,614**
PROVISIONS	**14**	**30,244**	**22,690**
BORROWINGS	**8**	**82,584**	**23,455**
BANK BORROWINGS		30,673	-
DERIVATIVES		337	-
OTHER FINANCIAL LIABILITIES		51,574	23,455
BORROWINGS FROM GROUP COMPANIES AND ASSOCIATES	**8**	**137,111**	**257,161**
TRADE AND OTHER PAYABLES	**8**	**129,965**	**141,262**
SUPPLIERS		78,072	65,977
SUPPLIERS, GROUP COMPANIES AND ASSOCIATES		40,094	52,156
OTHER PAYABLES		838	954
EMPLOYEE BENEFITS PAYABLE		3,755	10,114
OTHER PAYABLES TO PUBLIC ADMINISTRATIONS	**15**	7,206	12,061
ACCRUALS		**86**	**46**
TOTAL EQUITY AND LIABILITIES		**800,667**	**999,860**

Read with the attached explanatory notes.

INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008 Thousands of euros

1.3. Income statement for the years ended 31 December 2009 and 2008

	NOTES	2009	2008
CONTINUING OPERATIONS			
REVENUE	**18**	**507,456**	**774,974**
SALE OF GOODS		498,897	759,989
RENDERING OF SERVICES		8,559	14,985
CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS	**18**	**(794)**	**3,821**
WORK PERFORMED BY THE ENTITY AND CAPITALIZED		**8,018**	**12,141**
COST OF SALES		**(203,324)**	**(194,852)**
CONSUMPTION OF GOODS FOR RESALE	18	(203,324)	(194,852)
OTHER OPERATING INCOME		**28,187**	**47,289**
ANCILLARY INCOME		28,187	47,286
GRANTS RELATED TO INCOME		-	3
EMPLOYEE BENEFITS EXPENSE		**(49,792)**	**(57,913)**
WAGES, SALARIES ET AL.		(40,937)	(48,685)
SOCIAL SECURITY COSTS ET AL.	18	(8,855)	(9,228)
OTHER OPERATING EXPENSES		**(117,882)**	**(125,744)**
EXTERNAL SERVICES	18	(105,446)	(120,146)
TAXES		(11,041)	(5,125)
LOSSES ON, IMPAIRMENT OF AND CHANGE IN TRADE PROVISIONS	10	(1,395)	(473)
DEPRECIATION AND AMORTIZATION	**5,6**	**(141,067)**	**(173,222)**
OVERPROVISIONS		**32,676**	**5,080**
IMPAIRMENT LOSSES AND GAINS (LOSSES) ON DISPOSAL OF NON-CURRENT ASSETS		**7,027**	**6,641**
IMPAIRMENT LOSSES AND LOSSES	5	7,099	6,688
GAINS (LOSSES) ON DISPOSAL AND OTHER GAINS AND LOSSES	5	(72)	(47)
OPERATING PROFIT		**70,505**	**298,215**
FINANCE INCOME		**57,285**	**162,878**
FROM EQUITY INVESTMENTS		50,473	144,294
IN GROUP COMPANIES AND ASSOCIATES	19	50,473	144,294
FROM MARKETABLE SECURITIES AND OTHER FINANCIAL INSTRUMENTS		6,812	18,584
OF GROUP COMPANIES AND ASSOCIATES	19	5,582	15,309
OF THIRD PARTIES		1,230	3,275
FINANCE COST		**(3,820)**	**(11,524)**
BORROWING FROM GROUP COMPANIES AND ASSOCIATES	19	(1,305)	(9,350)
THIRD-PARTY BORROWINGS		(2,515)	(2,174)
CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS	**8**	**(5,850)**	**(809)**
TRADING PORTFOLIO AND OTHER SECURITIES		(850)	(809)
GAINS (LOSSES/IMPAIRMENT) ON AVAILABLE-FOR-SALE FINANCIAL ASSETS FOR THE PERIOD		(5,000)	-
EXCHANGE GAINS (LOSSES)		**113**	**(348)**
IMPAIRMENT AND GAINS (LOSSES) ON DISPOSAL OF FINANCIAL INSTRUMENTS		**(63,823)**	**(150,774)**
IMPAIRMENT LOSSES AND LOSSES		(65,476)	(150,763)
GAINS (LOSSES) ON DISPOSAL AND OTHER GAINS AND LOSSES	7	1,653	(11)
RESULT		**(16,095)**	**(577)**
PROFIT BEFORE TAX		**54,410**	**297,638**
INCOME TAX	15	14,051	(28,416)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**68,461**	**269,222**
DISCONTINUED OPERATIONS			
PROFIT/ (LOSS) AFTER TAX FOR THE YEAR FROM DISCONTINUED OPERATIONS			
PROFIT FOR THE YEAR		**68,461**	**269,222**

Read with the attached explanatory notes.

Thousands of euros

1.4. Statements of changes in equity for the years ended 31 December 2009 and 2008

a). Statement of recognized income and expenses for the years ended 31 December 2009 and 2008

	NOTES	2009	2008
PROFIT FOR THE PERIOD		**68,461**	**269,222**
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY			
FROM MEASUREMENT OF FINANCIAL INSTRUMENTS		**(5,025)**	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS		(5,025)	
OTHER INCOME/EXPENSE		-	-
FROM CASH FLOWS HEDGES			
CURRENCY TRANSLATION DIFFERENCES			
GRANTS, DONATIONS AND BEQUESTS RECEIVED		-	-
FROM ACTUARIAL GAINS AND LOSSES AND OTHER ADJUSTMENTS			
TAX EFFECT		**1,507**	
TOTAL INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY		**(3,518)**	**-**
AMOUNTS TRANSFERRED TO INCOME STATEMENT			
FROM MEASUREMENT OF FINANCIAL INSTRUMENTS		**5,025**	-
AVAILABLE-FOR-SALE FINANCIAL ASSETS		5,025	
OTHER INCOME/EXPENSE		-	-
FROM CASH FLOWS HEDGES			
GRANTS, DONATIONS AND BEQUESTS RECEIVED			
TAX EFFECT		**(1,507)**	
TOTAL AMOUNTS TRANSFERRED TO INCOME STATEMENT		**3,518**	**-**
TOTAL RECOGNIZED INCOME AND EXPENSE		**68,461**	**269,222**

Read with the attached Notes.

Thousands of euros

b). Statements of changes in equity for the years ended 31 December 2009 and 2008

	ISSUED CAPITAL	SHARE PREMIUM	LEGAL RESERVE	RESERVES FOR SHARE OPTION PLANS	RESERVES	TREASURY SHARES AND EQUITY INVESTMENTS	PROFIT FOR THE YEAR	TOTAL
ADJUSTED BALANCE AT JANUARY 1, 2008	**123,321**	**37,013**	**24,664**	**8,431**	**106,241**	**(56,469)**	**320,392**	**563,593**
TOTAL RECOGNIZED INCOME AND EXPENSE	-	-	-	-	-	-	**269,222**	**269,222**
TRANSACTIONS WITH SHAREHOLDERS AND OWNERS								
DIVIDENDS PAID	-	-	-	-	2,830	-	(320,392)	(317,562)
TRANSACTIONS WITH SHARES OR OWN EQUITY INSTRUMENTS (NET)	-	-	-	-	-	(1,344)	-	(1,344)
INCENTIVE PLANS THOUGH SHARE-BASED PAYMENTS	-	-	-	2,069	-	-	-	2,069
OTHER CHANGES IN EQUITY	-	-	-	-	-	-	-	-
ADJUSTED BALANCE AT DECEMBER 31, 2008	**123,321**	**37,013**	**24,664**	**10,500**	**109,071**	**(57,813)**	**269,222**	**515,978**
ADJUSTED BALANCE AT JANUARY 1, 2009	**123,321**	**37,013**	**24,664**	**10,500**	**109,071**	**(57,813)**	**269,222**	**515,978**
TOTAL RECOGNIZED INCOME AND EXPENSE	-	-	-	-	-	-	**68,461**	**68,461**
TRANSACTIONS WITH SHAREHOLDERS AND OWNERS								
DIVIDENDS PAID	-	-	-	-	58,949	-	(269,222)	**(210,273)**
TRANSACTIONS WITH SHARES OR OWN EQUITY INSTRUMENTS (NET)	-	-	-	-	-	(2,921)	-	**(2,921)**
INCENTIVE PLANS THOUGH SHARE-BASED PAYMENTS	-	-	-	987	-	-	-	**987**
OTHER CHANGES IN EQUITY	-	-	-	-	-	-	-	-
ADJUSTED BALANCE AT DECEMBER 31, 2009	**123,321**	**37,013**	**24,664**	**11,487**	**168,020**	**(60,734)**	**68,461**	**372,232**

Read with the attached Notes.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009 AND 2008 Thousands of euros

1.5. Cash Flow Statement for the year ended 31 December 2009 and 2008

	NOTES	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES			
CASH FLOW FROM OPERATING ACTIVITIES		**54,410**	**297,638**
ADJUSTMENTS TO PROFIT		**129,037**	**153,333**
DEPRECIATION AND AMORTIZATION	5,6	141,067	173,222
IMPAIRMENT LOSSES	6,7	58,377	144,490
CHANGES IN PROVISIONS		(16,942)	(14,832)
FINANCE INCOME		(57,285)	(162,878)
FINANCE COSTS		3,820	11,524
CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS		-	(262)
OTHER INCOME AND EXPENSES		-	2,069
CHANGE IN WORKING CAPITAL		**48,801**	**13,417**
INVENTORIES		633	(3,765)
TRADE AND OTHER RECEIVABLES		63,114	1,579
OTHER CURRENT ASSETS		(6,344)	4,909
TRADE AND OTHER PAYABLES		(8,642)	10,833
OTHER CURRENT LIABILITIES		40	(139)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES		**38,172**	**503**
INTEREST PAID		(3,820)	(11,524)
DIVIDENDS RECEIVED		50,473	144,294
INTEREST RECEIVED		6,812	18,584
INCOME TAX RECEIPTS (PAYMENTS)		(16,280)	(150,851)
OTHER PAYMENTS (RECEIPTS)		987	-
CASH FLOWS FROM OPERATING ACTIVITIES		**270,420**	**464,891**
CASH FLOWS FROM INVESTING ACTIVITIES			
PAYMENTS ON INVESTMENTS		**(211,880)**	**(243,649)**
GROUP COMPANIES AND ASSOCIATES		(76,016)	(77,436)
INTANGIBLE ASSETS		(132,846)	(161,630)
PROPERTY, PLANT AND EQUIPMENT		(2,629)	(4,583)
OTHER FINANCIAL ASSETS		(389)	-
PROCEEDS FROM DISPOSAL		**115,468**	**75,752**
GROUP COMPANIES AND ASSOCIATES		97,839	67,350
INTANGIBLE ASSETS		-	1,361
PROPERTY, PLANT AND EQUIPMENT	5	203	60
OTHER FINANCIAL ASSETS		17,089	6,981
OTHER ASSETS		337	-
CASH FLOWS FROM INVESTING ACTIVITIES		**(96,412)**	**(167,897)**
CASH FLOWS FROM FINANCING ACTIVITIES			
PROCEEDS FROM AND PAYMENTS ON EQUITY INSTRUMENTS		**(2,921)**	**(1,344)**
ACQUISITION OF OWN EQUITY INSTRUMENTS		(2,921)	(1,344)
PROCEEDS FROM AND PAYMENTS OF FINANCIAL LIABILITIES		**16,217**	**(1,128)**
ISSUES	8	60,603	-
BANK BORROWINGS		60,603	-
OTHER BORROWINGS		-	-
REPAYMENT AND REDEMPTION OF		(44,386)	(1,128)
PAYABLE TO GROUP COMPANIES AND ASSOCIATES		(44,034)	-
OTHER BORROWINGS		(352)	(1,128)
DIVIDENDS PAID AND PAYMENTS ON OTHER EQUITY INSTRUMENTS		**(210,273)**	**(317,562)**
DIVIDENDS		(210,273)	(317,562)
PAYMENTS ON OTHER EQUITY INSTRUMENTS		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		**(196,977)**	**(320,034)**
NET FOREING EXCHANGE DIFFERENCE		**-**	**-**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**(22,969)**	**(23,040)**
CASH AND CASH EQUIVALENTS AT 1 JANUARY	12	**24,056**	**47,096**
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	12	**1,087**	**24,056**

Read with the attached Notes.

1.6. Notes to the financial statements for the year ended 31 December 2009

1. Activity

Gestevisión Telecinco, S.A. (the Company), domiciled at the Carretera de Fuencarral to Alcobendas No. 4, 28049 Madrid, was incorporated as a public limited company on 10 March 1989.

The Company engages in the indirect management of a public television service in accordance with the terms of the concession granted by the State, by virtue of the 28 August 1989 Resolution of the General Secretariat of Communications and the concession agreement executed in a public deed on 3 October 1989, and the performance of all operations naturally required for or resulting from said management.

Under a Council of Ministers Resolution dated 10 March 2000, this concession for the indirect management of the public television service was renewed for ten years starting on 3 April 2000. On 3 April 2010 the concession expires and the Company expects it to be renewed for a further ten years. The Company has made all the necessary investments to begin digital broadcasts pursuant to Royal Decree 2169/1998, of 9 October, which approved the Spanish National Technical Plan for Digital Terrestrial Television.

Under a Council of Ministers Resolution dated 25 November 2005, the concession agreement was extended along with those of the other concession operators in Spain, and we were granted concessions for three Digital Terrestrial Television (DTT) channels.

Per Article 4 of its bylaws, the Company was incorporated for an indefinite period.

The Company was admitted for listing on the Stock Exchange on 24 June 2004 and its shares are traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The shares were included in the IBEX-35 index on 3 January 2005.

2. Basis of Presentation of the Financial Statements

The financial statements have been prepared in accordance with the new accounting principles approved by Royal Decree 1514/2007 of November 16 and prevailing mercantile law.

The figures shown in these financial statements are presented in thousands of euros unless otherwise indicated.

True and fair view

The accompanying annual financial statements have been prepared from the Company's accounting records in accordance with prevailing accounting legislation in order to give a true and fair view of the equity, financial position and results of the Company, as well as the cash flows reported in the cash flow statement.

These financial statements have been prepared by the directors of the parent company and will be submitted for approval by the shareholders in general meeting. It is expected that they will be approved without modification.

Comparative information

Thus, in accordance with mercantile law, for comparative purposes the Company has included the 2008 figures in addition to those of 2009 for each item of the balance sheet, of the income statement, of the statement of changes in equity, of the cash flow statement and the of Notes thereto.The notes to the financial statements also include quantitative information from the previous year, except when an accounting standard specifically establishes this as unnecessary.

Preparation of the consolidated financial statements

The Company, as the Parent of a corporate group in accordance with mercantile law and given that it is a listed company, is obliged to present consolidated financial statements in accordance with the International Accounting Standards approved by the European Union. Accordingly, the corresponding consolidated financial statements were prepared together with these individual financial statements. Consolidated equity and net profit for the year ended 31 December 2009 totaled €296,830 thousand and €48,442 thousand, respectively.

Critical issues concerning the assessment of uncertainty

The preparation of the Company's annual financial statements require the Directors to make judgments, estimates, and assumptions which affect the application of accounting principles and the balances of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities at the reporting date. These estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount of the assets and liabilities that are not readily apparent from other sources. Those estimates and assumptions are reviewed on an ongoing basis. The effects of the reviews of the accounting estimates are recognized in the period during which they are carried out, if they relate solely to that period, or in the period reviewed and future periods if the review affects both current and future periods. Nevertheless, the uncertainty inherent in the estimates and assumptions may lead to results that necessitate adjusting the carrying values of the assets and liabilities affected in the future.

Aside from the general process of making systematic and periodically revising estimates, the directors made certain value judgements on issues that have a special effect on the financial statements.

The main judgements as well as the estimates and assumptions regarding future events and other uncertain sources of estimates at the date of preparation of the financial statements that may cause corrections to assets and liabilities are as follows:

Impairment of non-current assets

When measuring non-current assets other than financial assets, especially goodwill and intangible assets with an indefinite useful life, estimates must be made to determine their fair value to assess if they are impaired. To determine fair value, the directors estimate the expected cash flows from assets and the cash-generating units to which they belong and apply an appropriate discount rate to calculate the present value of these cash flows.

Deferred tax assets

Deferred tax assets are recognized when the Company is likely to have future taxable profit against which these assets may be utilized.

To determine the amount of deferred tax assets that can be recognized, the directors estimate the amounts and dates on which future taxable profits will be obtained and the reversion period of taxable temporary differences.

Useful life of property, plant and equipment and intangible assets

The Company periodically reviews the useful lives of its property, plant and equipment and its intangible assets, prospectively adjusting the provisions for depreciation when the estimates change.

Provisions

The Company recognizes provisions for risks in accordance with the accounting policy set forth in Note 4. The Company has made judgements and estimates regarding the probability of the occurrence of said risks, as well as the amount thereof, and has recognized a provision when the risk has been considered likely, estimating the cost that such an occurrence would represent for it.

Calculation of fair values, values in use and present values

Estimating fair values, values in use and present values entails calculating future cash flows and making assumptions on the future values of flows as well as the applicable discount rates. The estimates and related assumptions are based on historical experience and various other factors understood to be reasonable under the circumstances.

The Company values incentive plans through shares at fair value on the date of the concession. Making such an estimate at that date requires making estimates and judgements on the valuation option models and taking into account the price of the option in the year, the life of the option, the price of the underlying shares, the expected volatility of the share price, an estimate of dividend payments and the risk-free interest rate for the life of the option.

3. Appropriation of profit

The Directors have proposed the following appropriation of profit, expressed in thousands of euros, pending approval by the General Shareholders' Meeting:

	AMOUNT
PROPOSED APPROPRIATION	
PROFIT FOR THE YEAR	68,461
TOTAL	68,461
APPROPRIATION TO:	
DIVIDENDS	48,440
VOLUNTARY RESERVES	20,021
TOTAL	68,461

The Company's Board of Directors likewise agrees to distribute an interim dividend for the total amount of the proposed ordinary dividend, which will be distributed prior to the General Shareholders' Meeting on the basis of the accompanying liquidity statement at December 31, 2010.

	THOUSANDS OF EUROS
LIQUIDITY STATEMENT AT JANUARY 31, 2010	
CASH AT BANKS AND IN HAND	3,004
CURRENT FINANCIAL ASSETS	65,570
OTHER CURRENT FINANCIAL LIABILITIES	170,625
CURRENT FINANCIAL LIABILITIES	(399,781)
UNUSED CREDIT FACILITIES	254,881
WORKING CAPITAL AT 01/31/2010	**94,299**
AVAILABLE FUNDS	**94,299**

Limitations on the distribution of dividends

The Company is obliged to transfer 10% of the profit for the year to a legal reserve until this reserve reaches an amount at least equal to 20% of share capital. Unless the balance of the reserve exceeds this amount, it cannot be distributed to shareholders.

Once the legal or the company bylaw requirements have been met, dividends may only be distributed against profit for the year or against freely distributable reserves if the value of equity is not lower than share capital or would not be caused to be less than share capital by the distribution of dividends. Accordingly, profit recognized directly in equity may not be distributed either directly or indirectly. Where losses exist from previous years that reduce the Company's equity to below the amount of share capital, profit must be allocated to offset these losses.

4. Recognition and measurement accounting policies

The main recognition and measurement accounting policies applied in the preparation of these financial statements are as follows:

Intangible assets

Intangible assets are measured at cost of acquisition or production, less accumulated depreciation and any impairment losses. An intangible asset is recognized as such only if it is likely to generate future income for the Company and its cost can be reliably measured.

The financial expenses of specific or generic funding of assets with installation periods exceeding one year accrued before the assets are put to use are included in the acquisition or production cost.

In each case, the Company assesses the intangible asset's useful life to be either finite or indefinite.

Those that have finite useful lives are amortized over their estimated useful lives, and their recoverability is analyzed when events or changes arise that indicate that the net carrying amount might not be recoverable. Amortization methods and periods are reviewed at year end and adjusted prospectively where applicable.

The company does not own intangible assets with indefinite usefuel life.

Computer software

This includes the amounts paid for title to or the right to use computer programs; those developed in-house are included only when they are expected to be used over several years.

Computer software maintenance costs are expensed directly in the year in which they are incurred.

Computer software is amortized over three years from the date on which it starts to be used.

Other intangible assets

The following intangible assets are recognized under this heading:

Property Rights on External Audiovisual Production

These rights are initially recognized at their acquisition price. If they are acquired in closed packages and the breakdown of the individual value of each product is not provided, individual values are calculated based on a weighting factor equivalent to the acquisition cost of products of a similar type and category as if the acquisition were made on an individual basis.If the contract stipulates the individual value of each product/title, this is taken directly as the asset value.

The right is recognized at the time the material becomes available for broadcasting pursuant to the contract, and is recognized under Customer Advances until it becomes available for broadcasting. In the case of several rights associated with a single contract that become available during the same year but on different dates, the Company recognizes the inclusion of the rights under the contract on the date on which the first right is available for broadcasting.

These rights are amortized based on the number of screenings, as follows:

1. Films and TV movies (non-series).

* Contractual rights for two screenings:
    - First screening: 50% of acquisition cost.
    - Second screening: 50% of acquisition cost.
* Contractual rights for three or more screenings:
    - First screening: 50% of acquisition cost.
    - Second screening: 30% of acquisition cost.
    - Third screening: 20% of acquisition cost.

2. Other products (series).

* Contractual rights for two or more screenings:
    - Contractual rights for two or more screenings.
    - Second screening: 50% of acquisition cost.

When a screening is sold to a third party, the value of the screening, calculated on the basis of the above percentages, is amortized on the basis of the buyer’s territorial capacity to distribute the television signal. A cost of goods sold is recognized based on the revenues generated in the territory where the screening has been sold and adjustments are made to the unsold value of the screening.

When audience figures for first screenings or channel programming indicate that the net carrying amount is not in line with the estimated real value, specific impairment provisions are recognized for each product or right.

In-House Series Production Rights

These include productions that the Company, as the owner, may both broadcast and subsequently sell.

Their value includes both the costs incurred directly by the Company and the amounts billed by third parties.

The residual value, estimated at 2% of total cost, is amortized on a straight-line basis over three years from the time the productions are available, unless these rights are sold to third parties during the amortization period, in which case the remaining value is expensed to the revenues generated by the sale.

Amortization is based on the screenings, as follows:

* **Series of less than 60 minutes and/or broadcast daily.**

  First screening: 100% of the amortized double value

* **Series of less than 60 minutes and/or broadcast weekly.**

  First screening: 90% of the amortized double value.

  Second screening: 10% of the amortized double value.

In addition, the residual values of broadcasting rights over three years old, from the date of recording of the assets, are written off.

When audience figures for first screenings or channel programming indicate that the net carrying amount is not in line with the real estimated value, each specific product or right is amortized.

Distribution Rights

These include the rights acquired by the Company for use in all windows in Spanish territory.

The cost of the right is that stated in the contract. Amortization of distribution rights is recognized on the basis of the revenue generated in each window in which the right is used and an estimate of future revenue from each window.

When the free-to-air broadcasting or right commences, it is reclassified under "Audiovisual Property Rights."

In the free-to-air window, the amortization of the rights is recognized in the same way as in the case of audiovisual property rights, as detailed in the corresponding note.

Coproduction rights

These include the coproduction rights acquired by the Company for use in all windows.

The cost of the right is that stated in the contract. Amortization of distribution rights is recognized on the basis of the revenue generated in each window in which the right is used and estimated revenue from each window.

When the free-to-air broadcasting or right commences, it is reclassified under "Audiovisual Property Rights."

In the free-to-air window, the amortization of the rights is recognized in the same way as in the case of audiovisual property rights, as detailed in the corresponding note.

Rights: options, scripts, development

Necessary expenses to analyze and develop new projects are recognized under this heading. Scripts acquired are measured at cost.

When a right to a production to which it is associated commences, the right is reclassified to the related rights account and amortized accordingly.

Master Copies and dubbing

Master copies refer to the media supporting the audiovisual rights and dubbing to the cost of dubbing original versions.

These are measured at cost and amortized in the same proportion as the audiovisual rights with which they are associated.

Retransmission rights

The costs for the rights to broadcast sport are recognized under Procurements on the separate income statement at the cost stipulated in the agreement. The costs are recognized when each event is broadcast. Advance payments are recognized in the balance sheet under Current assets - Prepayments.

Patents, licenses and trademarks.

These items are recognized at acquisition cost and amortized on a straight-line basis over their useful lives, which are generally estimated to be four years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

Property, plant and equipment

Property, plant and equipment are initially measured at either acquisition or production cost.

Following initial measurement, they are stated at cost less accumulated depreciation and any impairment losses.

The financial expenses of specific or generic funding of assets with installation periods exceeding one year accrued before the assets are put to use are included in the acquisition or production cost.

When, based on an analysis of the nature and conditions of a lease agreement, all risks and rewards incidental to ownership of the leased item are considered to be substantially transferred to the Company, the agreement is classified as a financial lease. Therefore, the ownership acquired through these financial leases is measured, based on its nature in the PPE, at an amount equivalent to the lower of its fair value and the present value of the minimum payments set forth at the beginning of the lease agreement, minus the accumulated depreciation and any impairment loss. There were no finance lease agreements at year-end 2008 and 2009.

Expenses for repairs which do not prolong the useful life of the assets, as well as maintenance expenses, are recognized in the income statement in the year incurred. Expenses incurred for expansion or improvements which increase the productivity or prolong the useful life of the asset are capitalized as an increase in the value of the item.

Depreciation expenses are recognized in the income statement. The elements of this item are depreciated from the time in which they are available to be brought into service. Property, plant and equipment are depreciated by the straight-line method during the following years of estimated useful life:

	RATIO
BUILDINGS	4 %
TV EQUIPMENT	20 %
PLANT	10-35 %
TOOLS	20 %
AUTOMOBILE-RELATED MATERIAL	14 %
FURNITURE	10 %
DATA-PROCESSING EQUIPMENT	25 %
SUNDRY INVENTORIABLE MATERIALS	20 %

The Company reviews the assets’ residual value, useful lives and the depreciation methods of property, plant and equipment at year-end and adjusts them prospectively where applicable.

Impairment of non-current nonfinancial assets

The Company assesses at least at each year-end whether there is an indication that a non-current asset or, where applicable, a cash-generating unit may be impaired. If any such indication exists, and in all events when goodwill or intangible assets have indefinite useful lives, the Company estimates the asset’s recoverable amount.

The recoverable amount is the higher of the cash-generating unit’s (CGU) fair value less cost to sell and value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired. To assess value in use, expected future cash flows are discounted to their present value using risk-free market rates, adjusted by the risks specific to the asset. For those assets that do not generate cash inflows largely independent of those from other assets or groups of assets, the recoverable amount is determined for the CGU to which the asset belongs.

Impairment loss and its reversion are recognized in the income statement. Impairment loss is reversed only if the circumstances giving rise to it have ceased to exist, except those related to goodwill. The reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset.

Financial instruments

Financial assets

A) Recognition and measurement

Financial instruments are classified into one of the following categories for measurement purposes:

1. Loans and receivables
2. Held-to-maturity investments
3. Financial assets held for trading

4. Other financial assets at fair value through profit or loss
5. Investments in group companies, joint ventures and associates
6. Available-for-sale financial assets

Financial assets are initially recognized at fair value. Unless there is evidence to the contrary, fair value is the transaction price. The transaction price is equivalent to the fair value of the consideration paid plus directly attributable transaction costs, unless, for financial assets held for trading and other financial assets at fair value through profit or loss, directly attributable transaction costs are recognized directly in the income statement of the year in which the financial asset is acquired. In addition, for financial assets held for trading and available-for-sale financial assets, preferential subscription and any similar rights acquired will be part of the initial measurement.

a.1) Loans and receivables

Loans and receivables comprise financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business. The category also includes trade receivables, which are defined as financial assets that, in addition to not being equity instruments or derivatives, have no commercial substance, have fixed or determinable payments and are not traded on an active market. This category does not include financial assets for which the Company might not substantially recover all of its initial investment due to circumstances other than credit impairment.

Following initial recognition, financial assets included in this category are measured at amortized cost. Interest is recognized in the income statement using the effective interest rate method.

Nevertheless, trade receivables that mature within less than one year with no contractual interest rate, as well as advances and loans to personnel, dividends receivable and called-up payments on equity instruments, the amount of which is expected in the short term, are carried at nominal value both at initial and subsequent remeasurement, when the effect of not discounting cash flows is not significant.

Loans and receivables maturing in less than twelve months as of the balance sheet date are classified as current, and those maturing at over 12 months as non-current.

a.2) Held-to-maturity investments

Held-to-maturity investments include debt instruments with fixed maturities and fixed or determinable payments traded on active markets and which the Company has the positive intention and the financial capacity to hold to maturity.

Following initial recognition, financial assets included in this category are measured at amortized cost. Interest is recognized in the income statement using the effective interest rate method.

a.3) Financial assets held for trading

A financial asset is considered to be held for trading when:

a) It is originated or acquired to be sold in the short term,

b) It is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking, or

c) It is a derivative financial instrument, providing that is not a financial guarantee contract and has not been designated as a hedging instrument.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year. The Company maintained no investments of this type at year-end 2008 and 2009.

a.4) Other financial assets at fair value through profit or loss

This category includes hybrid financial instruments, when it is not possible to separately measure the value of the embedded derivative or to reliably determine its fair value, either at the time of acquisition or at a subsequent date, or, when so elected, at the time of initial recognition, because the instrument has been measured at fair value.

This category also includes all financial assets that the Company has designated, at the time of initial recognition, for inclusion. This designation is only made when it results in more relevant information, because:

a) It eliminates or significantly reduces inconsistencies in recognition or valuation that otherwise would exist due to the measurement of assets or liabilities or due to the recognition of losses or gains thereon through the application of different criteria.

b) A group of financial assets or financial assets and liabilities is managed and the return thereon is evaluated on the basis of the assets' fair value, according to a documented investment or risk-management strategy, and, in addition, information regarding the Group is provided on a fair-value basis to the key management personnel.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year.

a.5) Investments in Group companies, joint ventures and associates:

This category includes equity investments in group companies, joint ventures and associates.

Upon initial recognition in the balance sheet, the investments are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

Following initial measurement, these financial assets are measured at cost, less any accumulated impairment loss.

When a value must be assigned to these assets because they are derecognized or for another reason, the homogenous-groups weighted average cost method is applied, with homogenous groups understood to be those that have the same rights. Where preferential subscription or similar rights are sold or separated for the purpose of being exercised, the cost of these rights decreases the carrying amount of the respective assets.

a.6) Available-for-sale financial assets

This category includes debt securities and equity instruments of other companies not classified in any of the preceding categories.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes in fair value are recognized directly in equity until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss is recognized in the income statement. However, impairment losses and foreign exchange gains and losses on monetary assets denominated in foreign currency are recognized in the income statement. Interest, calculated according to the effective interest rate method, and dividend income are also recognized in the income statement.

Investments in equity instruments whose fair value cannot be reliably determined are measured at cost, less any cumulative impairment. When a value must be assigned to these assets because they are derecognized or for another other reason, the homogenous-groups weighted average cost method is applied, with homogenous groups understood to be those that have the same rights. Where preferential subscription or similar rights are sold or separated for the purpose of exercising being exercised, the cost of these rights decreases the carrying amount of the respective assets. This amount is the fair value or the cost of the rights consistent with the measurement of the associated financial assets.

B) Interest and dividends received from financial assets

Interest and dividends from financial assets accrued subsequent to acquisition are recognized as income. Interest must be recognized using the effective interest rate method; dividends are recognized when the right to receive them is established.

For these purposes, financial assets are recognized separately on initial measurement, based on maturity, accrued explicit interest receivable at that date, and the proposed dividends at the time the assets are acquired. For these purposes, explicit interest refers to the contract interest rate applied to the financial instrument.

In addition, when distributed dividends are derived unmistakably from profit generated prior to the date of acquisition given that the amounts of distributed dividends exceeded the profit generated by the associate since acquisition, the dividends are not recognized as income and decrease the cost of the investment.

C) Impairment of financial assets

At year-end, the Company evaluates if its financial assets or group of financial assets are impaired.

Financial assets recognized at amortized cost (receivables and investments held to maturity)

Valuation adjustments are made, provided that there is objective evidence that the value of a financial asset, or group of financial assets, recognized at amortized cost has suffered an impairment loss as a result of one or more events that have occurred after their initial recognition causing a reduction or delay in estimated future cash flows.

The impairment loss on these financial assets is the difference between their carrying value and the present value of the future cash flows expected to be generated, minus the effective interest rate calculated at the time of their initial recognition. For financial assets with floating interest rates, the effective interest rate corresponding to the balance sheet date is used, in accordance with the contractual conditions. To calculate the impairment losses of a group of financial assets, models based on statistical methods or formulas are used. For investments held to maturity as a substitute for the present value of future cash flows, the market value of the instrument may be used, provided that it is sufficiently reliable to be considered representative of the value that the Company might recover.

Impairment losses, as well as the reversion thereof when the amount of the loss diminishes for reasons related to a subsequent event, are recognized as revenue or expenses, respectively, in the income statement. The reversal of an impairment is limited to the carrying value of the credit that would have been recognized on the reversal dates had no impairment loss been recognized.

Investments in Group companies, joint ventures and associates

When there is objective evidence that the carrying amount of an investment will not be recoverable, the required valuation adjustments must be made.

The valuation adjustment is the difference between the carrying amount of the investment and the recoverable amount, which is the greater of the investment's fair value, less costs to sell, and the present value of future cash flows derived from the investment. Unless better evidence of the recoverable amount of the investments is available, impairment of this type of asset has been estimated taking into account the equity of the subsidiary, adjusted by any unrealized capital gain existing on the measurement date.

Impairment loss and its reversion are recognized as expenses or as revenue, respectively, in the income statement. The reversal of an impairment is limited to the carrying value of the estimate that would have been recognized on the reversal dates had no impairment loss been recognized.

Available-for-sale financial assets

When there is objective evidence of a decline in the fair value of this category of financial assets due to impairment, the underlying capital losses recognized as "Unrealized gains (losses) reserve" in equity are taken to the income statement.

The reversal of an impairment loss is recognized in the income statement. Such reversal is limited to the carrying amount of the financial asset that would have been recognized on the reversal date had no impairment loss been recognized.

D) Derecognition of financial assets

The Company derecognizes all or part of a financial asset when the contractual rights to related cash flows expire or are transferred. In such cases, substantially all of the risks and rewards of ownership must be assigned, under circumstances that are evaluated by comparing the Company's exposure before and after the transfer with the variability in the amounts and the timing of the net cash flows of the transferred asset.

If the Company has not transferred or retained substantially all of the risks and rewards, the financial asset is derecognized if control over the asset has not been retained. The situation is determined in accordance with the transferee's capacity to transfer the asset. If control over the asset is retained, the Company continues to recognize it to the extent to which it is exposed to the changes in the value of the transferred asset, i.e., due to its continuing involvement, and the associated liability is also derecognized.

When the financial asset is derecognized, the difference between the consideration received, net of attributable transaction costs, including any new financial asset obtained less any liability assumed, and any cumulative gain or loss directly recognized in equity, determines the gain or loss generated upon derecognition and is included in the income statement in the year to which it relates.

The Company does not derecognize financial assets and it recognizes a financial liability for an amount equal to the compensation received in the transfers of financial assets in which it has retained substantially the risks and rewards incidental to ownership, such as discounted bills, recourse factoring, disposals of financial assets under repurchase agreements at fixed prices or sale price plus interest, and securitizations of financial assets in which the company, as transferor, retains subordinated debt or other types of guarantees that substantially absorb estimated losses.

Financial liabilities

A) Recognition and measurement

The Company classifies its financial liabilities into the following categories:

1. Trade and other payables
2. Financial liabilities held for trading
3. Other financial liabilities at fair value through profit or loss

Financial liabilities are initially measured at fair value, which, unless there is evidence to the contrary, is equivalent to the fair value of the consideration received. For financial liabilities included in trade and other payables, directly attributable transaction costs are part of the initial recognition; for other financial liabilities, these costs are recognized in the income statement.

Liabilities maturing in less than twelve months as of the balance sheet date are classified as current, and those maturing at over twelve months as non-current.

a.1) Trade and other payables

Trade and other payables comprises financial liabilities arising from the purchase of goods and services in the ordinary course of the Company's business. The category also includes non-trade payables, which are defined as financial liabilities that, in addition to not being derivative instruments, have not commercial substance.

Upon initial recognition in the balance sheet, they are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration received, adjusted by directly attributable transaction costs.

Following initial recognition, financial assets included in this category are measured at amortized cost. Interest is recognized in the income statement using the effective interest rate method.

Nevertheless, trade payables maturing within less than one year with no contractual interest rate, as well as called-up payments on shares the amount of which is expected in the short term are carried at nominal value, both in the initial recognition and in the subsequent recognition, when the effect of not discounting cash flows is not significant.

a.2) Financial liabilities held for trading:

A financial liability is considered to be held for trading when:

a) It is issued primarily for the purpose of being repurchased in the short term,

b) It forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit taking, or

c) It is a derivative financial instrument, providing that is not a financial guarantee contract and has not been designated as a hedging instrument.

Financial liabilities are initially measured at fair value, which, unless there is evidence to the contrary, is equivalent to the fair value of the consideration received. Directly attributable transaction costs are directly recognized in the income statement.

After initial recognition, these assets are measured at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year. The Company maintained no investments of this type at year-end 2007 and 2008.

a.3) Other financial liabilities at fair value through profit or loss

This category includes hybrid financial instruments, when it is not possible to separately measure the value of the embedded derivative or to reliably determine its fair value, either at the time of acquisition or at a subsequent date, or, when so elected, at the time of initial recognition, because the financial instrument has been measured at fair value.

This category also includes all financial liabilities that the Company has designated, at the time of initial recognition, for inclusion. This designation is only made when it results in more relevant information, because:

a) It eliminates or significantly reduces inconsistencies in recognition or valuation that otherwise would exist due to the measurement of assets or liabilities or due to the recognition of losses or gains thereon by applying different criteria.

b) A group of financial liabilities or financial assets and liabilities is managed and the return thereon is evaluated on the basis of its fair value, according to a documented investment or risk-management strategy, and, in addition, information regarding the Group is provided on a fair-value basis to the key management personnel.

After initial recognition, these assets are stated at fair value including any transaction costs relating to their sale. Changes to fair value are recognized in the income statement for the year. The Company maintained no investments of this type at year-end 2008 and 2009.

B) Derecognition of financial liabilities

The Company derecognizes a financial liability when the obligation under the liability is extinguished. And it also proceeds to derecognize its own financial liabilities that it acquires, even with a view to reselling them in the future.

When debt instruments are exchanged, provided that their contractual terms are substantially different, the original financial liability is derecognized and the new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same way.

The difference between the carrying amount of the derecognized financial asset (or part of it) and the compensation paid, including any attributable transaction costs, which also includes any new asset transferred other than cash or liability assumed, is recognized in the income statement in the year to which it relates.

When debt instruments are exchanged whose contractual terms are not substantially different, the original financial liability is not derecognized, and the commissions paid are recognized as an adjustment to the carrying amount. The amortized cost of a financial liability is determined by applying the effective interest rate, which is the rate the makes the carrying amount of the financial liability on the modification date equal to the cash flows to be paid as per the new terms.

Financial derivatives and hedges

Cash flow hedges are hedges to exposure to variability in cash flows attributable to a specific risk associated with a recognized asset or liability or to a highly probable forecast transaction that may affect the income statement. The effective portion of the gain or loss on the hedge instrument is recognized directly in equity, whereas the ineffective portion is recognized in the income statement.

The amounts recognized in equity are transferred to the income statement when the hedged transaction affects profit or loss, as well as when financial expense or revenue is recognized, or when a forecast sale or purchase takes place.

When the hedged item is the cost of a financial liability or asset, the amounts recognized in equity are transferred to the initial carrying amount of the non-financial liability or asset.

If the forecast transaction is no longer expected to take place, the amounts previously recognized in equity are transferred to the income statement. If a hedge instrument expires, is sold, terminates or is exercised without being replaced or renegotiated, or its designation as a hedge is revoked, the amounts previously recognized in equity continue to be recognized under that heading until the transaction occurs. If the related transaction is not expected to take place, the amount is recognized in the income statement.

Treasury shares

Treasury shares are recognized in equity as a decrease in “Capital and reserves” when acquired. No loss or gain is shown in the income statement on sale or cancelation. Expenses incurred in connection with transactions with treasury shares are recognized directly in equity as a decrease in reserves.

Inventories

In-house production programs are recognized as inventories. These programs are recognized at production cost, which is determined by considering all costs attributable to the product which are incurred by the Company.

Advances paid for programs are also included,

They are expensed when the related programs are broadcast.

When the net realizable value of inventories is less than acquisition or production cost, the corresponding provision is recognized in the income statement.

Cash and cash equivalents

This heading includes cash, current accounts, short-term deposits and purchases of assets under resale agreements that meet the following criteria:

- They are readily convertible to cash.
- They mature within less than three months from the acquisition date.
- The risk of change in value is insignificant.
- They are part of the Company’s standard cash management strategy.

In terms of the cash flow statement, occasional bank overdrafts used as part of the Company’s cash management strategy are recognized as a decrease in cash and cash equivalents.

Provisions and contingencies

Provisions are recognized in the balance sheet when the Company has a present obligation (derived from a contract or a legal provision or from an explicit or implicit obligation) as a result of past events, and a quantifiable outflow of resources is likely to be required to settle the obligation.

Provisions are measured at the present value of the best estimate of the amount that an entity would have to pay to settle the obligation at the balance sheet date or to transfer it to a third party at that time, with provision discount adjustments recognized as a finance cost as they accrue. No discounts are made on provisions falling due within twelve months that do not have a significant financial effect. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Compensation receivable from a third party when provisions are settled is recognized as an asset, albeit not deducted from the amount of the provision, and provided that there is no doubt that this compensation will actually be received, and that it does not exceed the amount of the liability recognized. When a contractual or legal relationship exists by virtue of which the Company is required to externalize the risk, and thus it is not liable for the related obligation, the amount of the reimbursement is deducted from the amount of the provision.

In addition, contingent liabilities are considered to be possible obligations that arise from past events whose materialization depends on the occurrence of future events not wholly within the Company's control, as well as present obligations arising from past events regarding which it is not probable that an outflow of resources will be required to settle them or which cannot be reliably measured. Contingent liabilities are not recognized in the financial statements but are disclosed in the accompanying notes, unless the likelihood of an outflow of resources is considered remote.

Equity-settled transactions

The Company maintains share option plans related to the compensation system for executive directors and board members that are settled by delivering Company shares. The employee benefits expense is determined based on the fair value of the share options to be awarded on the date the option is granted. This expense is recognized over the stipulated three-year period during which the services are rendered. The fair value of share options established at the date the award was granted is not modified.

The options' fair value is measured based on an internal valuation using valuation option models —specifically, the binomial method— and taking into account the price of the option in the year, the life of the option, the price of the underlying shares, the expected volatility of the share price, estimated dividend payments and the risk-free interest rate for the life of the option.

The granting of Company shares to the other executive directors and directors of group companies is recognized in the financial statements by increasing the value of the investment of said subsidiaries.

Transactions in foreign currency

The financial statements are presented in thousands of euros, which is the Company's functional currency.

Monetary items

Transactions in foreign currency are initially recognized at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date. All exchange gains or losses arising from translation as well as those arise when balance sheet items settled are recognized in the income statement.

Non-monetary items

Non-monetary items measured at historical cost are translated at the exchange rate prevailing on the date of the transaction.

Non-monetary items measured at fair value are translated at the exchange rate prevailing when the fair value is determined. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss is recognized directly in equity. Conversely, when a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in the income statement.

Income tax

Since 1999, the Company has filed its income tax return on a consolidated basis with two of its subsidiaries: Grupo Editorial Tele 5, S.A.U. and Estudios Picasso Fábrica de Ficción, S.A.U. In 2000, Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U., Agencia de Televisión Latinoamericana de Servicios y Noticias Andalucía S.A. and Agencia de Televisión Latinoamericana de Servicios y Noticias Levante S.A. were included in the consolidated tax group.

In 2001, Digitel 5 Media, S.A.U. was included.

In 2002, Agencia de Televisión Latinoamericana de Servicios y Noticias Galicia, S.A. and Agencia de Televisión Latinoamericana de Servicios y Noticias Cataluña, S.A.U. were included.

In 2004, Micartera Media, S.A.U. was included.

In 2004, due to the merger by absorption of Agencia de Televisión Latinoamericana de Servicios y Noticias Andalucía S.A., Agencia de Televisión Latinoamericana de Servicios y Noticias Levante S.A. and Agencia de Televisión Latinoamericana de Servicios y Noticias Galicia, S.A. into Agencia de Televisión Latinoamericana de Servicios y Noticias Cataluña, S.A.U., which subsequently changed its business name to Atlas Media, S.A.U., the acquirees ceased to exist.

In 2005 Publiespaña, S.A.U., Publimedia Gestión, S.A.U. and Advanced Media, S.A.U. were included.

In 2006, Digitel 5 Media, S.A.U. was excluded, since a resolution had been passed in July 2006 to dissolve and liquidate it.

In 2007 Mediacinco Cartera, S.L. was included and Estudios Picasso Fábrica de Ficción, S.A.U. changed its company name to Telecinco Cinema, S.A.U.

In 2008, Conecta 5 Telecinco, S.A.U. was included.

In 2009, Canal Factoria de Ficción, S.A.U. was included.

Timing differences are recognized as deferred tax liabilities if they lower the taxable income and as prepaid tax if they increase the taxable income, provided there is no doubt as to their recovery in future years.

The calculation and settlement of consolidated corporate income tax gives rise to tax receivable or payable with the Group companies.

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable income for the year, less any applicable rebates and tax credits, taking into account changes during the year in recorded deferred tax assets and liabilities. Income tax expense for the year is recognized in the income statement, except where it is related to items taken directly to equity, in which case it is also recognized under this heading.

Current tax assets and liabilities are the estimated amounts payable to or receivable from the public administration, according to the tax rates in effect at the balance sheet date, including any other adjustment for taxes corresponding to previous years.

Deferred income tax is recognized on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax base of an asset or liability is the amount attributed to it for tax purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, unless:

- the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affected neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled by the Parent and the temporary differences are not likely to reverse in the foreseeable future.

The Company recognizes deferred tax assets for all deductible temporary differences, unused tax credits and unused tax loss carryforwards, to the extent that it is probable that future taxable profit will be available against which the Company may use these assets, except:

- the deferred income tax asset relative to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affected neither the accounting profit nor taxable profit or loss.
- in respect of temporary differences associated with investments in subsidiaries and associates, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

At each financial year-end, the Company proceeds to assess the deferred tax assets recognized and those that have not yet been recognized. Based on this analysis, the Company derecognizes the previously recognized asset if it is no longer probable that it will be recovered, or it recognizes any deferred tax asset that had not been recognized previously, provided that it is probable that taxable profit will be available against which these assets may be utilized.

Deferred tax assets and liabilities are measured at the tax rate expected to apply to the period in which they reverse, as required by tax laws in effect and in the manner in which the Company reasonably expects to recover the asset's carrying value or settle the liability. Adjustments to the values of deferred tax assets and liabilities are recognized in the income statement, except to the extent that the affected tax assets or liabilities have been charged or credited to equity directly. Deferred tax assets and liabilities are recognized without taking into account the effect of the financial discount and are classified as non-current assets or non-current liabilities, respectively.

Income and expenses

Revenue and expenses are recognized when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises.

Income from sales and services

Revenue is recognized according to the economic substance of the transaction.

Income is recognized when it is probable that the profit or economic benefits from the transaction will flow to the Company and the amount of income and costs incurred or to be incurred can be reliably measured.

Revenue from the sale of goods or the rendering of services is measured at the fair value of the consideration received or receivable stemming from those goods or services, less any discounts, rebates and similar items given by the company, as well as indirect taxes on transactions reimbursed by third parties. Interest included in trade receivables maturing in not more than one year that have no contractual rate of interest is included as an increase in value of the revenue, because the effect of not discounting cash flows is not significant.

Leases

Leases in which the lessor maintains a significant portion of the risks and benefits of ownership of the leased asset are treated as operating leases. Payments or collections carried out under contracts of this type are recognized in the income statement throughout the period of the lease on an accrual basis.

Business combinations

Business combinations, understood as operations in which the Company acquires control of one or more businesses, are recognized using the purchase method. Under the purchase method, assets acquired and liabilities assumed are recognized, at the acquisition date, at fair value, provided that this value can reliably measured. In addition, the difference between the cost of the business combination and the value of these assets and liabilities is recognized, in the income statement, as goodwill, when the difference is positive, or as income, when the difference is negative. The criteria contained in the section on intangible assets of these Notes apply to goodwill.

The cost of the business combination is determined based on the monetary consideration given up, plus any cost directly attributable to the combination, such as fees paid to advisers and other consultants who take part in the operation.

Related-party transactions

Related-party transactions are measured according to the valuation methods described above.

Classification of current and non-current assets and liabilities

Assets and liabilities are classified in the balance sheet as current and non-current. Accordingly, assets and liabilities are classified as current when they are associated with the Company's operating cycle and it is expected that they will be sold, consumed, realized or settled within the normal course of that cycle; if they differ from the aforementioned assets, and are expected to mature, to be sold or settled within one year; if they are held for trading or are cash and cash equivalents whose use is not restricted to one year.

Audiovisual rights, classified as intangible assets, are included in full as non-current assets. Note 6 details those which the Company expects to use within a period of less than 12 months.

Environmental issues

In view of the business activities carried out by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific environmental disclosures have been included in these notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

5. Property, plant and equipment

The breakdown and movements in property, plant and equipment in 2009 and 2008 were as follows:

2009	01,01,09	ADDITIONS	DISPOSALS	TRANSFERS	31,12,09
COST					
LAND	14,970	-	-	-	14,970
BUILDINGS	32,221	14	(9)	156	32,382
TV EQUIPMENT, PLANT AND TOOLS	84,734	1,148	(3,262)	18	82,638
FURNITURES AND FIXTURES	4,204	139	(171)	-	4,172
DATA-PROCESSING EQUIPMENT	13,561	547	(931)	-	13,177
OTHER PP&E	703	40	(37)	-	706
PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	148	741	(5)	(174)	710
TOTAL	**150,541**	**2,629**	**(4,415)**	**-**	**148,755**
ACCUMULATED DEPRECIATION					
BUILDINGS	(16,182)	(1,303)	2	-	(17,483)
TV EQUIPMENT, PLANT AND TOOLS	(70,943)	(4,146)	3,103	-	(71,986)
FURNITURE AND FIXTURES	(2,716)	(317)	146	-	(2,887)
DATA-PROCESSING EQUIPMENT	(9,979)	(1,405)	924	-	(10,460)
OTHER PP&E	(615)	(33)	37	-	(611)
TOTAL	**(100,435)**	**(7,204)**	**4,212**	**-**	**(103,427)**
NET CARRYING AMOUNT	**50,106**	**(4,575)**	**(203)**	**-**	**45,328**

2008	01.01.08	ADDITIONS	DISPOSALS	TRANSFERS	31.12.08
COST					
LAND	14,970	-	-	-	14,970
BUILDINGS	31,225	457	-	539	32,221
TV EQUIPMENT, PLANT AND TOOLS	83,872	2,737	(3,575)	1,700	84,734
FURNITURES AND FIXTURES	4,616	210	(628)	6	4,204
DATA-PROCESSING EQUIPMENT	13,316	742	(2,401)	1,904	13,561
OTHER PP&E	985	67	(349)	-	703
PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION	4,077	370	(14)	(4,285)	148
TOTAL	**153,061**	**4,583**	**(6,967)**	**(136)**	**150,541**
ACCUMULATED DEPRECIATION					
BUILDINGS	(14,907)	(1,275)	-	-	(16,182)
TV EQUIPMENT, PLANT AND TOOLS	(70,018)	(4,488)	3,563	-	(70,943)
FURNITURE AND FIXTURES	(2,980)	(334)	598	-	(2,716)
DATA-PROCESSING EQUIPMENT	(11,189)	(1,189)	2,399	-	(9,979)
OTHER PP&E	(934)	(28)	347	-	(615)
TOTAL	**(100,028)**	**(7,314)**	**6,907**	**-**	**(100,435)**
NET CARRYING AMOUNT	**53,033**	**(2,731)**	**(60)**	**(136)**	**50,106**

Increases in 2008 and 2007 relate primarily to the purchase of plant for the ongoing development of the business. Decreases in 2009 in 2008 relate primarily to idle and fully depreciated assets that the Company has eliminated from its balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

At 31 December 2009 and 2008, the amounts of fully depreciated assets still in use are as follows:

	2009	2008
DATA-PROCESSING EQUIPMENT	7,592	7,948
TV EQUIPMENT, PLANT AND TOOLS	58,576	56,587
OTHER PP&E	79	5
FURNITURE AND FIXTURES	1,565	1,492
	67,812	**66,032**

6. Intangible assets

The breakdown and movements in intangible assets in 2009 and 2008 are as follows::

2009	01.01.09	ALTAS	BAJAS	TRASPASOS	31.12.09
COST					
TRADEMARKS AND TRADE NAMES	13,372	-	-	-	13,372
AUDIOVISUAL PROPERTY RIGHTS	326,366	55,227	(80,607)	3,499	304,485
MASTER COPIES AND CUSTOMS	18	2	(7)	-	13
DUBBING AND OTHER WORK	6,674	1,315	(380)	-	7,609
COPRODUCTION RIGHTS	6,712	-	-	-	6,712
FICTION SERIES RIGHTS	835,740	96,614	-	3,876	936,230
DISTRIBUTION RIGHTS	10,397	-	-	-	10,397
OTHER AUXILIARY SERVICES (DISTRIBUTION)	539	-	-	-	539
RIGHTS: OPTIONS, SCRIPTS, DEVELOPMENT	-	127	-	-	127
START-UP EXPENSES	61	-	(61)	-	-
PREPAYMENTS, AUDIOVISUAL PROPERTY RIGHTS	7,548	3,171	-	(3,499)	7,220
PREPAYMENTS, FICTION SERIES RIGHTS	2,535	3,181	-	(3,876)	1,840
COMPUTER SOFTWARE IN PROGRESS	63	943	-	(45)	961
SOFTWARE	13,023	385	(20)	45	13,433
TOTAL	**1,223,048**	**160,965**	**(81,075)**	**-**	**1,302,938**
ACCUMULATED DEPRECIATION					
TRADEMARKS AND TRADE NAMES	(13,097)	(30)	-	-	(13,127)
AUDIOVISUAL PROPERTY RIGHTS	(215,102)	(41,507)	80,607	-	(176,002)
MASTER COPIES AND CUSTOMS	(16)	(2)	7	-	(11)
DUBBING AND OTHER WORK	(5,953)	(954)	380	-	(6,527)
COPRODUCTION RIGHTS	(6,689)	(24)	-	-	(6,713)
FICTION SERIES RIGHTS	(811,013)	(89,940)	-	-	(900,953)
DISTRIBUTION RIGHTS	(10,397)	-	-	-	(10,397)
OTHER AUXILIARY SERVICES (DISTRIBUTION)	(539)	-	-	-	(539)
START-UP EXPENSES	(61)	-	61	-	-
SOFTWARE	(10,543)	(1,406)	20	-	(11,929)
TOTAL	**(1,073,410)**	**(133,863)**	**81,075**	**-**	**(1,126,198)**
IMPAIRMENT LOSSES	(20,206)	(275)	7,375		(13,106)
TOTAL	(1,093,616)	(134,138)	88,450	-	(1,139,304)
NET CARRYING AMOUNT	**129,432**				**163,634**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

2008	01.01.08	ADDITIONS	DISPOSALS	TRANSFERS	31.12.08
COST					
TRADEMARKS AND TRADE NAMES	13,072	300	-	-	13,372
AUDIOVISUAL PROPERTY RIGHTS	351,813	40,523	(72,092)	6,122	326,366
MASTER COPIES AND CUSTOMS	22	1	(5)	-	18
DUBBING AND OTHER WORK	6,433	362	(121)	-	6,674
COPRODUCTION RIGHTS	6,712	-	-	-	6,712
FICTION SERIES RIGHTS	733,098	97,191	-	5,451	835,740
DISTRIBUTION RIGHTS	11,980	-	-	(1,583)	10,397
OTHER AUXILIARY SERVICES (DISTRIBUTION)	539	-	-	-	539
RIGHTS: OPTIONS, SCRIPTS, DEVELOPMENT	-	-	-	-	-
START-UP EXPENSES	61	-	-	-	61
PREPAYMENTS, AUDIOVISUAL PROPERTY RIGHTS	8,551	3,743	(207)	(4,539)	7,548
PREPAYMENTS, FICTION SERIES RIGHTS	4,222	4,446	(682)	(5,451)	2,535
COMPUTER SOFTWARE IN PROGRESS	515	172	(3)	(621)	63
SOFTWARE	12,278	921	(933)	757	13,023
TOTAL	**1,149,296**	**147,659**	**(74,043)**	**136**	**1,223,048**
ACCUMULATED DEPRECIATION					
TRADEMARKS AND TRADE NAMES	(13,072)	(25)	-	-	(13,097)
AUDIOVISUAL PROPERTY RIGHTS	(226,265)	(60,465)	71,628	-	(215,102)
MASTER COPIES AND CUSTOMS	(18)	(3)	5	-	(16)
DUBBING AND OTHER WORK	(5,627)	(446)	120	-	(5,953)
COPRODUCTION RIGHTS	(6,617)	(72)	-	-	(6,689)
FICTION SERIES RIGHTS	(707,980)	(103,033)	-	-	(811,013)
DISTRIBUTION RIGHTS	(10,139)	(258)	-	-	(10,397)
OTHER AUXILIARY SERVICES (DISTRIBUTION)	(483)	(56)	-	-	(539)
START-UP EXPENSES	(55)	(6)	-	-	(61)
SOFTWARE	(9,928)	(1,544)	929	-	(10,543)
TOTAL	**(980,184)**	**(165,908)**	**72,682**	**-**	**(1,073,410)**
IMPAIRMENT LOSSES	(26,894)	(16,599)	23,287	-	(20,206)
TOTAL	(1,007,078)	(182,507)	95,969	-	(1,093,616)
NET CARRYING AMOUNT	**142,218**				**129,432**

The additions relate to the acquisition of audiovisual rights for future broadcasts. The retirements mainly relate to transmission rights which have expired and which have been fully amortized; hence the Company derecognizes these from its balance sheet.

Outstanding provisions at year-end 2009 and 2008 correspond to the net carrying amount of rights which, while expiring later than 31 December 2009 and 2008, did not feature in the channel's future broadcasting plans at the time of these financial statements were prepared.

The Company estimates that 55% to 60%% of the total amount of audiovisual rights classified as non-current assets on the consolidated balance sheet at 31 December 2009 will be used within 12 months from year-end (between 35% and 40% was estimated at 31 December 2008). This percentage is the best estimate available at this time, based on the programming budget for the coming year.

At year-end 2009, there were firm commitments to acquire audiovisual property rights available starting 1 January 2010 for a total amount of US$42,592 thousand and €79,438 thousand. At 31 December 2009, prepayments of US$250 thousand and €7,043 thousand had been made in connection with said firm commitments to acquire audiovisual property rights.

At year-end 2008, there were firm commitments to acquire audiovisual property rights available from 1 January 2009 for a total of US$33,709 thousand and €65,908 thousand. At 31 December 2007, prepayments of US$670 thousand and €7,066 thousand had been made in connection with said firm commitments to acquire audiovisual property rights.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

At December 31, 2009 advances paid for fiction series totaled €1,840 thousand. At December 31, 2008 these advances totaled 2,535 thousand.

At 31 December 2009 and 2008, the amounts of fully depreciated assets still in use are as follows:

	2009	2008
SOFTWARE	9,524	8,078
COPRODUCTIONS RIGHTS	6,712	-
DISTRIBUTION RIGHTS	10,397	10,397
OTHER AUXILIARY SERVICES	539	539
	27,172	**19,014**

7. Investment in group companies and associates

The breakdown and movements in non-current investments in Group companies and associates in 2009 and 2008 are as follows:

2009	01.01.09	ADDITIONS	DISPOSALS	TRANSFERS	31.12.09
COST					
EQUITY INSTRUMENTS	297,864	389	(1,370)	-	296,883
IMPAIRMENT LOSSES	(168,487)	(50,911)	5,744	-	(213,654)
TOTAL EQUITY INSTRUMENTS	**129,377**	**(50,522)**	**4,374**	**-**	**83,229**
RECEIVABLES FROM GROUP COMPANIES (NOTE 8)	216,629	-	(6,791)	-	209,838
IMPAIRMENT LOSSES	(12,404)	(20,310)	-	-	(32,714)
TOTAL GROUP COMPANIES	**204,225**	**(20,310)**	**(6,791)**	**-**	**177,124**
	333,602	**(70,832)**	**(2,417)**	**-**	**260,353**

2008	01.01.08	ADDITIONS	DISPOSALS	TRANSFERS	31.12.08
COST					
EQUITY INSTRUMENTS	274,748	23,116	-	-	297,864
IMPAIRMENT LOSSES	(28,315)	(141,341)	1,169	-	(168,487)
TOTAL EQUITY INSTRUMENTS	**246,433**	**(118,225)**	**1,169**	**-**	**129,377**
RECEIVABLES FROM GROUP COMPANIES (NOTE 8)	181,008	35,621	-	-	216,629
IMPAIRMENT LOSSES	(521)	(11,883)	-	-	(12,404)
TOTAL GROUP COMPANIES	**180,487**	**23,738**	**-**	**-**	**204,225**
	426,920	**(94,487)**	**1,169**	**-**	**333,602**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

7.1 Description of investments in group companies and associates

The information relating to investments in group companies and associates is as follows:

COMPANY	31.12.09 DIRECT EQUITY INTEREST (%)	31.12.08 DIRECT EQUITY INTEREST (%)	ACTIVITY
GROUP COMPANIES AND ASSOCIATES:			
PUBLIESPAÑA, S.A.U. CTRA. DE FUENCARRAL A ALCOBENDAS, 4, 28049 MADRID	100	100	EXCLUSIVE ADVERTISING CONCESSIONAIRE, TELECINCO
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U. CTRA. DE FUENCARRAL A ALCOBENDAS, 4, 28049 MADRID	100	100	NEWS AGENCY AND PRODUCER OF BROADCAST NEWS
PREMIERE MEGAPLEX, S.A. C/ ENRIQUE JARDIEL PONCELA, 4, 28016 MADRID	50	50	FILM AND VIDEO DISTRIBUTION
GRUPO EDITORIAL TELE 5, S.A.U. CTRA. DE FUENCARRAL A ALCOBENDAS, 4, 28049 MADRID	100	100	EXPLOITATION OF RIGHTS; PRODUCTION AND DISTRIBUTION OF PUBLICATIONS
TELECINCO CINEMA, S.A.U. CTRA. DE FUENCARRAL A ALCOBENDAS, 4, 28049 MADRID	100	100	TELEVISION BROADCASTING SERVICES AND INTERMEDIATION IN THE MARKETS FOR AUDIOVISUAL RIGHTS
CINEMATEXT MEDIA, S.A. CTRA. DE FUENCARRAL A ALCOBENDAS,14, 28050 MADRID	-	60	MOVIE-, TELEVISION- AND VIDEO-SUBTITLING
CANAL FACTORÍA DE FICCIÓN, S.A.U. CTRA. DE FUENCARRAL A ALCOBENDAS, KM. 12,450 28049 MADRID	100	100	EXPLOITATION AND DISTRIBUTION OF AUDIOVISUAL PRODUCTS
CONECTA 5 TELECINCO, S.A.U. CTRA. DE FUENCARRAL A ALCOBENDAS, 4 28049 MADRID	100	100	EXPLOITATION OF AUDIOVISUAL CONTENT ON THE INTERNET
MEDIACINCO CARTERA, S.L. CTRA. DE FUENCARRAL A ALCOBENDAS, 4 28049 MADRID	75	75	SERVICIOS DE INTERMEDIACIÓN Y GESTIÓN FINANCIERA
BIGBANG MEDIA, S.L. C/ ALMAGRO, 3 28010 MADRID	30	100	PRODUCTION, DISTRIBUTION AND EXPLOITATION OF AUDIOVISUAL RIGHTS; EXPLOITATION OF INDUSTRIAL AND INTEL-LECTUAL PROPERTY RIGHTS. MANAGEMENT AND FINANCIAL INTERMEDIATION OF AUDIOVISUAL COMPANIES
PEGASO TELEVISIÓN, INC. BRICKELL AVENUE, 1401 - SUITE 33131 - MIAMI, FLORIDA	35,08	35,08	TELEVISION STATIONS AND PRODUCTION OF TELEVISION CONTENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

INFORMATION ON THE YEAR ENDED 12/31/09

COMPANY	NET CARRYING VALUE AT 12/31/09	PERCENTAGE OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT (LOSS) FOR THE YEAR	TOTAL CAPITAL AND RESERVES	OPERATING PROFIT (LOSS)	DIVIDENDS DISTRIBUT-ED DURING THE YEAR
PUBLIESPAÑA, S.A.U.	72,909	100	601	402	46,177	47,180	58,237	40,600
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	1,920	100	901	(2,678)	7,853	6,076	8,625	6,826
PREMIERE MEGAPLEX, S.A. (*)	24	50	131	(84)	2	49	(1)	-
GRUPO EDITORIAL TELE 5, S.A.U (*)	120	100	120	224	2,836	3,180	4,044	2,798
TELECINCO CINEMA,S.A.U.	-	100	160	(12,518)	(7,769)	(20,127)	(23,654)	-
CANAL FACTORÍA DE FICCIÓN, S.A.U. (*)	467	100	300	285	1	586	(1)	-
CONECTA 5 TELECINCO, S.A.U.	6,308	100	62	502	5,744	6,308	119	-
MEDIACINCO CARTERA, S.L.	-	75	240,000	(186,740)	(70,042)	(16,782)	(248)	-
BIGBANG MEDIA, S.L.	60	30	200	(1)	555	754	765	-
PEGASO TELEVISIÓN INC.	1,421	35	49,703	(28,656)	(12,307)	8,740	(13,801)	-
	83,229							

Pegaso Television, Inc. dates have been calculated with anexchanget rates €1=$1,4406 at 31st December 2009.

INFORMATION ON THE YEAR ENDED 12/31/08

COMPANY	NET CARRYING VALUE AT 12/31/09	PERCENTAGE OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT (LOSS) FOR THE YEAR	TOTAL CAPITAL AND RESERVES	OPERATING PROFIT (LOSS)	DIVIDENDS DISTRIBUT-ED DURING THE YEAR
PUBLIESPAÑA, S.A.U.	72,708	100	601	(32,654)	73,510	41,457	84,572	133,577
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	1,836	100	901	567	3,496	4,964	3,180	6,939
PREMIERE MEGAPLEX, S.A. (*)	23	50	131	(96)	12	47	(5)	-
GRUPO EDITORIAL TELE 5, S.A.U (*)	120	100	120	(601)	3,622	3,141	4,965	3,777
TELECINCO CINEMA,S.A.U.	-	100	160	(608)	(11,956)	(12,404)	(16,724)	-
CINEMATEXT MEDIA, S.A. (*)	1,370	60	150	1,134	482	1,766	539	-
CANAL FACTORÍA DE FICCIÓN, S.A.U. (*)	467	100	300	29	256	585	343	-
CONECTA 5 TELECINCO, S.A.U.	564	100	62	(1,387)	1,889	564	1,587	-
MEDIACINCO CARTERA, S.L.	39,945	75	240,000	(12,533)	(174,207)	53,260	(474)	-
TELECINCO FACTORÍA DE PRODUCCIÓN, S.L.	3	100	3	-	(1)	2	(1)	-
PEGASO TELEVISIÓN INC.	12,341	35	355	41,435	(14,187)	27,603	(14,841)	-
	129,377							

Pegaso Television, Inc. dates have been calculated with an exchange rates €1=$1,3917 at 31st December 2008.

(*) Unaudited data

The profit (loss) of the group companies and associates shown in the above table corresponds entirely to continuing operations. None of the group companies or associates is listed on the stock exchange.

A breakdown of the loans extended to the group companies at 31 December 2009 and 31 December 2008 are as follows:

THOUSANDS OF EUROS	2009	2008
MEDIACINCO CARTERA, S.A.	167,341	186,720
TELECINCO CINEMA. S.A.U.	8,373	16,095
CONECTA 5 TELECINCO, S.A.	1,410	1,410
	177,124	**204,225**

Interest rates on these loans are EURIBOR plus a market spread.

7.2 Significant movements

7.2.1 Equity instruments

a) Main changes in the year ending 31 December 2009

The sale of Cinematext Media, S.A.

On September 30, 2009 the Company sold its 60% ownership interest held in Cinematext Media, S.A. to Subtitling, S.L. The total sale price was €2,287 thousand. The 1,637 thousand euro gain obtained from the transfer is recognized under Impairment and gains (losses) on disposal of financial instruments in the separate income statement.

A 70% reduction in the ownership interest of BigBang Media, S.L. (formerly Telecinco Factoría de Producción, S.L.)

On January 27, 2009, the agreements reached by the sole shareholder on December 31, 2008 were recorded by public deed and the company's name was changed to BigBang Media, S.L. Its registered address was likewise changed to C/ Almagro 3, 4º izquierda, Madrid. Gestevisión Telecinco, S.A., partially waived its right to preferential subscription in the capital increase and its ownership interest in the company fell to 30% having paid in €57 thousand.

b) Main changes in the year ending 31 December 2008

Acquisition of Pegaso Televisión INC

On 19 February 2008, the Company acquired 35.08% of the share capital of Pegaso Televisión INC., which in turn owns 83.34% of the share capital of CaribeVisión TV Network LLC. and 25% of CaribeVisión Holdings, Inc. The Company also has a call option over the latter, enabling it to acquire up to 83.34% of its share capital.

The acquisition price of the shares was $31.7 million, which entailed a payment, at the exchange rate in effect on the transaction date, of €21,480 thousand.

The primary objective of CaribeVision, a recently created television channel that currently operates in New York, Miami and Puerto Rico, is to cover the television market of Spanish-speaking residents on the East Coast of the United States.

Acquisition of an additional ownership interest in Canal Factoría de Ficción, S.A.U.

The sequence of events that took place at Canal Factoría de Ficción, S.A.U. in 2008 is as follows:

- On 25 July 2008, the Company became the owner of all of Canal Factoría's share capital, through the acquisition of the portion of that share capital held by other shareholders, for €347 thousand.
- On 28 July 2008, the company was reactivated, thereby nullifying the 20 December 2007 dissolution agreement and allowing the company to resume its activity. In addition, the company's registered office was changed to the Carretera de Fuencarral to Alcobendas, No. 4 28049, Madrid (registered at the Mercantile Registry on 28 September 2008).
- On 28 July 2008, the company was declared a single-shareholder entity (registration at the Mercantile Registry on 25 September 2008).

Other changes in the year ending 31 December 2008

On 1 July 2008, the company Telecinco Factoría de Producción, S.L.U, 100%-owned by Gestevisión Telecinco, S.A., whose registered office is located at the Carretera de Fuencarral to Alcobendas, No. 4, 28049, Madrid, was incorporated at the Mercantile Registry.

On 31 December 2008, the sole shareholder decided to change the company's corporate name to Big Bang Media, S.L. The registered office was also changed to C/ Almagro 3, 4º izquierda, Madrid. In addition, the share capital was increased, such that Gestevisión Telecinco, S.A., partially renounced the exercise of its preemptive right, and its interest in the company was reduced to 30%. The date of execution of these agreements was 2009.

7.2.2. Receivables from Group companies

Loan to Mediacinco Cartera, S.L.

The balance drawn down on the loan granted to Mediacinco Cartera, S.L. at December 31, 2009 is: €97,428 thousand. The balance at December 31, 2008 was €186,720 thousand. On June 30, 2009 it was agreed to convert a portion of the loan to a participative loan of €82,500 thousand to restore the Company's equity. The participative loan bears interest at 1-month Euribor plus a spread of 2.5 bp. The outstanding balance of the initial loan matures on June 30, 2012 and bears interest at 3-month Euribor plus a spread of 1 bp. The terms of this loan are symmetrical to those of the loan granted by the other shareholder of Mediacinco Cartera, S.L. (Mediaset Investment, SRL).

Due to the negative equity situation of Mediacinco Cartera, S.L. at 31 December 2009, the Company has set aside a provision of €12,587 thousand in respect of the loan.

Participating loan granted to Telecinco Cinema

In 2008, the Company granted an additional participating loan, for €25,000 thousand. The purpose of this participating loan was also to restore at the Company' net-worth equilibrium. Because of the net-equity position of Telecinco Cinema, S.A.U., an additional €7,723 thousand has been recorded, related to the participating loan, as a consequence of the negative capital and reserves of Telecinco cinema, S.A.U., on 31 December 2009. In 2008, a provision of €12,404 was established.

7.3. Impairment testing

The Company has examined the possible impairment of its equity investments at year-and 2009 and 2008, and it has no need to recognize any impairment provision, except in the case of three of these investments, as indicated below:

Telecinco Cinema, S.A.U.

This subsidiary is engaged in cinematographic coproductions in compliance with the legal precepts that apply to television concessionaires. Therefore, it is not possible to obtain reliably evaluate the amount recoverable either by calculating the present value of the future cash flows from the investment or by estimating dividends to be received, which depend on the number of productions made in the future, on the type of production, and on their commercial success. For this reason, the Company has adjusted the valuation in accordance with the equity of the subsidiary as at year-and 2009 and 2008. Given that the value of the capital and reserves of Telecinco Cinema, S.A.U. was negative at 31 December 2009, the participation loan granted to Telecinco Cinema, S.A.U. has been replenished with the amount of the Company's negative capital and reserves.

Mediacinco Cartera, S.L.

As indicated above, Mediacinco Cartera, S.L. owns a 33% equity interest in the share capital of Edam Acquisition Holding I Cooperative U.A., the parent company of Grupo Endemol, and has no other operating activities.

At year end 2008 the financial statements reflect the impact of the impairment test performed on the various CGUs (cash generating units) of Grupo Endemol. The impairment test compares their carrying amount at that date with their recoverable value by discounting the cash flows to their present value, based on the best estimates of financial parameters.

The impairment test performed on identified cash-generating units at Edam Acquisition Holding Cooperative at December 31, 2009 and 2008 which is reflected in its financial statements took into consideration the relevant Business Plan approved by the Company's Board of Directors and used discount rates and growth rates in line with market circumstances. The results of that test, adjusted for cash-generating units producing positive results, represent a negative impact on the 2009 financial statements of Mediacinco Cartera, S.L. of €89 million before tax (2008: €123 million).

Once the impairment of Mediacinco Cartera, S.L. stemming from its interest in Grupo Endemol was recognized in its financial statements, the Company's interest in Mediacinco Cartera, S.L. was adjusted in accordance with its underlying carrying amount.

Given that Mediacinco Cartera, S.L. has negative equity at December 31, 2009, a provision for the same amount as its negative equity has been set aside for the participative loan granted to Mediacinco Cartera, S.L.

Pegaso Televisión Inc.

At year end 2009, this investment's recoverable amount was determined from the market value of the merger with a local operator which has yet to obtain regulatory approval of the American FCC.

At year-end, the recoverable amount was determined through the present value of future cash flows stemming from the investment, and calculated on the basis of CaribeVision Holding's business plan approved by its Board of Directors on 16 February 2009.

8. Financial instruments

8.1 Financial Assets

The breakdown of financial assets in 2009 and 2008 was as follows:

	EQUITY INSTRUMENTS		DEBT SECURITIES		LOANS, DERIVATIVES AND OTHER FINANCIAL ASSETS		TOTAL	
(THOUSANDS OF EUROS)	2009	2008	2009	2008	2009	2008	2009	2008
NON-CURRENT FINANCIAL ASSETS								
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS								
HELD FOR TRADING	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-
HELD-TO-MATURITY INVESTMENTS	-	-	-	-	-	-	-	-
LOANS AND RECEIVABLES	-	-	-	-	178,364	205,311	178,364	205,311
AVAILABLE-FOR-SALE FINANCIAL ASSETS	-	-	-	-	-	-	-	-
MEASURED AT FAIR VALUE	1,913	10,995	-	-	-	-	1,913	10,995
MEASURED AT COST	-	-	-	-	-	-	-	-
HEDGING DERIVATIVES	-	-	-	-	-	-	-	-
TOTAL	**1,913**	**10,995**	**-**	**-**	**178,364**	**205,311**	**180,277**	**216,306**
CURRENT FINANCIAL ASSETS								
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS								
HELD FOR TRADING	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-
HELD-TO-MATURITY INVESTMENTS	-	-	-	-	-	-	-	-
LOANS AND RECEIVABLES	-	-	-	-	209,840	367,462	209,840	367,462
AVAILABLE-FOR-SALE FINANCIAL ASSETS	-	-	-	-	-	-	-	-
MEASURED AT FAIR VALUE	-	-	-	-	-	-	-	-
MEASURED AT COST	-	-	-	-	-	-	-	-
HEDGING DERIVATIVES	-	-	-	-	3	262	3	262
TOTAL	**-**	**-**	**-**	**-**	**209,843**	**367,724**	**209,843**	**367,724**

These amounts are disclosed in the balance sheet as follows:

	TOTAL	
(THOUSANDS OF EUROS)	2009	2008
NON-CURRENT FINANCIAL ASSETS		
INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES		
LOANS TO COMPANIES	177,124	204,225
NON CURRENT FINANCIAL INVESTMENTS	3,153	12,081
TOTAL	**180,277**	**216,306**
CURRENT FINANCIAL ASSETS		
TRADE AND OTHER RECEIVABLES (NOTE 10)	144,151	244,768
LOANS TO GROUP COMPANIES	64,136	120,814
FINANCIAL INVESTMENTS	1,556	2,142
TOTAL	**209,843**	**367,724**

a) Loans and receivables

(THOUSANDS OF EUROS)	2009	2008
NON-CURRENT FINANCIAL ASSETS		
LOANS TO GROUP COMPANIES	177,124	204,225
LOANS TO THIRD PARTIES	1,159	922
DEPOSITS GIVEN AND PREPAYMENTS	81	164
	178,364	**205,311**
CURRENT FINANCIAL ASSETS		
TRADE AND OTHER RECEIVABLES	144,151	244,768
LOANS TO GROUP COMPANIES	64,136	120,814
LOANS TO THIRD PARTIES	983	1,572
DEPOSITS GIVEN AND PREPAYMENTS	570	308
	209,840	**367,462**

Current receivables from Group companies

Interest rates on these loans are EURIBOR plus a market spread. Loans to Group companies consist of swap facilities.

Also included under this heading are income tax credits with Group companies stemming from the tax consolidation.

b) Available-for-sale financial assets

The amount and the movements in the year in the items of which non-current Financial Investments are composed were as follows:

	BALANCE 12/31/08	ADDITIONS	DISPOSALS	BALANCE 12/31/09
EQUITY INSTRUMENTS	11,651	-	(7,392)	4,260
IMPAIRMENT LOSSES	(205)	(1,691)	-	(1,896)
CAPITAL	(451)	-	-	(451)
TOTAL EQUITY INSTRUMENTS	**10,995**	**(1,691)**	**(7,392)**	**1,913**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

	BALANCE 12/31/08	ADDITIONS	DISPOSALS	BALANCE 12/31/09
EQUITY INSTRUMENTS	11,676	-	25	11,651
IMPAIRMENT LOSSES	(179)	(26)	-	(205)
CAPITAL	(451)	-	-	(451)
TOTAL EQUITY INSTRUMENTS	**11,046**	**(26)**	**25**	**10,995**

The information relating to these investments is as follows:

COMPANY	NET CARRYING VALUE AT 12/31/09	PERCENTAGE OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT (LOSS) FOR THE YEAR	TOTAL CAPITAL AND RESERVES	OPERATING PROFIT (LOSS)	DIVIDENDS DISTRIBUTED DURING THE YEAR
KULTEPERALIA, S.L. (*)	492	5	8,177	(605)	(2,972)	4,600	(2,316)	-
ALBA ADRIÁTICA, S.L. (*)	1,500	5	76	507	(60)	523	285	-
OTRAS	(79)	-	-		-	-	-	-
	1,913							

COMPANY	NET CARRYING VALUE AT 12/31/09	PERCENTAGE OWNERSHIP	SHARE CAPITAL	RESERVES	PROFIT (LOSS) FOR THE YEAR	TOTAL CAPITAL AND RESERVES	OPERATING PROFIT (LOSS)	DIVIDENDS DISTRIBUTED DURING THE YEAR
KULTEPERALIA, S.L. (*)	1,475	15	8,177	(611)	8	7,574	905	-
ALBA ADRIÁTICA, S.L. (*)	9,500	15	76	447	3	526	455	-
OTRAS	20							
	10,995							

(*) Unaudited data

Main changes in the year ended December 31, 2009

The sale of 10% of the ownership interest in Kulteperalia, S.L.

On November 3, 2009 the Company sold 10% of its ownership interest in Kulteperalia, S.L. for a total amount of €1,000 thousand. €16 thousand were obtained from the sale which are recognized in the income statement under Impairment and gains (losses) on disposal of financial instruments.

At December 31, 2009 the Company agreed to sell the rest of its ownership interest held in Kulteperalia, S.L. and this sale is expected to take place in 2011.

The sale of 10% of the ownership interest in Alba Adriatica, S.L.

On November 3, 2009 the Company sold 10% of its ownership interest in Alba Adriática, S.L. The total sale price was €3,000 thousand.

The impairment of €5,000 thousand on this investment is recognized in the income statement under Change in fair value of financial instruments.

At December 31, 2009 the Company agreed to sell its remaining ownership interest in Alba Adriática, S.L. The sale is expected to take place in 2011.

c) Derivatives

The Company uses derivatives to hedge its risks against foreign-currency fluctuations on the purchase of audiovisual property rights made in the year. It also hedges against foreign currency risk on commercial transactions with customers, and these transactions were recognized in the Company's consolidated statement of financial position.

The breakdown of the notional values of the derivatives outstanding in the Company at December 31, 2009 is as follows:

USD AMOUNT				
ASSETS	**NOTIONAL VALUE/MATURITY WITHIN 1 YEAR**	**DOLLARS**	**YEAR-END RATE (€/$) RATE (€/$)**	**FAIR VALUE**
UNMATURED FOREIGN-CURRENCY PURCHASES:				
PURCHASES OF DOLLARS AGAINST EUROS	-	-	-	-
SALES OF DOLLARS AGAINST EUROS	31	41	1.4406	3
NET BALANCE	**31**	**41**	**1.4406**	**262**

The notional amounts of the financial derivatives outstanding at the Company at 31 December 2008 are as follows:

USD AMOUNT				
ASSETS	**NOTIONAL VALUE/MATURITY WITHIN 1 YEAR**	**DOLLARS**	**YEAR-END RATE (€/$) RATE (€/$)**	**FAIR VALUE**
UNMATURED FOREIGN-CURRENCY PURCHASES:				
PURCHASES OF DOLLARS AGAINST EUROS	3,053	4,598	1.3917	262
SALES OF DOLLARS AGAINST EUROS	-	-	-	-
NET BALANCE	**3,053**	**4,598**	**1.3917**	**262**

Foreign currency hedges on rights contracts are measured as the difference between the present value of the foreign currency hedge at the forward rate for the contract and the value of the foreign exchange hedge at the year-end exchange rate.

8.2 Financial liabilities

The breakdown of financial liabilities in 2009 and 2008 was as follows:

	BANK BORROWINGS		**BONDS & OTHER MRKTBLE DEBT SECURITIES**		**DERIVATIVES AND OTHER FINANCIAL LIABILITIES**		**TOTAL**	
(THOUSANDS OF EUROS)	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
DERIVATIVES AND OTHER FINANCIAL LIABILITIES								
TRADE AND OTHER PAYABLES	29,930	-	-	-	676	1,028	30,606	1,028
LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-	-	-
HELD FOR TRADING	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-
HEDGING DERIVATIVES	-	-	-	-	-	-	-	-
	29,930	**-**	**-**	**-**	**676**	**1,028**	**30,606**	**1,028**
CURRENT FINANCIAL LIABILITIES								
TRADE AND OTHER PAYABLES	30,673	-	-	-	318,650	421,878	349,323	421,878
LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-	-	-	-	-	-
HELD FOR TRADING	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-
HEDGING DERIVATIVES	-	-	-	-	337	-	337	-
	30,673	**-**	**-**	**-**	**318,987**	**421,878**	**349,660**	**421,878**
	60,603	**-**	**-**	**-**	**319,663**	**422,906**	**380,266**	**422,906**

THOUSANDS OF EUROS	2009	TOTAL 2008
NON-CURRENT FINANCIAL LIABILITIES		
BORROWINGS	30,606	1,028
	30,606	1,028
CURRENT FINANCIAL LIABILITIES		
BORROWINGS	82,584	23,455
BORROWINGS FROM GROUP COMPANIES AND ASSOCIATES	137,111	257,161
TRADE AND OTHER PAYABLES	129,965	141,262
	349,660	421,878
	380,266	**422,906**

a) Bank borrowings

In 2009 the Company has renewed and increased its credit facilities to a total of €303,000 thousand. These bear interest at EURIBOR plus a market spread in line with the Company's solvency. These credit facilities mature between January 2010 and December 2011.

At December 31, 2009, the Company had undrawn credit amounting to €242,397 thousand. This amounts to a considerable increase in its available working capital at December 31, 2009.

In 2008 the Company arranged four credit lines with different financial institutions, bearing interest at EURIBOR plus a spread of 15-100bp. Therefore, the Company has a total of €173, 000 of available credit.

This together with the portion of the audiovisual rights which will be consumed in 2010 which are classified under non-current assets reduces any risk associated with the negative working capital at December 31, 2009.

b) Derivatives and other financial liabilities

b.1) Borrowings form Group companies

The interest rate on these borrowings is EURIBOR plus a market spread. Loans to Group companies consist of swap facilities. Also included under this heading are current payables for income tax payable with Group companies stemming from the tax consolidation.

b.2) Others

The breakdown at 31 December 2009 and 2008 is as follows:

	BALANCE 31.12.09	BALANCE 31.12.08
TRADE AND OTHER PAYABLES	129,965	141,262
OTHER FINANCIAL LIABILITIES	51,574	23,455
DERIVATIVES	337	-
	181,876	**164,717**

Other financial liabilities consist of current borrowings from suppliers of audiovisual rights.

b.3) Derivatives

The Company carries out derivative transactions to hedge currency risk on the purchases of audiovisual property rights in the year and when necessary to hedge currency risk on trade transactions in other currencies with customers, which are recognized in the Company's statement of financial position.

5 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The breakdown, by maturity, of the notional amounts of derivatives outstanding at the Company at December 31, 2009 is as follows:

AMOUNT IN USD				
LIABILITIES	NOTIONAL AMOUNT/ MATURITY UP TO ONE YEAR	DOLLARS	YEAR-END ($/€) EXCHANGE RATE	FAIR VALUE
PURCHASE OF UNMATURED CURRENCY:				
PURCHASE OF DOLLARS IN EUROS	8,664	11,975	1.4406	337
SALE OF DOLLARS IN EUROS	-	-	-	-
NET	**8,664**	**11,975**	**1.4406**	**337**

The notional amounts of the derivatives outstanding at the Company at December 31, 2008 is as follows:

AMOUNT IN USD				
LIABILITIES	NOTIONAL AMOUNT/ MATURITY UP TO ONE YEAR	DOLLARS	YEAR-END ($/€) EXCHANGE RATE	FAIR VALUE
PURCHASE OF UNMATURED CURRENCY:				
PURCHASE OF DOLLARS IN EUROS	-	-	-	-
SALE OF DOLLARS IN EUROS	-	-	-	-
NET	**-**	**-**	**-**	**-**

The foreign currency derivatives associated with the property rights are measured at the difference between the present value of the quoted foreign currency hedge at the forward exchange rate in the contract and the value of the quoted foreign currency hedge at year end.

8.3 Risk management policy

The Company's operations are exposed to different basic categories of financial risk:

1. Credit risk

Credit risk exists when a potential loss may arise from the Company’s counterparty not meeting its contractual obligations, i.e., the possibility that financial assets will not be recovered at their carrying amount within the established timeframe.

The Company’s maximum exposure to credit risk at 31 December 2009 and 2008 was as follows:

	2009	2008
NON-CURRENT RECEIVABLES FROM GROUP COMPANIES AND ASSOCIATES	177,124	204,225
NON-CURRENT FINANCIAL INVESTMENTS	1,240	1,086
TRADE AND OTHER RECEIVABLES	144,151	244,768
CURRENT RECEIVABLES FROM GROUP COMPANIES AND ASSOCIATES	64,136	120,814
CURRENT INVESTMENTS	1,556	2,142
CASH AND CASH EQUIVALENTS	1,087	24,056
	389,294	**597,073**

For the purposes of credit risk management the Company differentiates between financial assets arising from operations and those arising from investments.

Operating activities

Most of the balance of trade payables consists of operations with Group companies that, therefore, do not present a risk.

The breakdown of trade receivables at 31 December 2009 and 2008 was as follows:

	2009		2008	
	NUMBER OF CUSTOMERS	THOUSANDS OF EUROS	NUMBER OF CUSTOMERS	THOUSANDS OF EUROS
WITH A BALANCE OF MORE THAN 1,000 THOUSAND EUROS	4	126,478	5	193,054
WITH A BALANCE BETWEEN 1,000 AND 500 THOUSAND EUROS	11	8,325	5	3,938
WITH A BALANCE BETWEEN 500 AND 200 THOUSAND EUROS	6	2,238	7	2,459
WITH A BALANCE BETWEEN 200 AND 100 THOUSAND EUROS	8	875	7	1,010
WITH A BALANCE OF LESS THAN 100 THOUSAND EUROS	81	517	84	1,085
TOTAL	**110**	**138,433**	**108**	**201,546**

The Company constantly monitors the age of its debt, and there were no risk situations at year-end.

Investing activities

A Financial Risk Management Procedures Manual sets forth the general criteria governing investments of the Company's Treasury surpluses, which, in broad terms, are as follows:

- The investments are made with institutions (whether domestic or foreign) of recognized financial solvency.
- The investments are placed in conservative products (bank deposits, debt repos, etc.) on which, in general, the repayment of the invested capital is guaranteed.
- Authorizations for the corresponding investments are limited by the powers granted to the company's senior executives and, in any event, are highly restricted (according to the amount, the Board Members, General Management and Operations Director, Financial Director).
- Under ordinary circumstances, the longest term is three months and the investments usually offer automatically available funds.

2. Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices.

Given the nearly complete absence of financial debt, there are no financial risks associated with interest-rate movements. Nevertheless, and for illustrative purposes, the Company has conducted a test to determine the sensitivity of the Company's cash surpluses to certain modifications in interest rates.

The following assumption was used: beginning with our year-end cash surpluses, and taking the 1-month Euribor at 31 December as the benchmark, we applied a variation of -30 +100 basis points for 2009.(In 2008, we applied a variation of +/- 100)

The sensitivity test shows that the impact of variations on the interest rates applied to the cash surpluses, at 31 December, would, in any event, not be significant and would exclusively affect the amount of financial income.

	REFERENCE RATE (EUR)	CASH SURPLUSES	ANNUAL INTEREST	100BP	ANNUAL INTEREST	-30BP	-100BP	ANNUAL INTEREST
12/31/09	0,453	(103,067)	(467)	1.453	(1,498)	0,153	-	(158)
12/31/08	2,603	24,056	626	3.603	867	-	1,603	386

The financial instruments exposed to EUR/USD exchange-rate risk, mainly consisting of future currency-purchase agreements, have undergone a sensitivity test at the balance sheet date.

The exposed balance sheet value of these financial instruments was corrected by applying a symmetrical percentage change, equal to the 1-year implicit volatility of the currency in question published by Reuters (19.50% for 2008 and 13.23% for 2009), to the year-end exchange rate.

The sensitivity test shows that the variations on the year-end exchange rate would have had an impact on the P&L account, which, in any event, is not significant.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

31/12/2009				31/12/2008		
	USD	EXC. RATE	DIFFERENCES	USD	EXC. RATE	DIFFERENCES
	11,934	1.4406	(334)	4,598	1.3917	262
SENSITIVITY TEST						
	11,934	1.2501	926	4,598	1.1203	1,058
	11,934	1.6311	(1,299)	4,598	1.6631	(274)

3. Liquidity risk

The Company's financial structure is at a low liquidity risk, given the low level of financial leveraging and the high levels of operating cash flows generated each year.

Liquidity risk would result from the Company having insufficient funds or access to sufficient funds at an acceptable cost to meet its payment obligations at all times. The Company's objective is to maintain sufficient available funds.

The Company's policies establish the minimum liquidity levels required at all times:

- Excess liquidity may only be invested in certain types of assets (see previous section on credit risk/investment activities) the liquidity of which is guaranteed.
- The amount of the Company's revolving credit lines ensures that the Company is able to meet its operating needs as well as finance new short-term investment projects. At year-end 2009, the opening credit lines total €303,000 thousand. As of the date of preparation of these annual accounts, this amount hadn´t increased.At year-end 2008, the opening credit lines total €173,000 thousand Given the difficult market situation, these credit lines have been contracted under very competitive financial conditions, which strengthens the financial sector's perception that the Company is creditworthy and sound.

The undiscounted contractual maturity dates of financial liabilities at 31 December 2009 were as follows:

EUROS	UP TO 6 MONTHS	6 MONTHS - 1 YEAR	1 YEAR - 5 YEARS	MORE THAN 5 YEARS	TOTAL
NON-CURRENT BORROWINGS	-	-	30,598	8	30,606
CURRENT BORROWINGS	51,574	31,010	-	-	82,584
CURRENT BORROWINGS FROM GROUP COMPANIES AND ASSOCIATES	2,934	134,177	-	-	137,111
TRADE AND OTHER PAYABLES	117,276	12,689	-	-	129,965
	171,784	**177,876**	**30,598**	**8**	**380,266**

The undiscounted contractual maturity dates of financial liabilities at 31 December 2008 were as follows:

EUROS	UP TO 6 MONTHS	6 MONTHS - 1 YEAR	1 YEAR - 5 YEARS	MORE THAN 5 YEARS	TOTAL
NON-CURRENT BORROWINGS			1,020	8	1,028
CURRENT BORROWINGS	23,455				23,455
CURRENT BORROWINGS FROM GROUP COMPANIES AND ASSOCIATES	19,926	237,235			257,161
TRADE AND OTHER PAYABLES	126,938	14,324			141,262
	170,319	**251,559**	**1,020**	**8**	**422,906**

9. Inventories

The balances under this heading at year-and were as follows:

	2009	2008
PREPAYMENTS TO PROGRAM SUPPLIERS	326	165
IN-HOUSE PRODUCTION PROGRAMS	6,231	7,025
TOTAL	**6,557**	**7,190**

10. Trade and Other Receivables

The breakdown of trade and receivables in 2009 and 2008 was as follows:

	31/12/09	31/12/08
TRADE RECEIVABLES	11,119	16,202
RECEIVABLES FROM GROUP COMPANIES AND ASSOCIATES (NOTE 18)	127,314	185,344
OTHER RECEIVABLES	5	5
RECEIVABLES FROM EMPLOYEES	53	54
RECEIVABLES FROM PUBLIC BODIES (NOTE 14)	5,660	43,163
	144,151	**244,768**

Impairment losses:

The balance of trade receivables is shown net of impairment loss allowances. The variations in 2009 and 2008 in these impairment losses were as follows:

THOUSANDS OF EUROS	
CUMULATIVE IMPAIRMENT LOSSES AT 1 JANUARY 2008	2,660
NET OF PROVISIONS	473
CUMULATIVE IMPAIRMENT LOSSES AT 31 DECEMBER 2008	**3,133**
CUMULATIVE IMPAIRMENT LOSSES AT 1 JANUARY 2009	3,133
NET OF PROVISIONS	1,395
CUMULATIVE IMPAIRMENT LOSSES AT 31 DECEMBER 2009	**4,528**

The breakdown of trade receivables denominated in foreign currency, for 2008 and 2009, is as follows:

THOUSANDS OF EUROS	2009		2008	
ASSETS	DOLLARS	BALANCE IN EUROS AT 12/31/09	DOLLARS	BALANCE IN EUROS AT 12/31/08
TRADE RECEIVABLES	**138**	**96**	**6**	**4**

11. Other current assets

The breakdown of this heading at December 31 is as follows:

MILES DE EUROS	2009	2008
PREPAID EXPENSES	10,792	3,862
	10,792	**3,862**

The amounts shown in this heading arise from the prepayments of retransmission rights.

12. Cash and cash equivalents

The breakdown of Cash and cash equivalents at December 31 is as follows:

THOUSANDS OF EUROS	2009	2008
CASH	27	11
CURRENT ACCOUNTS	1,060	24,045
	1,087	**24,056**

Current accounts earn market interest rates. Cash and cash equivalents are unrestricted.

13. Capital and Reserves

a) Issued capital

At 31 December 2009 and 2008, the share capital social consisted of 246,641,856 shares with a value of 0.50 euros each, represented by a book-entry system. Share capital is fully subscribed and paid-up and the breakdown of ownership is as follows:

SHAREHOLDER	31/12/09	31/12/08
MEDIASET INVESTIMENTI, S.P.A.	50,1	50,1
CORPORACIÓN DE NUEVOS MEDIOS AUDIOVISUALES, S.L.U. (GROUP VOCENTO)	-	5,1
FREE FLOAT	48,46	43,6
TREASURY SHARES	1,44	1,2
TOTAL	**100**	**100**

On July 30, 2009 Corporación de Nuevos Medios Audiovisuales, S.L.U. (Sole shareholder company) (Vocento Group) sold 2.18% of the share capital of Gestevisión Telecinco, S.A..

On July 31, 2009 the Vocento Group sold its remaining 2.9% investment in the share capital of Gestevisión Telecinco S.A.

All the shares making up the company's issued capital enjoy the same rights.

Share transfers will be governed by the Private Television Act 10/88 dated 3 May.

Listing on the Stock Exchange:

The Company was admitted for listing on the Stock Exchange on 24 June 2004. On 3 January 2005, its shares were included on the IBEX 35. Its shares are traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

Dividends:

On 1 April 2009, approval was given at the Company's General Shareholders' Meeting to pay out €210,272 thousand in dividends charged to 2008 earnings. This dividend was paid in May 2009 and was equivalent to €0.865 per eligible share.

The dividend distributed in the previous year against profit for 2007 amounted to €317,562 thousand.This dividend was paid in May 2008 and was equivalent to €1.30 per eligible share.

b) Legal reserve

The companies are required to transfer 10% of each year's profit to a legal reserve until this reserve reaches an amount at least equal to 20% of share capital. This reserve cannot be distributed to shareholders, and may only be used to cover income statement balances payable, if no other reserves are available. For this purpose, in the distribution of 2004 profit, the amount necessary for the legal reserve to reach 20% of share capital was set aside for this purpose.

c) Treasury shares and equity investments:

In general, treasury shares have been acquired to meet the Company's commitments related to the compensation system, based on shares of executive directors and directors, as described in Note 17.

Changes under this heading in 2009 were as follows:

THOUSANDS OF EUROS	BALANCE 12/31/08	ADDITIONS	DISPOSALS	BALANCE 12/31/09
TREASURY SHARES	57,813	2,921	-	60,734

The change in the number of shares during the year is detailed below:

NUMBER OF SHARES	12/31/08	ADDITIONS	DISPOSALS	12/31/09
TREASURY SHARES	3,106,913	445,374	-	3,552,287

Changes under this heading in 2008 were as follows:

THOUSANDS OF EUROS	BALANCE 12/31/07	ADDITIONS	DISPOSALS	BALANCE 12/31/08
TREASURY SHARES	56,469	1,344	-	57,813

The change in the number of shares in 2007 is detailed below:

NUMBER OF SHARES	12/31/07	ADDITIONS	DISPOSALS	12/31/08
TREASURY SHARES	3,014,813	92,100	-	3,106,913

14. Provisions and Other Contingent Liabilities

Current and Non-Current Provisions

The breakdown and movements in provisions in 2009 and 2008 are as follows:

2009					
(THOUSANDS OF EUROS)	BALANCE AT JANUARY 1	ALLOWANCES	REVERSALS/ APPLICTIONS	TRANSFERS	BALANCE AT DECEMBER 31
PROVISIONS LONG-TERM					
PROVISION FOR OUTSTANDING LITIGATION	38,070	13,973	(11,949)	(23,695)	16,399
PROVISION FOR LONG-TERM PERSONNEL BENEFITS	170	35	-	(205)	-
	38,240	**14,008**	**(11,949)**	**(23,900)**	**16,399**
PROVISIONS SHORT-TERM					
PROVISION FOR OUTSTANDING LITIGATION	22,690	6,580	(22,721)	23,695	30,244
PROVISION FOR SHORT-TERM PERSONNEL BENEFITS (*)	2,725		(2,860)	205	70
	25,415	**6,580**	**(25,581)**	**23,900**	**30,314**
TOTAL					
PROVISION FOR OUTSTANDING LITIGATION	60,760	20,553	(34,670)	-	46,643
PROVISION FOR LONG-TERM PERSONNEL BENEFITS	2,895	35	(2,860)	-	70
	63,655	**20,588**	**(37,530)**	**-**	**46,713**

(*) Provision for long-term personnel benefits are recognized under Current liabilities “Personnel (remuneration payable)

2008					
(THOUSANDS OF EUROS)	BALANCE AT JANUARY 1	ALLOWANCES	REVERSALS/ APPLICTIONS	TRANSFERS	BALANCE AT DECEMBER 31
PROVISIONS LONG-TERM					
PROVISION FOR OUTSTANDING LITIGATION	73,570	3,541	(16,411)	(22,630)	38,070
PROVISION FOR LONG-TERM PERSONNEL BENEFITS	1,925	591		(2,346)	170
	75,495	**4,132**	**(16,411)**	**(24,976)**	**38,240**
PROVISIONS SHORT-TERM					
PROVISION FOR OUTSTANDING LITIGATION	267		(207)	22,630	22,690
PROVISION FOR SHORT-TERM PERSONNEL BENEFITS (*)	-	513	(134)	2,346	2,725
	267	**513**	**(341)**	**24,976**	**25,415**
TOTAL					
PROVISION FOR OUTSTANDING LITIGATION	73,837	3,541	(16,618)	-	60,760
PROVISION FOR LONG-TERM PERSONNEL BENEFITS	1,925	1,104	(134)	-	2,895
	75,762	**4,645**	**(16,752)**	**-**	**63,655**

(*) Provision for long-term personnel benefits are recognized under Current liabilities “Personnel (remuneration payable)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

Provision for outstanding litigation

On 29 June 1995, the Spanish tax authorities began an audit and inspection regard to the following items and periods:

ITEM	PERIOD
INCOME TAX	1989-90-91-92-93
VALUE ADDED TAX	1990-91-92-93-94
PERSONAL INCOME TAX WITHHOLDINGS AND PREPAYMENTS	1990-91-92-93-94
WITHHOLDINGS FROM INCOME FROM PROPERTY ASSETS	1990-91-92-93-94
ANNUAL STATEMENT OF TRANSACTIONS WITH THIRD PARTIES	1989-90-91-92-93
NON-RESIDENT INCOME TAX (FORM 210)	1990-91-92-93-94
TRANSFER AND STAMP TAX	1990-91-92-93-94
GAMING TAX	1992-93-94-95

Subsequently, the inspection period was extended to include 1995 for all the aforementioned taxes, which were not originally included in all tax items.

Between December 1996 and February 1997, the tax audits and inspection were carried out by the O.N.I. Following the this tax audits and inspection, €13,373 thousand in penalties was assessed. The Company signed the assessments in disagreement and filed the relevant appeals.

At the date of preparation of 2008 Financial Statements, the Company had not received notification of the potential additional assessment regarding the 1995 corporate income tax; hence, the definitive amount that might arise from the assessment is not known.

In a decision dated 19 April 2007, handed down in case file number 15/2005, Section One of Criminal Court of the National Court of Justice ruled on the case arising from Summary Proceedings 262/1997 of Central Magistrate Court No. 5, for tax offenses and misrepresentations related to various companies, including Gestevisión Telecinco, S.A. and Publiespaña, S.A.U., in which these companies were named as being parties jointly and severally liable to a secondary degree.

In its decision, the National Court of Justice absolved all of the parties accused and affirmed that none of the events under investigation constitutes an offense. Nevertheless, this ruling was appealed by the Prosecutor's Office.

On 23 June 2008, the Second Court in Criminal Matters of the National Appellate Court rejected Appeal 1701/2007 before the Supreme Court filed the Prosecutor's Office against the aforementioned ruling of the National Court of Justice, upholding the acquittal handed down in the previous instance.

In June 2009 the corresponding notifications were received from the tax authorities confirming the aforementioned acquittal as ruled by the National Court of Justice; hence the Company reversed the current provisions of €22,630 thousand.

The allowances for the year correspond to coverage of possible risks related to litigation awaiting a definitive resolution.

Since 2001, Gestevisión Telecinco, S.A. has booked provisions for possible litigation with intellectual property rights management entities that have either filed suits against the company for their right to receive remuneration for the alleged use of their respective catalogues or have made claims, any event, for payment of their respective fees.

The Company has reclassified these provisions to current as this matter is expected to be resolved in 2010.

On 14 January 2008, Company signed a contract with the Intellectual Rights Management Association (Asociación de Gestión de Derechos Intelectuales, AGEDI) through which the two parties end their differences and agree on continuing to abide by the use of phonograms and on the corresponding compensation. The largest amounts for reversion and application in 2008 correspond to this signed agreement.

With this negotiated agreement, the effects of which cover from 1 January 1990 to 31 December 2008, the parties have ended the different proceedings that they had brought against each other, both in administrative and jurisdictional matters.

The amount set forth in this agreement is not significantly different from the provision estimates reflected in the 2007 financial statements; nonetheless, the company has taken steps to adjust this amount in 2008.

In 2009, the current provisions relate to 3% of the Company's gross operating income billed from September to December. This is set aside pursuant to Law 8/2009 on the financing of Radio Televisión Española.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

On September 1, 2008 the Spanish Tax Authorities' Tax and Customs Control Department of the Central Office of Major Tax Payers notified the Company that it had commenced verifications and investigations of the following items and years:

ITEM	PERIOD
INCOME TAX	2004 TO 2007
VALUE ADDED TAX	07/2004 TO 12/2007
NON-RESIDENT INCOME TAX (FORM 210)	07/2004 TO 12/2007
WITHHOLDINGS FROM INCOME FROM PROPERTY ASSETS	09/2004 TO 05/2008
GAMING TAX	09/2004 TO 05/2008
ANNUAL STATEMENT OF TRANSACTIONS WITH THIRD PARTIES	2004 TO 2007
TRANSFER AND STAMP TAX	2004 TO 2007

On June 26, 2009 and July 24, 2009 the tax authorities sent the Company the tax assessment settlements. These were signed in disagreement. Consequently, the provisions were adjusted in light of the assessments raised by €2,091 thousand and €3,543 thousand and guarantees were deposited for these amounts (Note 15).

15. Taxes

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired. The Company is open to inspection of all taxes to which it is liable for the last four years. Once the Spanish Tax Authorities' Tax and Customs Control Department of the Central Office of Major Tax Payers had performed its verifications and investigations in 2009 (as explained in the above note), the Company has the following items and years open to inspection:

ITEM(S)	PERIODS
INCOME TAX	2008 TO 2009
VALUE ADDED TAX	2008 TO 2009
WAS HOLDING, NON-RESIDENT INCOME TAX	2008 TO 2009
GAMING TAX	06/2008 TO 2009
TAXES ON GAMES OF LUCK, BETTING, AND CHANCE: RAFFLES AND TOMBOLA	06/2008 TO 2009
ANNUAL TRANSACTION STATEMENT	2008 TO 2009
CONSOLIDATED STATEMENT OF INTRA-REGIONAL DELIVERY AND ACQUISITION OF ASSETS	2008 TO 2009

The Company has the last four years open to inspection of all other applicable taxes. Based on the best interpretation of current legislation, the Company's directors and tax advisors consider that in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Company's transactions.

The breakdown of balances relating to income tax assets and liabilities at 31 December is as follows:

THOUSANDS OF EUROS	2009	2008
CURRENT TAX LIABILITIES	(1,440)	-
	(1,440)	-
VAT	(4,934)	(9,645)
PERSONAL INCOME TAX WITHHOLDINGS	(1,517)	(1,675)
SOCIAL SECURITY	(755)	(741)
OTHER PAYABLES TO PUBLIC ADMINISTRATIONS	**(7,206)**	**(12,061)**
OTHER PAYABLES TO PUBLIC ADMINISTRATIONS	80,250	65,467
UNUSED TAX DEDUCTIONS AND RELIEF	19,670	6,340
	99,920	**71,807**
OTHER RECEIVABLES FROM PUBLIC ADMINISTRATIONS		
INCOME TAX	5,660	41,698
OTHER TAXES	-	1,465
	5,660	**43,163**

15.1 *Income tax*

The reconciliation of net income and expenses for the year with tax results is as follows:

THOUSAND OF EUROS	INCOME STATEMENT			INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		
	INCREASE	DECREASE	TOTAL	INCREASE	DECREASE	TOTAL
2009						
INCOME AND EXPENSES FOR THE YEAAR						
CONTINUING OPERATIONS	68,461	-	68,461	-	-	-
DISCONTINUED OPERATIONS	-	-	-	-	-	-
	68,461	**-**	**68,461**	**-**	**-**	**-**
INCOME TAX						
CONTINUING OPERATIONS	(14,051)	-	(14,051)	-	-	-
DISCONTINUED OPERATIONS (NOTE 10)	-	-	-	-	-	-
	(14,051)	**-**	**(14,051)**	**-**	**-**	**-**
INCOME AND EXPENSES FOR THE YEAR BEFORE TAX			**54,410**			**-**
PERMANENT DIFFERENCES						
NON-DEDUCTIBLE EXPENSES & PENALTIES	834	-	834	-	-	-
INTERNAL ELIMINATION OF DIVIDENDS	-	53,423	(53,423)	-	-	-
OTHER	-	11,973	(11,973)	-	-	-
TEMPORARY DIFFERENCES	44,475	-	44,475	-	-	-
NON-DEDUCTIBLE EXPES. &PENALTIES, SUBSIDIARIES UNDERTAX CONSOLIDATION	-	-	-	-	-	-
TEMPORARY DIFFERENCES IN SUBSIDIARIES	-	-	-	-	-	-
TAX RESULT			**34,323**			**-**

THOUSAND OF EUROS	INCOME STATEMENT			INCOME AND EXPENSES DIRECTLY RECOGNIZED IN EQUITY		
	INCREASE	DECREASE	TOTAL	INCREASE	DECREASE	TOTAL
2008						
INCOME AND EXPENSES FOR THE YEAR						
CONTINUING OPERATIONS	269,222	-	269,222	-	-	-
DISCONTINUED OPERATIONS	-	-	-	-	-	-
	269,222	**-**	**269,222**	**-**	**-**	**-**
INCOME TAX						
CONTINUING OPERATIONS	28,416	-	28,416	-	-	-
DISCONTINUED OPERATIONS (NOTE 10)	-	-	-	-	-	-
	28,416		**28,416**			
INCOME AND EXPENSES FOR THE YEAR BEFORE TAX			**297,638**			
PERMANENT DIFFERENCES						
NON-DEDUCTIBLE EXPENSES & PENALTIES	903	-	903	-	-	-
INTERNAL ELIMINATION OF DIVIDENDS	-	153,648	(153,648)	-	-	-
OTHER	2,333	-	2,333	-	-	-
TEMPORARY DIFFERENCES	142,520	-	142,520	-	-	-
NON-DEDUCTIBLE EXPES. &PENALTIES, SUBSIDIARIES UNDERTAX CONSOLIDATION	-	-	-	-	-	-
TEMPORARY DIFFERENCES IN SUBSIDIARIES	-	2,040	(2,040)	-	-	-
TAX RESULT			**287,706**			**-**

Temporary differences are due to different taxation and accounting criteria relative to impairment provisions regarding audiovisual rights, contingencies and expenses and provisions for subsidiaries.

The reconciliation between income tax expense/(income) and the result of multiplying total recognized income and expenses by applicable tax rates —with the balance of the income statement being differentiated— is as follows:

THOUSANDS OF EUROS	INCOME STATEMENT	INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY
2009		
INCOME AND EXPENSES FOR THE YEAR BEFORE TAX	**54,410**	
TAX CHARGE (TAX RATE: 30%)	16,323	
NON-DEDUCTIBLE REVENUE/EXPENSES	(19,370)	
TAX CREDITS	(4,638)	
UNUSED TAX CREDITS	(12,279)	
POSITIVE ADJUSTMENTS TO INCOME TAX CHARGE	-	
NEGATIVE ADJUSTMENTS TO INCOME TAX CHARGE	4,934	
TAX ADJUSTMENTS (DIVIDENDS MINUS DEDUCTIONS FROM SUBSIDIARIES)	960	
TAX ON FOREIGN PROFITS	19	
TAX EXPENSE (INCOME)	**(14,051)**	

THOUSANDS OF EUROS	INCOME STATEMENT	INCOME AND EXPENSE RECOGNIZED DIRECTLY IN EQUITY
2008		
INCOME AND EXPENSES FOR THE YEAR BEFORE TAX	**297,638**	
TAX CHARGE (TAX RATE: 30%)	89,291	
NON-DEDUCTIBLE REVENUE/EXPENSES	(45,123)	
TAX CREDITS	(18,565)	
POSITIVE ADJUSTMENTS TO INCOME TAX CHARGE	(173)	
NEGATIVE ADJUSTMENTS TO INCOME TAX CHARGE	167	
TAX ADJUSTMENTS (DIVIDENDS MINUS DEDUCTIONS FROM SUBSIDIARIES)	2,806	
TAX ON FOREIGN PROFITS	13	
TAX EXPENSE (INCOME)	**28,416**	

The breakdown of income tax expense/(income) is as follows:

THOUSANDS OF EUROS		
(THOUSANDS OF EUROS)	**INCOME STATEMENT**	**DIRECTLY RECOGNIZED IN EQUITY**
2009		
CURRENT INCOME TAX	(708)	
OTHER TEMPORARY DIFFERENCES	(13,343)	
	(14,051)	

THOUSANDS OF EUROS		
(THOUSANDS OF EUROS)	**INCOME STATEMENT**	**DIRECTLY RECOGNIZED IN EQUITY**
2008		
CURRENT INCOME TAX	71,172	
OTHER TEMPORARY DIFFERENCES	(42,756)	
	28,416	

Income tax payable was calculated as follows:

THOUSANDS OF EUROS	
	2009
TAXABLE INCOME:	34,323
TAX PAYABLE: (30%)	10,297
NEGATIVE TAX PAYABLE CONTRIBUTED BY SUBSIDIARIES IN TAX CONSOLIDATION	4,759
DEDUCTIONS AND REBATES	(4,638)
DEDUCTIONS AND REBATES, COMPANIES FILING CONSOLIDATED TAXES	(2,225)
WITHHOLDINGS	(13,853)
OTHER	-
TOTAL INCOME TAX REFUND	**(5,660)**

THOUSANDS OF EUROS	
	2008
TAXABLE INCOME	287,706
TAX PAYABLE: (30%)	86,311
NEGATIVE TAX PAYABLE CONTRIBUTED BY SUBSIDIARIES IN TAX CONSOLIDATION	(40,445)
TAX CREDITS	(18,565)
WITHHOLDINGS	(69,007)
OTHER	8
TOTAL INCOME TAX PAYABLE	**(41,698)**

15.2 Deferred tax assets

The breakdown is as follows:

(THOUSAND EUROS)	2009	2008
DEFERRED TAX ASSETS	80,250	65,467
UNUSED TAX CREDITS AND REBATES	19,670	6,340
	99,920	**71,807**

The changes in the items composing "Deferred tax assets" are as follows:

THOUSANDS OF EUROS	BALANCE AT JANUARY 1	INCOME STATEMENT	EQUITY	RECLASSIFICATIONS	BALANCE AT DECEMBER 31
2009					
DEFERRED TAX ASSETS					
IMPAIRMENT AUDIOVISUAL RIGHTS	5,496	(2,129)	-	-	3,367
RIGHTS MANAGEMENT INSTITUTIONS	6,502	681	-	-	7,183
PROVISIONS, SUBSIDIARIES	50,404	19,296	-	-	69,700
OTHER	3,065	(4,505)	-	1,440	-
	65,467	**13,343**	**-**	**1,440**	**80,250**
2008					
DEFERRED TAX ASSETS					
IMPAIRMENT AUDIOVISUAL RIGHTS	7,503	(2,007)	-	-	5,496
RIGHTS MANAGEMENT INSTITUTIONS	6,227	275	-	-	6,502
PROVISIONS, SUBSIDIARIES	6,457	43,947	-	-	50,404
OTHER	2,524	541	-	-	3,065
	22,711	**42,756**	**-**	**-**	**65,467**

The Company has no unused loss carryforwards.

Unused tax credits for audiovisual productions amount to a total of €19,670 thousand, which can be recovered over the next 10 years.

The Company has availed itself of the deduction provided for in article 42 of Royal Legislative Decree 4/2004, of March 5, which enacted the revised text of the Corporation Tax Law, in respect of income of €1,637 thousand. This amount was generated by the sale of 60% of the Company's ownership in Cinematext Media, S.A., which was sold on September 30, 2009,

The Company estimated the taxable profits which it expects to obtain over the next five fiscal years (period for which it considers the estimates to be reliable) based on budgeted projections. It has likewise analyzed the reversal period of taxable temporary differences. Based on this analysis, the Company has recognized deferred tax assets for tax credits and deductible temporary differences which it considers probable will be recoverable in the future.

15.3 Deferred tax liabilities

The breakdown and movements in the various items composing Deferred tax liabilities are as follows:

(THOUSANDS OF EUROS)	BALANCE AT JANUARY 1	INCOME STATEMENT	EQUITY	RECLASSIFICATIONS	BALANCE AT DECEMBER 31
2009					
DEFERRED TAX LIABILITIES					
OTHER	-	-	-	1.440	1.440
	-	**-**	**-**	**1.440**	**1.440**
2008					
DEFERRED TAX LIABILITIES					
OTHER	-	-	-	-	-
	-	-	-	-	-

The deferred tax liability mainly relates to taxable temporary differences arising from consolidation adjustments of the tax group.

16. Guarantee Commitments to Third Parties

The breakdown of guarantees provided as of 31 December 2009 and 2008 is as follows:

TYPE	2009	2008
COLLATERAL FOR CONTRACTS, CONCESSIONS AND TENDERS	41,059	10,990
LEGAL GUARANTEES	340	340
GUARANTEES DEPOSITED AT THE TAX AUTHORITIES	5,634	-
	47,033	**11,330**

Within the first category of guarantees, there is a three-year bond totaling €6,010 thousand that guarantees the liabilities arising from the concession to indirectly manage public service television, in accordance with Law 107/1988 of 3 May and a General Secretariat of Communications Resolution dated 25 January 1989. The concession was renewed for another 10 years by the decision of the Spanish Cabinet on 10 March 2000, made public through a General Secretariat of Communications Resolution of the same date and published in the Official State Gazette (B.O.E.) on 11 March 2000.

The Company has provided guarantees in an amount totaling €482 thousand to the Directorate-General for the Development of the Information Society (Science and Technology Ministry, currently the Ministry of Industry, Tourism and Trade) for an indefinite period to guarantee the refundable advance granted by the Directorate-General to the company as aid for research and development in the following projects: "Research and development to improve and expand the current management system and applications to adapt work processes to new technological tools and their integration with the digital archive," "Research and development of new tools for the technological evolution of production processes in digital television," "Research and development on an information system to manage contracts with electronic signatures and a security and contingency plan," and "New tools for the technological evolution of production processes in digital television."

The Company has deposited €34.907 thousand in guarantees required for its commercial activity.

The breakdown of the guarantees deposited with the tax authorities is as follows:

1) A 3,543 thousand euro guarantee deposited with the Tax and Customs Control Department due to the appeal against the tax settlement agreement which said department notified to the Company on July 24, 2009 and which confirms the proposal given in the assessment from the tax inspection dated September 1, 2008. The tax inspection included verification of income tax for 2004, 2005, 2006 and 2007.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

2) A second guarantee of €2,091 thousand was deposited with the Tax and Customs Control Department due to the appeal against the tax settlement agreement which the Department notified to the Company on June 26, 2009 and which confirmed the proposal given in the assessment from the tax inspection dated September 1, 2008. This tax inspection included the verification of the gaming tax in respect of bets and promotional draws, as well as raffles and tombolas from September 2004 up to and including May 2008.

17. Compensation System Indexed to Share Values

As of the date of preparation of these accounts, the stock option plans for which the conditions for their being granted have been fulfilled are as follows:

	NO. OF OPTIONS 01/01/09	ADDI-TIONS	DISPOSALS	NO. OF OPTIONS 31/12/09	GRANTED TO EMPLOYEES OF THE COMPANY	GRANTED TO EMPLOYEES OF THE GROUP	STRIKE PRICE	ASSIGNMENT DATE	STRIKE TERM FROM	STRIKE TERM TO
2005 SHARE-BASED PAYMENTS PLAN	1,036,500	-	30,000	1,006,500	505,000	501,500	19.70 €	27/07/05	27/07/08	26/07/10
2006 SHARE-BASED PAYMENTS PLAN	1,516,150	-	36,000	1,480,150	610,250	869,900	18.57 €	26/07/06	26/07/09	25/07/11
2007 SHARE-BASED PAYMENTS PLAN	1,078,650	-	36,000	1,042,650	545,750	496,900	20.82 €	25/07/07	25/07/10	24/07/12
2008 SHARE-BASED PAYMENTS PLAN	590,325	-	18,000	572,325	292,375	279,950	8.21 €	30/07/08	30/07/11	29/07/13
2009 SHARE-BASED PAYMENTS PLAN	-	319,163	-	319,163	162,688	156,475	6.29 €	29/07/09	29/07/12	28/07/14

	NO. OF OPTIONS 01/01/09	ADDI-TIONS	DISPOSALS	NO. OF OPTIONS 31/12/09	GRANTED TO EMPLOYEES OF THE COMPANY	GRANTED TO EMPLOYEES OF THE GROUP	STRIKE PRICE	ASSIGNMENT DATE	STRIKE TERM FROM	STRIKE TERM TO
2005 SHARE-BASED PAYMENTS PLAN	1,131,000	-	94,500	1,036,500	505,000	531,500	19.70 €	27/07/05	27/07/08	26/07/10
2006 SHARE-BASED PAYMENTS PLAN	1,627,650	-	111,500	1,516,150	610,250	905,900	18.57 €	26/07/06	26/07/09	25/07/11
2007 SHARE-BASED PAYMENTS PLAN	1,135,650	-	57,000	1,078,650	545,750	532,900	20.82 €	25/07/07	25/07/10	24/07/12
2008 SHARE-BASED PAYMENTS PLAN	-	590,325	-	590,325	292,375	297,950	8.21 €	30/07/08	30/07/11	29/07/13

The beneficiaries of these plans are directors and executive directors of the Group's companies.

As a result of these plans, €656 thousand was recognized in the 2009 income statement. In the 2008 income statement, a result of these plans, €784 thousand was recognized.

All the approved plans that remain in effect have a three-year accrual period and the given strike price, and, if applicable, are exercised through the delivery of the shares.

The most relevant assumptions used in the measurement are as follows:

	PLAN 2005	PLAN 2006	PLAN 2007	PLAN 2008	PLAN 2009
STRIKE	19.70	18.57	20.82	8.21	6.29
YIELD ON THE SHARE (DIVIDEND YIELD)	6%	6%	6%	10%	5%
VOLATILITY	22.5%	22.5%	22.5%	27.5%	30%

18. Income and expenses

a) Breakdown of sales

The distribution of revenue from continuing operations corresponding to the Company's ordinary activities, broken down by category, is as follows:

THOUSANDS OF EUROS		
	2009	2008
BUSINESS SEGMENT		
ADVERTISING REVENUE	498,897	759,989
RENDERING OF SERVICES	8,559	14,985
TOTAL	**507,456**	**774,974**

The Company's most important client continues to be Publiespaña, S.A.U. Revenue from advertising sales to this client, €493,718,000, accounts for approximately 97% of the Company's total revenue (€753,854 thousand, or 97% of the total, in 2008).

b) Consumption of goods for resale

The breakdown of consumption of goods for resale and consumption of raw materials and other consumables for the years ended 31 December 2009 and 2008 is as follows:

THOUSANDS OF EUROS		
	2009	2008
CONSUMPTION OF GOODS FOR RESALE		
CHANGES IN INVENTORIES	794	(3,821)
	794	**(3,821)**
GOODS FOR RESALE		
PURCHASES IN SPAIN	194,531	180,236
EU ACQUISITIONS	8,793	14,616
COST OF SALES	**203,324**	**194,852**

c) Wages and salaries

	2009	2008
WAGES AND SALARIES	40,937	48,685
SOCIAL SECURITY COSTS, ET AL.	8,855	9,228
TOTAL	**49,792**	**57,913**

The breakdown of Social Security costs et al. for the years ended 31 December 2009 and 2008 is as follows:

THOUSANDS OF EUROS	2009	2008
SOCIAL SECURITY	7,691	7,801
OTHER EMPLOYEE WELFARE EXPENSES	1,164	1,427
TOTAL EMPLOYEE WELFARE EXPENSES	**8,855**	**9,228**

d) External services

The breakdown of External services for the years ended December 31, 2009 and 2008 is as follows:

THOUSANDS OF EUROS	2009	2008
LEASES	680	1,310
PROGRAM PRODUCTION COSTS	23,548	25,620
MANAGEMENT FEES FOR RIGHTS, CONCESSIONS AND LICENSES	23,903	32,547
REPAIRS AND MAINTENANCE	3,311	3,546
OTHER PROFESSIONAL SERVICES	7,740	8,625
TRANSPORT AND MESSENGER SERVICES	635	1,062
GENERAL INSURANCE	128	508
PUBLIC RELATIONS	1,404	1,460
SUPPLIES	2,906	2,823
SIGNAL TRANSMISSION AND TECHNICAL ASSISTANCE	28,621	27,869
NEWS AGENCIES AND POST-PRODUCTION	2,630	4,136
CASH AND NON-CASH PRIZES	4,812	3,812
OTHER EXPENSES FOR LEGAL AND JUDICIAL RISKS	3,434	3,534
OTHER EXPENSES AND SERVICES	1,694	3,294
	105,446	**120,146**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

19. Related-party transactions

Related companies

Company transactions in 2009 and 2008 with related parties, as well as the nature of the relationship, were as follows:

COMPANY	NATURE OF THE RELATIONSHIP
PUBLIESPAÑA, S.A.U.	100% OWNED
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	100% OWNED
GRUPO EDITORIAL TELE 5, S.A.U.	100% OWNED
TELECINCO CINEMA, S.A.U.	100% OWNED
PUBLIMEDIA, S.A.U.	100% OWNED
APROK IMAGEN, S.L.	3% OWNED
CANAL FACTORÍA DE FICCIÓN, S.A	100% OWNED
MICARTERA MEDIA, S.A.U.	100% OWNED
ATLAS MEDIA, S.A.U.	100% OWNED
CONECTA 5 TELECINCO, S.A	100% OWNED
PUBLIECI TELEVISIÓN, S.A.	50% OWNED
CINEMATEXT MEDIA, S.A	*
PRODUCCIONES MANDARINA, S.L.	27% OWNED
FUNDACIÓN TELECINCO	RELATED PARTY IN LIQUIDATION
LA FÁBRICA DE LA TELE , S.L.	30% OWNED
ADVANCED MEDIA, S.A.U.	100% OWNED
MEDIACINCO CARTERA S.L.	75% OWNED
ALBA ADRIÁTICA, S.L.	5% OWNED
BIGBANG MEDIA, S.L.	30% OWNED
PEGASO INC	35.08% OWNED
VOCENTO GROUP	*
ENDEMOL GROUP	25% OWNED
MEDIASET GROUP	SHAREHOLDER

(*) These companies were not related parties at 31 December 2009.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The balances with the related parties listed in the preceding table at 31 December 2009 and 2008 are as follows:

	TRADE RECEIVABLES FROM GROUP COMPANIES AND ASSOCIATES		SUPPLIERS, GROUP COMPANIES AND ASSOCIATES		SUPPLIERS, RIGHTS OF GROUP COMPANIES AND ASSOCIATES		LONG-TERM LOANS TO GROUP COMPANIES (NOTE 8)	
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
PUBLIESPAÑA, S.A.U.	120,998	176,284	1,361	9,147	-	-	-	-
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	1,006	883	18,239	19,150	-	-	-	-
GRUPO EDITORIAL TELE 5, S.A.U.	92	92	139	350	-	-	-	-
TELECINCO CINEMA, S.A.U.	670	4,513	-	45	1,254	2,085	8,373	16,095
PUBLIMEDIA, S.A.U.	857	2,226	-	-	-	-	-	-
APROK IMAGEN, S.L.	-	-	-	162	-	-	-	-
CANAL FACTORÍA DE FICCIÓN, S.A	-	-	1	10	-	-	-	-
MICARTERA MEDIA, S.A.U.	491	491	393	393	-	-	-	-
ATLAS MEDIA, S.A.U.	-	-	-	-	-	-	-	-
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS PAÍS VASCO, S.A.U.	-	-	-	-	-	-	-	-
CONECTA 5 TELECINCO, S.A	995	444	70	70	-	-	1,410	1,410
PUBLIECI TELEVISIÓN, S.A.	-	-	-	-	-	-	-	-
CINEMATEXT MEDIA, S.A	-	80	-	370	-	-	-	-
PRODUCCIONES MANDARINA, S.L.	-	24	1,397	2,280	-	-	-	-
FUNDACIÓN TELECINCO	-	-	-	-	-	-	-	-
BIG BANG MEDIA, S.L.	18	-	754	-	845	-	-	-
LA FÁBRICA DE LA TELE , S.L.	-	-	4,515	2,074	-	-	-	-
ADVANCED MEDIA, S.A.U.	-	22	-	-	-	-	-	-
MEDIACINCO CARTERA S.L.	333	141	-	58	-	-	167,341	186,720
ALBA ADRIÁTICA, S.L.	879	8	354	73	807	678	-	-
MEDIASET GROUP	-	-	428	589	28	-	-	-
CARIBEVISIÓN TV NETWORK LLC	838	88	-	-	-	-	-	-
VOCENTO GROUP	-	(2)	-	4,458	-	17,163	-	-
ENDEMOL GROUP	137	50	12,443	12,927	-	-	-	-
	127,314	**185,344**	**40,094**	**52,156**	**2,934**	**19,926**	**177,124**	**204,225**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

	CURRENT TAX PAYABLE, GROUP COMPANIES		CURRENT LIABILITIES WITH CREDITOR GROUP COMPANIES	
	31.12.09	31.12.08	31.12.09	31.12.08
PUBLIESPAÑA, S.A.U.	-	-	88,484	146,512
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	-	-	-	-
GRUPO EDITORIAL TELE 5, S.A.U.	-	-	4,004	3,319
TELECINCO CINEMA, S.A.U.	16,404	9,559	-	-
CANAL FACTORÍA DE FICCIÓN, S.A	-	-	584	604
ATLAS MEDIA, S.A.U.	26	51	-	-
CONECTA 5 TELECINCO, S.A.U.	-	-	-	-
ADVANCED MEDIA, S.A.U.	-	89	-	-
MEDIACINCO CARTERA S.L.	9,569	75,324	15,106	1,777
	25,999	**85,023**	**108,178**	**152,212**

	CURRENT TAX RECEIVABLE, GROUP COMPANIES		CURRENT ASSETS WITH CREDITOR GROUP COMPANIES	
	31.12.09	31.12.08	31.12.09	31.12.08
PUBLIESPAÑA, S.A.U.	15,425	28,387	-	-
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	2,476	1,150	9,912	8,476
GRUPO EDITORIAL TELE 5, S.A.U.	1,216	1,552	-	-
PUBLIMEDIA GESTIÓN, S.A.U.	926	2,719	-	-
TELECINCO CINEMA, S.A.U.	-	-	4,793	63,569
CARIBEVISIÓN TV NETWORK LLC	-	-	3,535	-
ATLAS MEDIA, S.A.U.	-	-	-	-
CONECTA 5 TELECINCO, S.A.U.	-	-	25,715	14,555
PRODUCCIONES TELECINCO, S.A.U. (EN LIQUIDACIÓN)	-	-	15	15
ADVANCED MEDIA, S.A.U.	15	-	-	-
MI CARTERA MEDIA, S.A.U.	108	391	-	-
	20,166	**34,199**	**43,970**	**86,615**

5 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

In 2009 and 2008, the following transactions were conducted with the related parties listed above:

	PURCHASES		ACCRUED INTEREST EXPENSE		PURCHASE OF RIGHTS	
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
GRUPO EDITORIAL TELE 5 S.A.U.	339	507	7	205	-	-
ATLAS ESPAÑA S.A.U.	43,440	45,018	-	-	-	-
ATLAS PAÍS VASCO S.A.U.	-	-	-	-	-	-
CANAL FACTORIA DE FICCION S.A.U.	-	-	2	12	-	-
CINEMATEXT MEDIA S.A.U.	-	1,132	-	-	-	-
PUBLIESPAÑA S.A.U.	1,051	249	1,296	9,075	-	-
PUBLIMEDIA GESTION S.A.U.	-	5	-	-	-	-
TELECINCO CINEMA S.A.U	6	3	-	-	1,365	3,627
APROK IMAGEN S.L.	140	883	-	-	-	-
CONECTA 5 TELECINCO S.A.U	300	300	-	-	-	-
MEDIACINCO CARTERA S.L.	-	-	-	58	-	-
PRODUCCIONES MANDARINA, S.L.	7,295	14,642	-	-	-	-
LA FÁBRICA DE LA TELE S.L	21,242	15,008	-	-	-	-
ALBA ADRIÁTICA, S.L.	353	338	-	-	15,078	14,768
BIG BANG MEDIA, S.L.	3,562	-	-	-	120	-
GRUPO VOCENTO	-	9,223	-	-	-	37,377
GRUPO ENDEMOL	36,332	43,521	-	-	-	-
GRUPO MEDIASET	1,162	1,216	-	-	-	-
	115,222	**132,045**	**1,305**	**9,350**	**16,563**	**55,772**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

	ADVERTISING REVENUE & SALES OF RIGHTS		OTHER REVENUE		ACCRUED INTEREST REVENUE		DIVIDENDS	
	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08	31.12.09	31.12.08
GRUPO EDITORIAL TELE 5 S.A.U.	-	-	196	380	-	-	2,798	3,777
ATLAS ESPAÑA S.A.U.	-	-	2,682	2,774	216	74	6,825	6,939
ATLAS PAÍS VASCO S.A.U.	-	-	-	-	-	-	-	-
ATLAS MEDIA, S.A.U.	-	-	-	-	-	-	-	-
CANAL FACTORIA DE FICCION S.A.U.	-	-	-	-	-	-	-	-
CINEMATEXT MEDIA S.A.U.	-	-	-	170	-	-	260	-
PUBLIESPAÑA S.A.U.	493,718	753,854	3,237	3,621	-	-	40,600	133,577
PUBLIMEDIA GESTION S.A.U.	4,800	5,776	784	2,575	-	-	-	-
ADVANCED MEDIA S.A.U.	-	-	46	64	-	-	-	-
MI CARTERA MEDIA S.A.U.	-	-	-	-	-	-	-	-
TELECINCO CINEMA S.A.U	-	-	409	580	546	4,330	-	-
CONECTA 5 TELECINCO S.A.U	132	132	830	765	652	149	-	-
PUBLIECI TELEVISION S.A.	-	-	-	43	-	-	-	-
MEDIACINCO CARTERA S.L.	-	-	348	392	4,026	10,622	-	-
FUNDACIÓN DOCE MESES DOCE CAUSAS	-	-	-	-	-	-	-	-
PRODUCCIONES MANDARINA, S.L.	-	-	-	75	-	-	-	-
ALBA ADRIÁTICA, S.L.	-	-	758	19	52	136	-	-
CARIBEVISIÓN NETWORK LLC	748	640	1	128	90	-	-	-
BIG BANG MEDIA, S.L.	-	-	16	-	-	-	-	-
GRUPO VOCENTO	-	179	-	24	-	-	-	-
GRUPO ENDEMOL	129	45	-	368	-	-	-	-
GRUPO MEDIASET	-	-	103	76	-	-	-	-
	499,527	**760,626**	**9,410**	**12,054**	**5,582**	**15,311**	**50,483**	**144,293**

The related-party transactions consist of normal Company trading activity and are conducted on an arm's length basis.

Directors and senior executives

During the year, the members of the Board of Directors and other senior executives of the Company, and the individuals and entities that they represent, did not carry out transactions with the Company or with other Group companies unrelated to normal trading activity or not on an arm's length basis.

a) Compensation and other benefits

1. Remuneration of the members of the Board of Directors in 2009 and 2008:

The breakdown of the remuneration earned by members of the Company's Board of Directors is as follows:

THOUSANDS OF EUROS	2009	2008
COMPENSATION	2,638	2,525
ATTENDANCE FEES	438	468
	3,076	**2,993**

In addition to the information given in this section, the compensation received by each director in 2009 is indicated below, in euros:

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

Fixed Board compensation	60,000.00
Attendance fees	54,000.00
Fixed compensation	528,874.56
Variable compensation	166,730.00
Total	**809,604.56**
Option rights granted	16,812
Option rights exercised	0

Mr. Paolo Vasile – Joint CEO

Fixed Board compensation	60,000.00
Attendance fees	27,000.00
Fixed compensation	729,694.50
Variable compensation	333,460.00
Remuneration in-kind	8,858.76 (*)
Total	**1,159,013.26**
Option rights granted	33,625
Option rights exercised	0

(*) Excluding the base of the in-kind compensation, €36,911.37

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

Mr. Giuseppe Tringali – Joint CEO

Fixed Board compensation	60,000.00
Attendance fees	27,000.00
Total	**87,000.00**
Option rights granted	33,625
Option rights exercised	0

Mr. Massimo Musolino – Board Member

Fixed Board compensation	60,000.00
Attendance fees	18,000.00
Total	**78,000.00**
Option rights granted	15,250
Option rights exercised	0

Mr. Alfredo Messina – Board Member

Fixed Board compensation	60,000.00
Attendance fees	27,000.00
Total	**87,000.00**

Mr. Fedele Confalonieri – Board Member

Fixed Board compensation	60,000.00
Attendance fees	42,000.00
Total	**102,000.00**

Mr. Marco Giordani – Board Member

Fixed Board compensation	60,000.00
Attendance fees	33,000.00
Total	**93,000.00**

Mr. Pier Silvio Berlusconi – Board Member

Fixed Board compensation	60,000.00
Total	**60,000.00**

Mr. Giuliano Adreani – Board Member

Fixed Board compensation	60,000.00
Attendance fees	51,000.00
Total	**111,000.00**

Mr. Ángel Durández Adeva – Independent Director

Fixed Board compensation	60,000.00
Attendance fees	33,000.00
Total	**93,000.00**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

Mr. Miguel Iraburu Elizondo – Independent Director

Fixed Board compensation	60,000.00
Attendance fees	15,000.00
Total	**75,000.00**

Mr. Borja de Prado Eulate – Independent Director/Chair Audit and Compliance Committee

Retribución fija Consejo	60,000.00
Attendance fees	39,000.00
Total	**99,000.00**

Mr. José Ramón Álvarez-Rendueles – Independent Director/Appointments and Remuneration Committee

Fixed Board compensation	60,000.00
Attendance fees	48,000.00
Total	**108,000.00**

Mr. Mario Rodríguez Valderas – Executive Director

Mr. Rodriguez was a member of the Board of Directors from April, 23 2009.

Fixed Board compensation	45,000.00
Attendance fees	12,000.00
Total	**57,000.00**
Option rights granted	9,000
Option rights exercised	0

Mrs. Helena Revoredo Delvecchio – Independent Director

Mrs. Revoredo was a member of the Board of Directors from April,23 2009.

Fixed Board compensation	45,000.00
Attendance fees	12,000.00
Total	**57,000.00**

None of the Board Members has received any compensation for belonging to other Boards of Directors of the Group's companies.

As was the case last year, at year-end of 2009, the Company has not granted any advance payments or loans to any of its Board Members.

Regarding the benefits arrangements, the Company has taken out, for only one of the Joint CEOs, life insurance covering disability or death and medical insurance, at an annual cost of €15,635.37. These items are included in in-kind compensation.

As was the case last year, no contribution has been made to pension plans or funds on behalf of any member of the Board of Directors.

Options on the Company shares

In 2009, the Board members have given a total of 108,312 share options, of which 33,625 were granted to each Joint CEO and 16,812 to the Chairman of the Board of Directors.

In 2009, no share options have been exercised.

In 2008, the Board members were given a total of 198,625 share options, of which 67,250 were granted to each Joint CEO and 33,625 to the Chairman of the Board of Directors.

In 2008, no share options were exercised.

b) Compensation to key management personnel

Compensation paid to General Directors of the Company and individuals who discharge similar functions, excluding those who are also members of the Board of Directors, is summarized as follows:

NUMBER OF PERSONS		TOTAL COMPENSATION (THOUSANDS OF EUROS)	
2009	2008	2009	2008
10	11	5,554	3,816

As far as the number of share options granted to Senior Management is concerned, excluding those managers which are simultaneously members of the Board of Directors, the breakdown at December 31, 2009 and 2008 is as follows:

	2009	2008
OPTION RIGHTS GRANTED	78,250	120,300
TOTAL	**78,250**	**120,300**

A list of the key management personnel is included in the accompanying management report.

c) Other disclosures on the Board of Directors:

Breakdown of the involvement with companies engaging in similar activities and the directors' involvement in similar activities either on their own or on behalf of others.

In compliance with Article 27 ter. 4 of the Spanish Corporation Law, and regarding GESTEVISION TELECINCO, S.A., we hereby state that Giuseppe Tringali, Paolo Vasile, Giuliano Adreani, José Ramón Álvarez Rendueles, Pier Silvio Berlusconi, Fedele Confalonieri, Ángel Durández Adeva, Marco Giordani, Miguel Iraburu Elizondo, Alfredo Messina, Borja de Prado Eulate, Mr. Massimo Musolino, Mrs. Helena Revoredo, Mr. Mario Rodriguez Valderas members of the Board of Directors of GESTEVISION TELECINCO, S.A. as of 31 December 2009, have not owned and do not own shareholdings in share capital of companies that have a corporate purpose identical, similar or complementary to the activity that constitutes GESTEVISION TELECINCO, S.A.'s corporate purpose.

Mr. Alejandro Echevarría Busquet:

SUBSIDIARY	ACTIVITY	OWNERSHIP PERCENTAGE	DUTIES
VOCENTO, S.A.	COMMUNICATION	0.00878 %	-
SOCIEDAD VASCONGADA DE PUBLICACIONES, S.A.	NEWSPAPER PUBLISHING	0.1072 %	BOARD MEMBER
DIARIO ABC, S.L.	NEWSPAPER PUBLISHING	0.0002 %	-

In accordance with the aforementioned text, the following is a schedule of the activities carried out by the Company's Board of Directors at 31 December 2008, either on their own or on others' behalf, in companies engaging in business activities that are identical, similar or complementary to the activity that constitutes the corporate purpose of GESTEVISION TELECINCO, S.A.:

Mr. Alejandro Echevarría Busquet:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
DIARIO EL CORREO, S.A.	NEWSPAPER PUBLISHING	SELF-EMPLOYED	-	BOARD MEMBER
EDITORIAL CANTABRIA, S.A.	NEWSPAPER PUBLISHING	SELF-EMPLOYED	-	BOARD MEMBER
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	NEW AGENCY	SELF-EMPLOYED	-	CHAIRMAN
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	CHAIRMAN

Mr. Paolo Vasile

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
CANAL FACTORIA DE FICCIÓN, S.A.U..	PRODUCTION AND DISTRIBUTION OF AUDIOVISUAL PRODUCTS AND PROGRAMS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
PUBLIECI TELEVISIÓN, S.A.	DIRECT SELLING OF PRODUCTS AND SERVICES ON TV AND THROUGH OTHER CHANNELS	COMPANY EMPLOYEE	GESTEVISION TELECINCO, S.A.	BOARD MEMBER
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	NEW AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
CONECTA 5 TELECINCO, S.A.U.	EXPLOITATION OF AUDIOVISUAL CONTENT ON THE INTERNET	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN
GRUPO EDITORIAL TELE 5, S.A.U.	EXPLOITATION OF RIGHTS; PRODUCTION AND DISTRIBUTION OF PUBLICATIONS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN
TELECINCO CINEMA, S.A.U.	TELEVISION BROADCASTING SERVICES AND INTERMEDIATION IN THE MARKETS FOR AUDIOVISUAL RIGHTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN

Mr. Giuliano Adreani:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
R.T.I. – RETI TELEVISIVE ITALIANE S.P.A.	TELEVISION OPERATOR	SELF-EMPLOYED	-	BOARD MEMBER
DIGITALIA 08 S.R.L.	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED		CHAIRMAN
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	BOARD MEMBER
PUBLITALIA 80 S.P.A.	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED	-	CHAIRMAN AND MANAGING DIRECTOR

Mr. Pier Silvio Berlusconi:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
R.T.I. – RETI TELEVISIVE ITALIANE S.P.A.	TELEVISION OPERATOR	SELF-EMPLOYED	-	CHAIRMAN/MANAGING DIRECTOR
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	BOARD MEMBER
PUBLITALIA 80 S.P.A.	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED	-	BOARD MEMBER

Mr. Fedele Confalonieri:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	BOARD MEMBER

Mr. Giuseppe Tringali:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
PUBLITALIA 80 S.P.A.	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED	-	BOARD MEMBER
PUBLIEUROPE LIMITED	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED	-	BOARD MEMBER
ADVANCED MEDIA, S.A.U.	CARRYING OUT AND EXECUTING ADVERTISING PROJECTS	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	JOINT CEO
PUBLIECI TELEVISIÓN, S.A.	DIRECT SELLING OF PRODUCTS AND SERVICES ON TV AND THROUGH OTHER CHANNELS	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	CHAIRMAN
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	BOARD MEMBER
PUBLIMEDIA GESTIÓN, S.A.U.	CARRYING OUT AND EXECUTING ADVERTISING PROJECTS	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	JOINT CEO

Mr. Marco Giordani:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
R.T.I. – RETI TELEVISIVE ITALIANE S.P.A.	TELEVISION OPERATOR	SELF-EMPLOYED	-	JOINT CEO

Mr. Massimo Musolino

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
CANAL FACTORIA DE FICCIÓN, S.A.U..	PRODUCTION AND DISTRIBUTION OF AUDIOVISUAL PRODUCTS AND PROGRAMS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN/MANAGING DIRECTOR
PUBLIECI TELEVISIÓN, S.A.	DIRECT SELLING OF PRODUCTS AND SERVICES ON TV AND THROUGH OTHER CHANNELS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
AGENCIA DE TELEVISIÓN LATINO-AMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	NEW AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
CONECTA 5 TELECINCO, S.A.U.	EXPLOITATION OF AUDIOVISUAL CONTENT ON THE INTERNET	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
GRUPO EDITORIAL TELE 5, S.A.U.	EXPLOITATION OF RIGHTS; PRODUCTION AND DISTRIBUTION OF PUBLICATIONS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	JOINT CEO
TELECINCO CINEMA, S.A.U.	TELEVISION BROADCASTING SERVICES AND INTERMEDIATION IN THE MARKETS FOR AUDIOVISUAL RIGHTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	JOINT CEO
CORPORACIÓN DE MEDIOS RADIOFÓNIC-OS DIGITALES, S.A.	RADIO-AND TELEVISION-RELATED ACTIVITIES	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
MEDIACINCO CARTERA, S.L.	FINANCIAL INVESTMENTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN
PREMIERE MEGAPLEX, S.A.	FILM DISTRIBUTION	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER

Mr. Mario Rodríguez Valderas

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
CANAL FACTORIA DE FICCIÓN, S.A.U..	PRODUCTION AND DISTRIBUTION OF AUDIOVISUAL PRODUCTS AND PROGRAMS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	SECRETARY
GRUPO EDITORIAL TELE 5, S.A.U.	EXPLOITATION OF RIGHTS; PRODUCTION AND DISTRIBUTION OF PUBLICATIONS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	SECRETARY
MEDIACINCO CARTERA, S.L.	FINANCIAL INVESTMENTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	SECRETARY

In accordance with the above, we hereby state that José Ramón Álvarez Rendueles, Angel Durández Adeva, Miguel Iraburu Elizondo, Alfredo Messina, Borja de Prado Eulate, Helena Revoredo have not and do not carry out activities, either on their own or on others' behalf, in companies engaging in business activities that are identical, similar or complementary to the activity that constitutes GESTEVISIÓN TELECINCO, S.A.'s corporate purpose.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

20. Other disclosures

a) Employees

2009				
	AT YEAR-END			
	MALE	FEMALE	TOTAL	AVERAGE FOR THE YEAR
SENIOR EXECUTIVES	8	2	10	10
EXECUTIVES	30	17	47	45
DEPARTMENT MANAGERS	19	26	45	46
TECHNICAL STAFF	318	145	463	467
ADMINISTRATIVE PERSONNEL	28	96	124	126
OPERATORS	19		19	19
	422	**286**	**708**	**713**

2008				
	AT YEAR-END			
	MALE	FEMALE	TOTAL	AVERAGE FOR THE YEAR
SENIOR EXECUTIVES	9	2	11	11
EXECUTIVES	27	14	41	43
DEPARTMENT MANAGERS	21	30	51	52
TECHNICAL STAFF	324	149	473	480
ADMINISTRATIVE PERSONNEL	29	104	133	135
OPERATORS	21	-	21	23
	431	**299**	**730**	**744**

b) Audit fees

Audit fees of the 2009 financial statements totaled €86 thousand (2008: €86 thousand).

In addition, the fees paid in the year for other services performed by the Company's statutory auditors in 2009 totaled €74 thousand (2008: €208 thousand).

c) Foreign currency

Foreign-currency transactions related to the acquisition of audiovisual property rights and distribution rights totaled $26 million. (In 2008, $22 million)

"Trade receivables" includes €96 thousand denominated in US dollars. (2008: $842 thousand).

In addition, “Plant, property and equipment" payables includes €8,863 thousand, denominated in US dollars (2008: $3,300 thousand).

21. Significant events after the reporting date

After various meetings and negotiations, once its Board of Directors had expressly granted the corresponding approval, "GESTEVISION TELECINCO, S.A. (Telecinco) signed an agreement of terms and conditions (a Term Sheet" or Agreement) with "SOGECABLE, S.A." and its sole shareholder, "PROMOTORA DE INFORMACIONES, S.A. (Prisa). The main aspects of this agreement are as follows:

- Through an exchange of shares Telecinco acquires all the share capital of a newly formed company, which includes the activity of "Cuatro" (SOGECABLE's open TV channel) in addition to a 22% ownership interest in Digital Plus.

- Prisa receives:

  - Newly issued Telecinco shares which, after the capital increase described below, will be equivalent to 18.3% of Telecinco's share capital. These shares are valued at approximately €550 million based on the average quoted price during the 30 days prior to the signing of the agreement.

  - A cash payment of up to €500 million.

- To finance the transaction and strengthen its financial position, Telecinco will carry out a capital increase of approximately €500 million with pre-emptive subscription rights. Mediaset has acquired the commitment to subscribe all its alloted shares and the remaining portion of the capital increase is fully underwritten by a bank syndicate led by Mediobanca and J.P. Morgan (the banks acting as joint global coordinators and book runners), which will include BBVA and Banca Imi (acting as lead managers and book runners). The terms of the capital increase will be established when it is carried out.

- Prisa will have representation on Telecinco's Board of Directors in proportion to its ownership interest. Telecinco will likewise have representation on the Board of Directors of Digital Plus in line with its ownership interest in that company. In addition, the companies have agreed a series of matters related to their various businesses.

- The agreement is subject to the fulfillment of certain conditions, which include, inter alia, the verification of a legal, financial and tax review (due diligence confirmation), the negotiation and formalization of the definitive documentation, the obtainment of the pertinent legal and competition authorizations, and the approval of the competent governing bodies at each company of the aforementioned transactions contained in the agreement.

Read with the attached Notes.

1.7 2009 Management report for the year ended December 31,2009

BUSINESS ENVIRONMENT

Any attempt to put the corporate situation into context is inextricably linked to analysis of the global economic recession. The severe consequences of the crisis tested the very foundations of the world's economies, with markets falling more than at virtually any time in history barring possibly the 1929 crash. Consumption and investment took a nosedive, while the financial sector turmoil seriously undermined the economic prospects of businesses and families across the globe.

Because of the global economic crisis, unemployment is the most lasting evidence of the economic recession and jobless numbers are likely to remain high in 2010, above all in Spain. Meanwhile, some economies, such as the US, expect unemployment rates to begin easing in the year's second half.

By contrast, other global economic indicators herald a tenuous recovery, mainly underpinned by divergent domestic forecasts in western nations. The IMF and OECD are starting to tout the economic rebound as a stable trend, but tempered by the sluggish performances of domestic economies and businesses that have yet to remedy their financial problems or prune their burgeoning debt levels.

In short, economic activity looks set to remain lacklustre, although the global economic outlook is now showing signs of improving: steady reduction in inflation and moderate rebound in economic activity, jumpstarted by government stimulus packages and intervention in financial markets.

Like the year before, but probably more so given the scale of the slowdown, 2009 was marked by economic recession and the now commonplace declines in consumption and investment.

Given the close relationship between consumption and advertising spend, it was easy to predict that the audiovisual industry would suffer severely during the recession. To be sure, investment in TV advertising continues to plunge, falling an estimated 23.2% in 2009.

As a result, Telecinco was faced with the same challenge as the year before; i.e. the need to tailor its business model to objective market conditions so that it can remain the leading private network.

In this respect, Telecinco should be able to cope, thanks to a business model predicated on efficient, flexible and innovative management of its advertising share and a programming that includes classic programming, with solid earnings, but is constantly adapting to other formats demanded by its audience.

The steady rollout of DTT (digital terrestrial television) has led to a more fragmented TV market, bringing a host of new competitors to the industry. In this setting, it Telecinco wants to remain among the leaders, its needs to react to the new paradigm by diversifying.

Spain

Bank of Spain reports indicate that the Spanish economy continued to contract sharply in 2009, with the recession hitting its peak in the year's first quarter. By the year-end, GDP was still falling, but not as fast. The numbers paint a picture where recovery would be tantamount to a slight improvement in measured growth rates (in terms of GDP).

Domestic demand, undermined by the fall in business and household consumption, is holding up partly thanks to public administrations and some stimulus measure, e.g. direct aid for automobile purchases.

On the supply side, the drop in consumption had a ripple effect across all productive sectors, especially industry and construction. All this triggered job losses, especially in the early months of the year.

The Spanish monetary authority says that the global economic and financial situation has improved over the last few quarters, but that some areas and countries are rebounding faster than others are. Specifically, forecasts suggest that the economy will fare better than in 2009, but that growth will not top 2% until well into 2011.

Turning to the TV industry, the government has adopted far-reaching measures, such as the elimination of commercial advertising on RTVE as a source of financing, and the possibility of M&A between TV networks. Advertising sales prices have fallen over the last few years, but with RTVE no longer airing commercials, Telecinco possibly has a chance to raise its prices. In fact, prices have begun inching back up since this legislation was enacted. The second government initiative, within the framework of Law 7/2009 on urgent telecommunications measures, was to allow alliances so networks could compete efficiently in the new TV environment.

In short, the global and Spanish economic backdrop, coupled with new legislation makes for a particularly complicated and competitive environment in the communications industry in which Telecinco operates.

The Spanish advertising market

Although final figures are still out, TV advertising revenue fell an estimated 23% in 2009. Despite the magnitude of the fall, it marks an improvement from the nearly 30% year-on-year decline seen in the first nine months of the year.

Broad media industry trends show far larger declines in investment in conventional than unconventional media. In conventional media, TV networks delivered worse advertising investment numbers than newspapers; advertising spend in newspapers not only fell slower, but improved in percentage terms from 2008. Internet was the only unconventional media that maintained advertising revenue, while readings were terrible for investment in other media such as magazines and cinema.

In this setting, fragmentation has been a structural feature of the TV market in recent years. This has serious implications on the fragmentation of the advertising market, as broadcasters must decide where to invest. On top of the fragmentation of advertising spend between conventional and unconventional media, the arrival of new digital channels has led to a more scattered viewer audience.

The elimination of advertising on public networks as of 1 January 2010 provided Telecinco, as Spain's leading private network, a strategic opportunity to raise its advertising sales prices and boost its advertising revenue.

TELECINCO: CURRENT SITUATION AND OUTLOOK

Since the advent of DTT, fragmentation has been a key driver of the new TV media makeup. That said, the analogue blackout, which started on 30 June 2009, alongside the start of the digital era have led to a much broader TV offering, something which viewers certainly appreciate.

DTT now accounts for over half the minutes of viewing. Telecinco leads with way, with a 13.7% share, ahead of all the other public and private networks in Spain. Telecinco began broadcasting in digital in August 2009, achieving 74.7% penetration of Spanish households. Its strategy has made it leader in the multichannel and commercial environment. Looking at the ratios achieved in January 2010, Telecinco looks poised to be the leader once again this year.

In traditional TV, Telecinco is still the most watched private network, with a 15.1% share. By audience group, Telecinco is the channel women and "young, independent viewers" watch most. By region, Telecinco is the number one channel in Catalonia, the Canary Islands and the Basque Country. By time slot, it tops the ranks in late night viewing.

Telecinco is the only one of the three main free-to-air networks to increase its audience share in 2009, posting a 2.6% increase between the first and last quarters of the year.

Amid the fragmented audiovisual industry, a new legislative initiative has paved the way for mergers among TV networks. A case in point is the framework agreement entered into between Telecinco and Prisa. According to the terms of this agreement, Telecinco will acquire, through a share swap, all the shares of a company that will be set up to oversee the business of Cuatro (Sogecable, S.A.'s free-to-air TV broadcaster) in addition to a 22% stake in Digital Plus. In exchange, Prisa will receive EUR 500 million in cash and newly issued Telecinco shares which, after the capital increase described below, will represent an 18.3% stake in Telecinco. This agreement will boost Telecinco's share of the TV advertising market to 45%. Before this agreement can be executed, a series of milestones must be achieved; e.g. completion of confirmatory due diligence, signing of the final documentation and approval from the anti-trust authorities.

Telecinco also has the advantage of a sustainable business model. While the economic turmoil and the crisis in advertising revenue have been much harsher on some companies, Telecinco's solid business model, underpinned by efficient cost control, has enabled the company to stay in the black despite the fall in consumption and plunge in media advertising spend.

The tenuous signs of global economic recovery -sooner or later this should feed through to Spain, but it is anyone's guess as to when- the decision by RTVE not to broadcast commercials, the resilience of TV consumption and Telecinco's leadership in both audience and advertising sales prices all bode well for Telecinco to increase revenue and margins. However, much will depend on whether the Spanish economy definitely recovers.

Telecinco's main financial indicators in 2009 indicate how despite the adverse economic environment in which the network carried out its business, it was still able to present an excellent set of earnings at group level:

- Operating income for the Group totalled EUR 543.6 million. This was 34.5% lower than in 2008, mainly because of the plunge in advertising spend caused by the dire economic situation, yet Telecinco was once again the leader in TV advertising in Spain, with a share of over 26% of the total.
- Operating expenses amounted to EUR 473.2 million, improving 11.8% from the year before. Stripping out the reversal of provisions set up in the year, costs were 6.5% lower, reflecting the Company's customary ability to clamp down on expenditure even in a fiercely competitive market.
- Profit from operations amounted to EUR 70.5 million, which was equally noteworthy considering the circumstances surrounding the market in the year, leaving an operating margin of 12.9%. Net profit attributable to shareholders of the parent came to EUR 68.5 million.

Investment in 2009

In 2009, Telecinco forged ahead with its policy of investing in audiovisual broadcasting rights, which has proven so successful in recent years, selecting carefully the types of content in order to maintain audience figures in the future and provide the most fertile ground for the advertising business. The Company placed special emphasis once again on investment in Spanish fiction series.

Worth highlighting were the activities undertaken by Telecinco Cinema, the company charged with film production under the legal requirement of TV concessionaires to earmark 5% of operating revenue to Spanish and European film production.

Telecinco views this legal requirement, which will remain in place with the new audiovisual law, as a commitment to develop Spanish cinema. In line with this commitment, the Company produced pictures like Alejandro Amenábar's "Ágora," the Spanish box office hit of the year, with EUR 21 million in ticket sales.

Other noteworthy films produced by Telecinco include "Celda 211," with gross ticket sales of over EUR 12 million, and "Spanish Movie," with over EUR 7.5 million. In all, new films by Telecinco represented 39% of all Spanish films watched by moviegoers in Spain in 2009. As for awards, "Celda 211" and "Agora" won 15 of the 28 Goya film awards. They also participated and garnered recognition in leading international film festivals, such as Cannes, Venice and Toronto.

In addition to these hits, Telecinco Cinema produced films in 2009 that will be shown in 2010, such as: "El Mal Ajeno", featuring Eduardo Noriega and Belén Rueda, selected to participate in the Berlin film festival; "Verbo" starring Miguel Angel Silvestre; or "Rabia," produced by Guillermo del Toro and chosen to participate in a number of film festivals around the world, including Tokyo (where it won a special jury prize), Havana, Toronto, Hong Kong and Malaga.

Looking ahead to 2010, Telecinco has a number of production projects of varying size and importance in the pipeline. Other productions include the next big budget film by Juan Antonio Bayona, director of blockbuster "El Orfanato" (also produced by Telecinco), which will feature a leading international cast. Projects currently in the production stage include "No habrá paz para los malvados," directed by Enrique Urbizu and starring José Coronado; "Agnosia," directed by Eugenio Mira and starring Eduardo Noriega; and "Lo mejor de Eva," directed by Mariano Barroso and starring Miguel Angel Silvestre.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

Good practice in corporate governance means establishing rules, principles and incentives at companies that help safeguard the interests of the company and its shareholders, and guarantee greater transparency in management.

The main measures adopted by Telecinco in the field of corporate governance since 2006 are as follows:

Amendments of the rules governing the organisation and operation of the main management bodies. Specifically, amendments have been made to article 9 of the Company's bylaws, four articles in its General Shareholders' Meeting regulations and 18 articles in the Regulations of the Board of Directors. In addition, the Company drafted an Internal Code of Conduct for Gestevisión Telecinco, S.A and its Group of Companies governing their activities on the stock markets.

Revision of the composition of the Board of Directors and the board committees to increase the percentage of independent directors. Meanwhile, the Audit and Compliance Committee and the Appointments and Remuneration Committee are chaired by independent directors.

Increase in the number of women directors, reflecting the network's commitment to gender equality.

Continued detailed information on remuneration paid to directors in the Company's annual financial statements, as well as in the Annual Corporate Governance Report and the Report on the Directors' Remuneration Policy.

Verification of the Corporate Governance Report by an independent audit (PricewaterhouseCoopers).

The Company's efforts in 2009 were acknowledged by Observatorio de Responsabilidad Social Corporativa, a Spanish corporate social responsibility organisation, which rated Telecinco top among IBEX-35 companies in a study of corporate governance compliance. The network was rated highly for its efforts in transparency and the degree of compliance with the Unified Code Recommendations.

Telecinco is aware of the social impact of its actions. This awareness is all the more important at Telecinco as a mass media, prompting the network to spearhead a variety of initiatives, such as the "12 meses, 12 causas" (12 months, 12 causes) project to make the network's viewers more aware of a series of issues. The program entails a monthly spot and a web platform through the www.12meses12causas.com webpage, which encourages community interaction and awareness of younger people.

Internally, Telecinco also remains firmly committed to the training and career development of its employees.

RESEARCH AND DEVELOPMENT

Telecinco's biggest investments go to the current and future content broadcast by the Group. Telecinco does not have a specific R&D department, although innovation is still a crucial area of future development.

EVENTS AFTER THE REPORTING PERIOD

The main events occurring between the end of the reporting period and the date of authorisation for issue of the financial statements are those discussed in the related Note to the financial statements.

TREASURY SHARES

In 2009, pursuant to the authorisation granted at the Annual General Meeting, the Company acquired treasury shares to cover the share option plan still in effect for Group directors and key management.

During the year, the Company acquired a total of 445,374 shares representing 0.18% of share capital for a nominal amount of EUR 2.9 million.

At year-end, the Company held 3,552,287 shares with a nominal value of EUR 60,7 million, representing 1.44% of share capital.

HEDGING

The Company arranges foreign exchange hedges in connection with transactions (primarily the acquisition of external production rights) denominated in foreign currency. These hedges are designed to prevent exchange-rate fluctuations from impacting the income statement via the outstanding amounts payable on these transactions. Specifically, the Company buys foreign currency forward for the amounts payable so as to match the forecast payment dates. These hedges are arranged when the Company recognises the corresponding rights on the balance sheet.

CAPITAL STRUCTURE

The Company's share capital totals EUR 123,320,928, made up of 246,641,856 shares of the same class represented by book entries and with a par value of EUR 0.50 each.

The Company's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. The ISIN code is ES0152503035.

Gestevisión Telecinco, SA is a member of the IBEX 35 index since 3 January 2005.

RESTRICTIONS ON THE TRANSFER OF SECURITIES

There are no restrictions on the transfer of the shares except as provided in article 21 of Spain's Private Television Law, 10/1988, of 3 May, pursuant to which:

1. Any individuals or legal entities intending to directly or indirectly acquire a significant ownership interest in the share capital of a concession holder shall give prior notification to the Ministry of Infrastructure and Development, indicating the percentage of the aforementioned ownership interest, the terms and conditions of the acquisition and the deadline for the transaction. A significant ownership interest in a concession holder of an essential television service shall be deemed to be a direct or indirect holding of at least five per cent of the share capital or of the voting rights attaching to the entity's shares.
2. The Ministry of Infrastructure and Development shall also be notified, in accordance with paragraph 1, of the intention to directly or indirectly increase the ownership interest so that the percentage ownership of the share capital or voting rights is equal to or exceeds any of the following thresholds: 5, 10, 15, 20, 25, 30, 35, 40 or 45 per cent.
3. The Ministry of Infrastructure and Development shall have three months from the date of entry of the related notification in any of the Department's registers to notify the acceptance or rejection of the intended acquisition. Acquisitions may be ruled out based on the lack of transparency of the structure of the group to which the acquirer may ultimately belong or on the existence of relations between the person or entity that intends to acquire the ownership interest and another concession holder of an essential television service that may breach the principle of non-concentration of media that underpins this Law.
4. The acquisition must be completed within a month of the aforementioned acceptance.
5. The provisions of this article shall apply without prejudice to the regulations governing significant ownership interests established in Securities Market Law 24/1988, of 28 July.
6. After the acquisition has been closed subject to the prior notification procedure provided for herein, the acquirer shall inform the Ministry of Infrastructure and Development, which shall file it in the Special Register of Concession Holders. In order for the registration to be completed, the seller shall also notify the Ministry of Infrastructure and Development of all transfers of shares by the concession holder which may result in a reduction of the ownership percentages below the thresholds established in paragraph 2 above.

Notifications of acquisitions or transfers in accordance herewith shall be made within a month of the related event.

2009 MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31,2009 Thousands of euros

SIGNIFICANT SHAREHOLDINGS

In so far as Telecinco's shares are represented via the book entry system, the shareholder register is managed by a third party entity, so that it is not possible to provide the Company's ownership structure in greater detail than disclosed legally-prescribed significant interests, which at the date of authorising this report for issuance, were as follows:

NAME	% DIRECT SHAREHOLDING	% INDIRECT SHAREHOLDING	% OF TOTAL
BERLUSCONI ,SILVIO	0	24.430	24.430
MEDIASET INVESTIMENTI S.P.A.	50.100	0.000	50.100
TWEEDY BROWNE COMPANY LLC	0.000	5.291	5.291
TWEEDY BROWNE GLOBAL VALUE FUND	3.150	0.000	3.150
HARRIS ASSOCIATES L.P.	0.000	5.159	5.159

RESTRICTIONS ON VOTING RIGHTS

There are no legal or bylaw stipulated restrictions on exercising voting rights. Each share carries one vote.

SHAREHOLDER AGREEMENTS

There are no shareholder agreements currently in force.

RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF DIRECTORS AND THE AMENDMENT OF THE COMPANY´S BYLAWS

A. Appointment and removal of directors.

Article 41 of the Company bylaws:

1. Directors shall be appointed pursuant to a resolution of the shareholders at the General Meeting, adopted in accordance with the requirements of article 102 of the Spanish Corporation Law.
2. Notwithstanding the foregoing, the designation of directors through the proportional system referred to in article 137 of the Spanish Corporation Law is duly safeguarded.
3. Si durante el plazo para el que fueron nombrados los consejeros se produjesen vacantes, el Consejo podrá designar entre los accionistas las personas que hayan de ocuparlas hasta que se reúna la primera Junta general.

Article 54 of the Company bylaws:

1. Directors shall be appointed for a period of five years and may be re-elected for one or more subsequent terms of equal length. The appointment shall lapse at the end of the term once the subsequent General Meeting has been held or at the end of the legal term established for calling the Annual General Meeting.
2. The appointment of directors designated by cooptation shall be deemed to have been made and the directors shall exercise their functions up to and including the date of the next General Meeting, without prejudice to the shareholders' powers of ratification at the General Meeting.
3. Independent directors may exercise their functions for a maximum period of twelve (12) years and may not be re-elected after such period except subject to a favourable report by the Appointments and Remuneration Committee.

Article 55 - Removal of directors:

1. Directors shall cease to hold office when so determined at the General Meeting, when they notify the Company of their resignation or decision to stand down or when the term for which they were appointed elapses. In the latter case, the resignation shall be effective from the date of the earliest General Meeting.
2. Directors shall tender their resignation to the Board of Directors and the Board shall accept their resignation if deemed appropriate in the following situations: (a) when they reach the age of 70; (b) when they retire from the executive positions to which their appointment as directors was associated; (c) when they are involved in any applicable situations

of incompatibility or prohibition; (d) when they have been seriously reprimanded by the Appointments and Remuneration Committee for having infringed their duties as directors; and (e) when their continuity as directors jeopardises the Company's interests or adversely affects its prestige and reputation or when the reasons for which they were appointed cease to exist (e.g. when proprietary directors dispose of their ownership interest in the company).

3. Directors who stand down from the Board prior to the end of their mandate must submit a letter to all the members of the Board explaining the reasons for vacating office. The Company shall also notify the Spanish National Securities Market Commission (CNMV) of the resignation in a significant event filing and explain the reasons in the annual Corporate Governance Report.

B. Amendments to the Company's bylaws.

Article 34.- Adoption of resolutions

1. Resolutions shall be adopted at Annual General Meetings or at Extraordinary General Meetings with the majorities required under the Spanish Corporation Law. Every voting share present or duly represented at the General Meeting shall carry one vote.
2. The majority required to approve resolutions shall be one half plus one of the voting shares present or duly represented at the General Meeting, except for the instances stipulating larger majorities, provided for in Law or these bylaws.

POWERS OF DIRECTORS AND, SPECIFICALLY, POWERS TO ISSUE OR BUY BACK SHARES

These powers are regulated firstly in the Company's bylaws and secondly in the internal code of conduct.

A. Article 37 of the bylaws regulates management and supervisory powers as follows:

1. Except for matters reserved solely to General Meeting, the Board of Directors is the Company's highest decision-making body.
2. The Board of Directors has all the powers required to manage the Company. However, the management of the Company's ordinary business shall generally be entrusted to the steering committees and to the management team and the Board of Directors shall focus on establishing the Company's general strategy and exercising general supervisory functions. In any case, decisions on the following matters are the exclusive reserve of the Board of Directors and may not be delegated:
   a) Authorisation for issue of the financial statements, management report and proposed distribution of profit and the consolidated financial statements and Group management report.
   b) Appointment of directors by co-optation and proposals to the General Meeting for the appointment, ratification, re-election or removal of directors.
   c) Designation and re-election of internal positions on the Board of Directors and members of committees.
   d) Establishment of the remuneration of the members of the Board of Directors, to be proposed by the Appointments and Remuneration Committee.
   e) Payment of interim dividends.
   f) Announcements relating to any takeover bids launched for the securities issued by the Company.
   g) Approval and amendment of the Board of Directors' Regulations governing internal organisation and functions.
   h) Authorisation for issuance of the annual Corporate Governance Report.
   i) Exercise of the powers delegated by the shareholders in general meeting when powers of substitution have not been established and the performance of any duties entrusted by the shareholders in general meeting.
   j) Conclusion of any agreement or establishment of any legal relationship between the Company and any shareholders (or companies belonging to the same group as the shareholder) with ownership interests of over five per cent and of an amount in excess of EUR 13,000,000.
   k) Conclusion of any agreement or establishment of any legal relationship between the Company and any third party valued at over EUR 80,000,000.
   l) Approval of annual budgets and, if applicable, strategic plans.
   m) Oversight of investing and financing policy.
   n) Oversight of the shareholder structure of the Telecinco Group.

o) Approval of corporate governance policy

p) Oversight of corporate social responsibility policy.

q) Approval of the remuneration policy for executive directors for their executive functions and the main terms that their contracts must fulfil.

r) Performance evaluation of the Company's executive directors.

s) Monitoring, following a prior report of the Audit and Compliance Committee, of the risk control and management policy and the internal information and control systems.

t) Approval of Company policy on treasury shares.

u) Staying abreast of the removal and appointment of senior executives and their contract terms.

v) Approval at the proposal of the Audit and Compliance Committee, of the financial information that the Company must publish periodically.

w) Approval of the creation or acquisition of ownership interests in special-purpose entities or companies domiciled in countries or territories considered to be tax havens and any transactions or operations of a similar nature which, due to the complexity thereof, may adversely affect the Group's transparency.

x) Authorisation, following a favourable report of the Audit and Compliance Committee, of the related-party transactions that Telecinco may perform with directors or persons related to the directors or to significant shareholders, except for those which fulfil the following conditions: (i) they are applied en masse to a group of customers and in accordance with standard terms and conditions, (ii) they are performed at prices established in general terms by the supplier of the service or on an arm's length basis, (iii) the related amount does not exceed 1% of Telecinco's annual revenue. The directors affected by related-party transactions which, due to the nature thereof, are subject to vote by the Board of Directors shall not attend the meeting and may not vote or delegate their vote.

y) Any other matters that the Board of Directors Regulations reserve for handling by the Board in full.

The powers reserved for the Board of Directors, except those that legally or statutorily cannot be delegated, are vested in the Executive Committee and the two chief executive officers, Paolo Vasile and Giuseppe Tringali.

B. Section 9 of the in-house Code of Conduct of Gestevisión Telecinco, S.A. and its Group governing its dealings in the securities markets sets out the rules applicable to transactions in treasury shares, specifically providing the following:

9.1. Definition of treasury share transactions falling under the remit of the securities market code of conduct

Transactions with treasury shares shall be deemed to be those engaged in with shares issued by Telecinco Group companies and derivative instruments whose underlying is the aforementioned shares.

These transactions may be undertaken:

a) Directly by the Company or by other Telecinco Group companies.

b) Indirectly, through third parties with an explicit or implicit mandate.

c) By third parties without a mandate but acting to the same end.

9.2. Policy on treasury shares

Within the scope of the authorisation given at the General Meeting, the Company's Board of Directors shall be responsible for drawing up specific plans for the acquisition or disposal of treasury shares.

9.3. General principles guiding trading in treasury shares

Trading in treasury shares shall conform to the following principles:

9.3.1 Compliance with regulations

All Affected Persons are obliged to know and comply with the applicable internalregulations and procedures.

9.3.2. Purpose

The overriding objective of trading in treasury shares is to provide investors with the adequate market liquidity and depth for its securities and to minimise any possible temporary imbalances arising between market demand and supply. Under no circumstances shall trading be engaged in with a view to intervening in the free formation of prices.

9.3.3. Transparency

Transparency in dealings with the stock exchange supervisory and regulatory bodies in connection with treasury share transactions shall be monitored.

9.3.4. Insider information

Under no circumstances may persons who have had access to insider information on the related securities and instruments trade in treasury shares.

9.3.5. Neutrality in price formation

Intervention shall be neutral and under no circumstances may a dominant position be held in the market.

9.3.6. Brokerage

The Telecinco Group companies shall channel all trading in Company shares through a limited number of market members. Prior to any trading the Company shall inform the CNMV in a confidential manner of the designated member and also of any replacement thereof. In the event that a framework agreement is executed with any market member governing treasury share dealing, a confidential copy thereof shall be furnished to the CNMV and to the stock exchange governing bodies.

9.3.7 Counterparty

The Telecinco Group companies shall refrain from buying or selling Company shares where the counterparty is any of the following persons or entities: (i) Telecinco Group companies, (ii) the directors thereof, (iii) their significant shareholders, or (iv) interposed persons of any of the above. Similarly, the Telecinco Group companies may not simultaneously hold purchase and sale orders for Company shares.

9.3.8. Restrictions

Trading in Company shares shall not be engaged in during processes related to public offerings, takeover bids, mergers or other similar corporate operations unless expressly provided for in the prospectus for the transaction in question. The Company shall also refrain from trading in treasury shares during the closed periods established in article 4.3.4 of the Code of Conduct.

9.3.9 Amendment

In the event of the urgent need to protect the interests of the Telecinco Group and its shareholders, the chief executive officer or the director of regulatory compliance may agree to temporarily amend or suspend the application of the foregoing regulations, of which the Board of Directors and the CNMV shall be informed.

2009 MANAGEMENT REPORT FOR THE YEAR ENDED DECEMBER 31,2009 Thousands of euros

9.4 Stock option plans

Notwithstanding the foregoing, the rules established in articles 9.1 to 9.3 of the Code shall not apply with respect to the acquisition of treasury shares to be subsequently granted to the beneficiaries of the Company's stock option plans approved by the Board of Directors or to the other trading in treasury shares entered into by the Company within the framework of a share buyback program. The aforementioned transactions shall be executed taking into account the particular characteristics thereof, the manner and the specific features established by the Board of Directors when approving the plans, which shall comply with the conditions established in the regulations implementing article 81.4 of the Securities Market Law.

9.5. Designation and functions of the department responsible for the management of treasury shares

The Management Control Department shall be responsible for managing treasury shares.

9.5.1 Special duty of confidentiality

The persons that form part of the Management Control Department assume special confidentiality commitments with respect to treasury share strategy and trading.

9.5.2. Duties

The Department shall be responsible for:

a) Managing the treasury shares in accordance with the general principles established in the Code of Conduct and those determined by the Telecinco Group's managing bodies.

b) Overseeing the performance of the Telecinco's shares and informing the director of regulatory compliance of any significant changes in the share price which cannot reasonably be attributed to market movements.

c) Keeping a record of all treasury share trades ordered and executed for consultation by the director of regulatory compliance, the Board of Directors or any other persons designated by the Board.

d) Establishing relationships with any supervisory bodies as necessary to correctly comply with the provisions of this Code.

e) Preparing a report on the Department's activities quarterly or whenever so required.

f) Notifying the director of regulatory compliance of any significant incident arising from the management of the treasury shares.

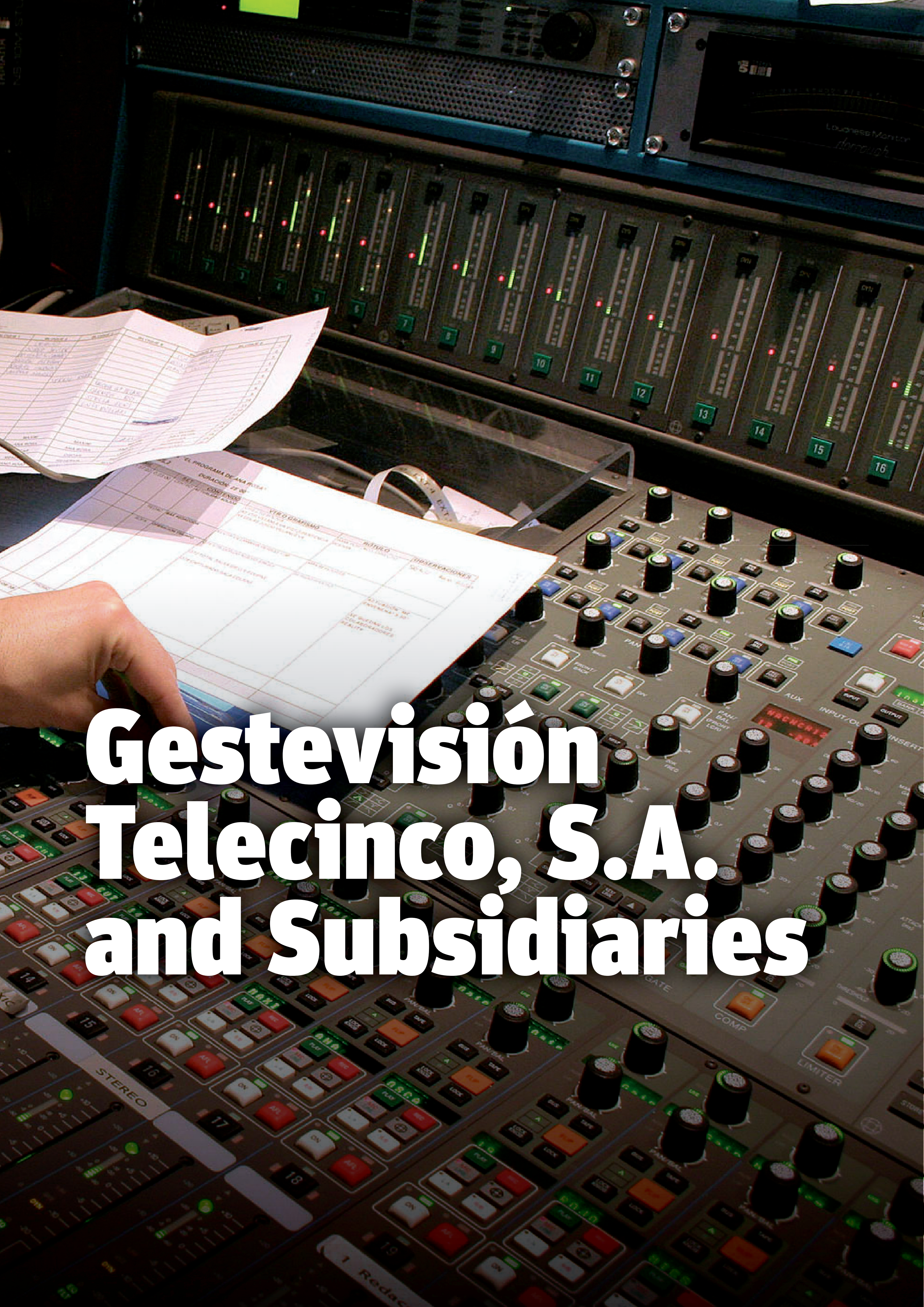
SIGNIFICANT AGREEMENTS THAT WOULD COME INTO FORCE, BE AMENDED OR EXPIRE IN THE EVENT OF A CHANGE OF CONTROL AT THE COMPANY

There are no significant agreements subject to a change in control at the Company.

AGREEMENTS BETWEEN THE COMPANY AND ITS DIRECTORS AND MANAGERS THAT PROVIDE FOR SPECIAL INDEMNITIES

The following table itemises the only instances of special indemnification schemes outstanding between the Company and its directors and managers.

POSITION	GUARANTEE OR GOLDEN PARACHUTE CLAUSE
GENERAL MANAGER	TERMINATION OF CONTRACT BY THE COMPANY (EXCEPT FOR JUST CAUSE): (IN REPLACEMENT OF LEGALLY PRESCRIBED SEVERANCE, UNLESS THE LATTER IS HIGHER) TERMINATION BETWEEN 24/04/02 AND 31/12/07: 24 MONTHS' SALARY TERMINATION BETWEEN 2008 AND 2011: 18 MONTHS' SALARY TERMINATION THEREAFTER: 12 MONTHS' SALARY
GENERAL MANAGER	SEVERANCE SCHEME: A) VOLUNTARY REDUNDANCY: ACCRUAL PER ANNUM: FIXED ANNUAL SALARY+ANNUAL BONUS/13.5, SO THAT TOTAL COMPENSATION IS EQUIVALENT TO THE TOTAL YEARS WORKED. B) JUSTIFIED OR UNJUSTIFIED DISMISSAL: LEGALLY PRESCRIBED SEVERANCE + SEVERANCE SET OUT IN A) ABOVE
DIVISION MANAGER	TERMINATION OF CONTRACT BY THE COMPANY (EXCEPT IN CASE OF JUST CAUSE): AN INDEMNITY OF ONE YEAR OF GROSS FIXED SALARY PLUS LEGALLY PRESCRIBED SEVERANCE.
MANAGER	TERMINATION OF CONTRACT FOR REASON ATTRIBUTABLE TO THE COMPANY (EXCEPT IN CASE OF JUST CAUSE): 18 MONTHS OF FIXED SALARY (INCLUDING LEGALLY PRESCRIBED SEVERANCE).



Gestevisión Telecinco, S.A. and Subsidiaries

Index

2.1. Audit Report

ERNST & YOUNG

Ernst & Young, S.L.
Torre Picasso
Plaza Pablo Ruiz Picasso, 1
28020 Madrid
Tel.: 902 365 456
Fax: 915 727 300
www.ey.com/es

AUDIT REPORT ON THE FINANCIAL STATEMENTS
(Free translation from the original in Spanish)

To the Shareholders of Gestevisión Telecinco, S.A.:

We have audited the consolidated financial statements of Gestevisión Telecinco, S.A., which consist of the consolidated statement of financial position at December 31, 2009, the consolidated separate income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended, the preparation of which is the responsibility of the directors of the company. Our responsibility is to express an opinion on the aforementioned financial statements taken as a whole, based upon work performed in accordance with auditing standards generally accepted in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the financial statements, and the evaluation of their presentation, of the accounting principles applied, and of the estimates made.

In accordance with Spanish mercantile law, for comparative purposes the parent company´s directors have included for each of heading included in the consolidated statement of financial position, consolidated separate income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and the notes thereto, in addition to the figures of 2009, those of 2008. Our opinion refers only to the consolidated financial statements for 2009. Our auditors' report dated 24 February 2009, on the consolidated financial statements for 2008, contained an unqualified opinion.

In our opinion, the accompanying 2009 financial statements give a true and fair view, in all material respects, of the equity and financial position of Gestevisión Telecinco, S.A. at December 31, 2009 and the results of its operations, changes in equity and cash flows for the year then ended, and contain the required information necessary for their adequate interpretation and understanding, in conformity with the International Financial Reporting Standards adopted by the European Union,which are consistent with those applied in the previous year.

Domicilio Social: Pl. Pablo Ruiz Picasso, 1. 28020 Madrid
Inscrita en el Registro Mercantil de Madrid al
Tomo 12749, Libro 0, Folio 215, Sección 8ª,
Hoja M-23123, Inscripción 116. C.I.F. B-78970506

ERNST & YOUNG

2

The accompanying 2009 consolidated management report contains such explanation as the parent company´s directors consider appropriate concerning the situation of Gestevision Telecinco, S.A and its subsidiaries, the evolution of the business and other matters, and is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the consolidated management report mentioned above agrees with the 2009 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of the information other than obtained from consolidated companies´accounting records.

ERNST & YOUNG, S.L.

(signed on the original in Spanish)

____

Antonio Vázquez Pérez

February 24, 2010

Thousands of euros

2.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2009 AND 2008

ASSETS	31/12/2009	31/12/2008
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT (NOTE 6)	48,533	53,628
INTANGIBLE ASSETS (NOTE 7)	4,500	5,491
AUDIOVISUAL PROPERTY RIGHTS (NOTE 8)	193,988	190,737
EQUITY METHOD INVESTMENTS (NOTE 9)	132,141	237,417
NON-CURRENT FINANCIAL ASSETS (NOTE 10)	36,529	27,077
DEFERRED TAX ASSETS (NOTE 18.3)	108,215	26,309
TOTAL NON-CURRENT ASSETS	**523,906**	**540,659**
CURRENT ASSETS		
INVENTORIES	6,571	7,224
ACCOUNTS RECEIVABLES	182,003	240,397
TRADE RECEIVABLES FOR SALES AND SERVICES	187,183	199,198
TRADE RECEIVABLES FROM RELATED PARTIES (NOTE 24.1)	2,587	1,238
SUNDRY RECEIVABLES	8	-
EMPLOYEE RECEIVABLES	86	101
INCOME TAX CURRENT ASSETS (NOTE 18.3)	2,439	13,766
OTHER RECEIVABLE FROM PUBLIC AUTHORITIES (NOTE 18.3)	5,660	41,698
ALLOWANCES	(15,960)	(15,604)
OTHER CURRENT ASSETS (NOTE 11)	10,910	4,165
OTHER CURRENT FINANCIAL ASSETS (NOTE 12)	5,136	2,220
CASH AND CASH EQUIVALENTS (NOTE 13)	5,564	32,892
TOTAL CURRENT ASSETS	**210,184**	**286,898**
TOTAL ASSETS	**734,090**	**827,557**

The accompanying Notes 1 to 25 are an integral part of this consolidated financial statement at 31 December 2009.

Thousands of euros

EQUITY AND LIABILITIES	31/12/2009	31/12/2008
EQUITY (NOTE 14)		
SHARE CAPITAL	123,321	123,321
SHARE PREMIUM	37,013	37,013
SHARE BASED PAYMENT RESERVES	11,491	10,500
OTHER RESERVES	318,403	183,470
TREASURY SHARES	(60,734)	(57,813)
RESERVES IN ASSOCIATES	(181,106)	(59,397)
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT	48,442	211,279
TOTAL EQUITY OF THE PARENT	**296,830**	**448,373**
MINORITY INTERESTS	(5,221)	13,101
TOTAL EQUITY	**291,609**	**461,474**
NON-CURRENT LIABILITIES		
LONG TERM PROVISIONS (NOTE 15)	21,320	43,802
NON-CURRENT LIABILITIES (NOTE 16)	90,936	60,030
TOTAL NON-CURRENT LIABILITIES	**112,256**	**103,832**
CURRENT LIABILITIES		
PAYABLE TO RELATED PARTIES (NOTE 24.1)	**22,416**	**43,014**
ACCOUNTS PAYABLE FOR PURCHASES AND SERVICES	**102,570**	**88,044**
ACCOUNTS PAYABLE FOR AUDIOVISUAL RIGHTS	**50,485**	**23,080**
OTHER NON-TRADE PAYABLES	**96,224**	**38,859**
BANK BORROWINGS	75,637	-
GOVERNMENT GRANTS AND OTHER LOANS	396	1,154
PAYABLES TO PUBLIC AUTHORITIES (NOTE 18.3)	9,636	14,860
PAYABLES FOR NON-CURRENT ASSET ACQUISITIONS	1,233	3,174
REMUNERATION PAYABLE	8,137	18,702
OTHER BORROWINGS	1,184	969
SHORT-TERM PROVISION (NOTE 17)	**57,470**	**68,569**
OTHER CURRENT LIABILITIES	**1,060**	**685**
TOTAL CURRENT LIABILITIES	**330,225**	**262,251**
TOTAL EQUITY AND CURRENT LIABILITIES	**734,090**	**827,557**

The accompanying Notes 1 to 25 are an integral part of this consolidated financial statement of financial at 31 December 2009.

CONSOLIDATED SEPARATE INCOME STATEMEN AT 31 DECEMBER 2009 AND 2008 Thousands of euros

2.3. CONSOLIDATED SEPARATE INCOME STATEMENT AT 31 DECEMBER 2009 AND 2008

	31/12/2009	31/12/2008
INCOME		
REVENUE (NOTE 22.1)	**633,555**	**938,792**
SALES	630,113	947,400
DISCOUNT AND VOLUME REBATES	(29,506)	(42,284)
REVENUE FROM THE RENDERING OF SERVICES	32,948	33,676
OTHER OPERATING INCOMES	22,705	43,061
TOTAL OPERATING INCOME	**656,260**	**981,853**
EXPENSES		
DECREASE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS	794	(3,821)
PROCUREMENTS	181,243	165,910
STAFF COSTS (NOTE 22.2)	79,541	89,218
AMORTISATION OF AUDIOVISUAL PROPERTY RIGHTS	161,455	180,827
DEPRECIATION AND AMORTISATION CHARGE	7,202	6,046
CHANGE IN OPERATING PROVISIONS (NOTE 22.3)	395	1,895
OTHER EXPENSES (NOTE 22.4)	102,849	154,873
TOTAL OPERATING EXPENSES	**533,479**	**594,948**
PROFIT FROM OPERATIONS	**122,781**	**386,905**
NET FINANCE INCOME/EXPENSE (NOTE 22.6)	3,095	(3,055)
EXCHANGE DIFFERENCES(NOTA 22.7)	106	(342)
RESULT OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD (NOTE 9)	(119,214)	(175,821)
IMPAIRMENT LOSSES OF OTHER FINANCIAL ASSETS (NOTE 10)	(5,025)	(26)
GAINS (LOSSES) ON DISPOSALS OF NON CURRENT ASSETS (NOTE 1)	1,106	(11)
PROFIT BEFORE TAX	**2,849**	**207,650**
INCOME TAX (NOTE 18.4)	(24,138)	23,125
PROFIT FOR THE YEAR	**26,987**	**184,525**
ATTRIBUTABLE TO:		
SHAREHOLDERS OF THE PARENT	48,442	211,279
MINORITY INTERESTS	(21,455)	(26,755)
EARNINGS PER SHARE (NOTE 23.1)	**0.20**	**0.87**
DILUTED EARNINGS PER SHARE (NOTE 23.2)	**0.20**	**0.87**

The accompanying Notes 1 to 25 are an integral part of this consolidated financial statement at 31 December 2009.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 31 DECEMBER 2009 AND 2008 Thousands of euros

2.4. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT 31 DECEMBER 2009 AND 2008

	31/12/2009	31/12/2008
PROFIT FOR THE YEAR	**26,987**	**184,525**
CHANGE IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS		
- IMPAIRMENT LOSSES RECOGNISED IN EQUITY (NOTE 10)	(5,025)	(26)
- INCOME TAX EFFECT	1,508	-
- RECLASSIFICATIONS TO SEPARATE INCOME STATEMENT (NOTE 10)	5,025	26
- TAX EFFECT	(1,508)	-
COMPONENTS OF THE STATEMENT OF OTHER COMPREHENSIVE INCOME RELATING TO COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD		
- CHANGES IN THE MEASUREMENT OF DERIVATIVES (NOTE 9)	4,311	(13,926)
- EXCHANGE DIFFERENCES (NOTE 9)	6,266	(30,775)
- SHARED BASED PAYMENTS SCHEMES (NOTE 9)	5,199	-
TOTAL PROFIT FOR THE YEAR	**42,763**	**139,824**
ATTRIBUTABLE TO:		
PARENT'S SHAREHOLDERS	60,274	177,348
MINORITY INTERESTS	(17,511)	(37,524)

The accompanying Notes 1 to 25 are an integral part of this consolidated financial statement at 31 December 2009.

Thousands of euros

2.5. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM	TREASURY SHARES	SHARE BASES PAYMENT RESERVE
BALANCE AT 31/12/07	**123,321**	**24,664**	**37,013**	**(54,469)**	**8,431**
COMPONENTS OF OTHER COMPREHENSIVE INCOME	-	-	-	-	-
PROFIT (LOSS) FOR THE YEAR	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**-**	**-**	**-**
DISTRIBUTION OF PROFIT FOR THE YEAR	-	-	-	-	-
DIVIDEND	-	-	-	-	-
TREASURY SHARES	-	-	-	(1,344)	-
SHARE BASED PAYMENT	-	-	-	-	2,069
OTHER CHANGES	-	-	-	-	-
MINORITY INTERESTS	-	-	-	-	-
BALANCE AT 31/12/08	**123,321**	**24,664**	**37,013**	**(57,813)**	**10,500**

	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM	TREASURY SHARES	SHARE BASES PAYMENT RESERVE
BALANCE AT 31/12/08	**123,321**	**24,664**	**37,013**	**(57,813)**	**10,500**
COMPONENTS OF OTHER COMPREHENSIVE INCOME	-	-	-	-	-
PROFIT (LOSS) FOR THE YEAR	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-**	**-**	**-**	**-**	**-**
DISTRIBUTION OF PROFIT FOR THE YEAR	-	-	-	-	-
DIVIDEND	-	-	-	-	-
TREASURY SHARES	-	-	-	(2,921)	-
SHARE BASED PAYMENT	-	-	-	-	0,991
OTHER CHANGES	-	-	-	-	-
MINORITY INTERESTS	-	-	-	-	-
BALANCE AT 31/12/09	**123,321**	**24,664**	**37,013**	**(60,734)**	**11,491**

The accompanying Notes 1 to 25 are an integral part of this consolidated financial statement at 31 December 2009.

Thousands of euros

RESERVES IN ASSOCIATES	OTHER RESERVES	PROFIT FOR THE YEAR	DIVIDENDS	TOTAL EQUITY OF THE PARENT	MINORITY INTERESTS	TOTAL
(20,072)	**120,239**	**353,058**	**-**	**590,185**	**50,625**	**640,810**
(33,931)	-	-	-	(33,931)	(10,769)	(44,700)
-	-	211,279	-	211,279	(26,755)	184,524
(33,931)	**-**	**211,279**	**-**	**177,348**	**(37,524)**	**139,824**
(3,071)	38,567	(353,058)	317,562	-	-	-
-	-		(317,562)	(317,562)	-	(317,562)
-	-	-	-	(1,344)	-	(1,344)
-	-	-	-	2,069	-	2,069
(2,323)	-	-	-	(2,323)	-	(2,323)
-	-	-	-	0	-	-
(59,397)	**158,806**	**211,279**	**-**	**448,373**	**13,101**	**461,474**

RESERVES IN ASSOCIATES	OTHER RESERVES	PROFIT FOR THE YEAR	DIVIDENDS	TOTAL EQUITY OF THE PARENT	MINORITY INTERESTS	TOTAL
(59,397)	**158,806**	**211,279**	**-**	**448,373**	**13,101**	**461,474**
11,832	-	-	-	11,832	3,944	15,776
-	-	48,442	-	48,442	(21,455)	26,987
11,832	**-**	**48,442**	**-**	**60,274**	**(17,511)**	**42,763**
(133,926)	134,933	(211,279)	210,272	-	-	-
-	-	-	(210,272)	(210,272)	-	(210,272)
-	-	-	-	(2,921)	-	(2,921)
-	-	-	-	0,991	-	991
0,385	-	-	-	0,385	-	385
-	-	-	-	-	(0,811)	(811)
(181,106)	**293,739**	**48,442**	**-**	**296,830**	**(5,221)**	**291,609**

Thousands of euros

2.6. CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2008

	31/12/2009	31/12/2008
CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	**2,849**	**207,650**
ADJUSTMENT FOR:		
AMORTISATION OF AUDIOVISUAL PROPERTY RIGHTS	161,455	180,826
DEPRECIATION AND AMORTIZATION CHARGE	7,202	6,048
RESULT OF COMPANIES ACCOUNTED FOR USING THE EQUITY	119,214	175,821
CHANGE IN PROVISIONS FOR CONTINGENCIES AND CHARGES	(42,545)	(21,732)
PROCEEDS FROM DISPOSAL OF PROPERTY, PLANTS AND EQUIPMENT	(1,106)	11
NET FINANCE INCOME	(3,095)	3,055
NET EXCHANGE DIFFERENCES	(106)	342
DISPOSALS OTHER ASSETS	3,503	2,021
IMPAIRMENT OF OTHER FINANCIAL ASSETS	5,025	26
PROFITS FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL	**252,396**	**554,068**
CHANGE IN OPERATING ASSETS AND LIABILITIES NET OF THE IMPACT OF ACQUISITION OF NEW INVESTMENTS		
INVENTORIES	653	(3,763)
ACCOUNTS RECEIVABLE	15,006	61,132
OTHER CURRENT ASSETS	(3,987)	6,460
ACCOUNT PAYABLES	(6,071)	(1,974)
OTHER CURRENT LIABILITIES	(17,899)	(261)
CHANGE IN PROVISIONS	8,965	
CASH FLOWS FROM OPERATING ACTIVITIES	**249,063**	**615,663**
TAXES PAID AT SOURCES	(15,737)	(100,174)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	**233,326**	**515,489**
CASH FLOWS FROM INVESTING ACTIVITIES		
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT	(3,267)	(6,590)
INVESTMENT IN INTANGIBLE ASSETS	(1,907)	(2,430)
INVESTMENTS IN AUDIOVISUAL PROPERTY RIGHTS	(141,643)	(186,798)
DISPOSALS OF AUDIOVISUAL RIGHTS	4,344	-
DISPOSALS OF NON-CURRENT FINANCIAL ASSETS	182	158
INVESTMENTS IN SUBSIDIARIES	(60)	(22,082)
INVESTMENT IN OTHER NON-CURRENT FINANCIAL ASSETS	(13,957)	(14,896)
DIVIDEND RECEIVED	1,790	1,641
INTEREST RECEIVED	2,544	3,829
NET CASH FLOWS FROM INVESTING ACTIVITIES (B)	**(151,974)**	**(227,168)**
TESORERÍA APLICADA A LAS ACTIVIDADES DE FINANCIACIÓN		
LONG TERM FINANCING	30,905	(794)
INTEREST PAID	(1,923)	(3,915)
DIVIDENDS PAID	(210,272)	(317,562)
SHAREHOLDERS' CONTRIBUTION	75,637	
ACQUISITION OF TREASURY SHARES	(2,921)	(1,344)
NET CASH FLOWS USED IN FINANCING ACTIVITIES (C)	**(108,574)**	**(323,615)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS [D=A+B+C]	(27,222)	(35,294)
NET FOREIGN EXCHANGE DIFFERENCE	(106)	342
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(27,328)**	**(34,952)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR (NOTE 12)	**32,892**	**67,843**
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 12)	**5,564**	**32,892**

The accompanying Notes 1 to 25 are an integral part of this consolidated financial statement at 31 December 2009.

2.7. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. Objects of the Gestevisión Telecinco, S.A. Group companies

GESTEVISIÓN TELECINCO, S.A. - PARENT

Gestevisión Telecinco, S.A. (the Company), domiciled at the Carretera de Fuencarral to Alcobendas No. 4, 28049 Madrid, was incorporated as a public limited company on 10 March 1989.

The Company engages in the indirect management of a public television service in accordance with the terms of the concession granted by the State, by virtue of the 28 August 1989 Resolution of the General Secretariat of Communications and the concession agreement executed in a public deed on 3 October 1989, and the performance of all operations naturally required for or resulting from said management.

Under a Council of Ministers Resolution dated 10 March 2000, this concession for the indirect management of the public television service was renewed for ten years starting on 3 April 2000. On 3 April 2010 the concession expires and the Company expects it to be renewed for a further ten years. The Company has made all the necessary investments to begin digital broadcasts pursuant to Royal Decree 2169/1998, of 9 October, which approved the Spanish National Technical Plan for Digital Terrestrial Television.

Under a Council of Ministers Resolution dated 25 November 2005, the concession agreement was extended along with those of the other concession operators in Spain, and we were granted concessions for three Digital Terrestrial Television (DTT) channels.

Per Article 4 of its bylaws, the Company was incorporated for an indefinite period.

The Company was admitted for listing on the Stock Exchange on 24 June 2004 and its shares are traded on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges. The shares were included in the IBEX-35 index on 3 January 2005.

The Company is head of a Group of subsidiaries making up the Telecinco Group (“the Group”). Consequently, Gestevisión Telecinco, S.A. is required to prepare, in addition to its individual financial statements, consolidated financial statements for the Group, which also include its investments in associates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The consolidated Group companies are as follows:

FULLY CONSOLIDATED COMPANIES	COUNTRY	2009	2008
GRUPO EDITORIAL TELE 5, S.A.U.	SPAIN	100%	100%
AGENCIA DE TELEVISIÓN LATINO-AMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	SPAIN	100%	100%
TELECINCO CINEMA, S.A.U.	SPAIN	100%	100%
PUBLIESPAÑA, S.A.U.	SPAIN	100%	100%
CINEMATEXT MEDIA, S.A. (5)	SPAIN	-	60%
CONECTA 5 TELECINCO, S.A.U.	SPAIN	100%	100%
MEDIACINCO CARTERA, S.L.	SPAIN	75%	75%
CANAL FACTORÍA DE FICCIÓN, S.A.U. (6)	SPAIN	100%	100%
ATLAS MEDIA, S.A.U. (1)	SPAIN	100%	100%
AGENCIA DE TELEVISIÓN LATINO-AMERICANA DE SERVICIOS Y NOTICIAS COUNTRY VASCO, S.A.U. (1)	SPAIN	100%	100%
MICARTERA MEDIA, S.A.U. (1)	SPAIN	100%	100%
PUBLIMEDIA GESTIÓN, S.A.U. (2)	SPAIN	100%	100%
ADVANCED MEDIA, S.A.U. (2)	SPAIN	100%	100%
CINEMATEXT MEDIA ITALIA, S.R.L. (3) (5)	ITALY	-	60%
TELECINCO FACTORÍA DE PRODUCCIÓN, S.L.U.	SPAIN	-	100%

COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	COUNTRY	2009	2008
PREMIERE MEGAPLEX, S.A.	SPAIN	50%	50%
PEGASO TELEVISIÓN, INC	EEUU	35%	35%
EDAM ACQUISITION HOLDING I COÖPERATIEF U.A. (4)	NETHERLANDS	33%	33%
BIGBANG MEDIA, S.L. (ANTERIORMENTE TELECINCO FACTORÍA DE PRODUCCIÓN, S.L.U.)	SPAIN	30%	-
APROK IMAGEN, S.L. (1)	SPAIN	3%	40%
PRODUCCIONES MANDARINA, S.L. (1)	SPAIN	27%	30%
LA FÁBRICA DE LA TELE, S.L. (1)	SPAIN	30%	30%
PUBLIECI TELEVISIÓN, S.A. (2)	SPAIN	50%	50%

(1) The ownership interests in these companies are held through Agencia de Televisión Latino-Americana de Servicios de Noticias España, S.A.U. (Atlas España, S.A.U.).
(2) The ownership interests in these companies are held through Publiespaña, S.A.U.
(3) The ownership interest in this company is held through Cinematext Media, S.A.
(4) The ownership interest in this company is held through Mediacinco Cartera, S.L.
(5) This company was sold in 2009.
(6) As of the first quarter of 2008 this is a fully consolidated company. Previously it was consolidated using the equity method as the ownership interest was 40%.

Changes in the consolidation scope during the year ended 31 December 2009.

- The subsidiary, Bigbang Media, S.L., formerly known as Telecinco Factoría de Producción, S.L.U. (sole shareholder company) at year-end 2008 was fully consolidated as it was entirely owned by the Company. On 26 January 2009 it underwent a change of name and a capital increase was carried out, in which the Parent did not take part. Therefore the Parent's ownership interest was reduced to 30% and since that date the company is consolidated using the equity method.
- On 30 September 2009 Gestevisión Telecinco, S.A. sold its 60% ownership interest held in Cinematext Media S.A. and consequently, its ownership interest in Cinematext Media Italia S.r.L., to Subtiling Media , S.L. for EUR 2,287 thousand, which generated a capital gain recognised on the disposal or impairment of other financial assets in the separate income statement of EUR 1,099 thousand.

Changes in the consolidation scope during the year ended 31 December 2008.

- As required by the relevant accounting standard, in 2008 (i.e. within one year from the acquisition date), Edam Acquisition Holding I Coöperatief, U.A. finalised the purchase price allocation process) to the various assets acquired in 2007. Accordingly, the business combination was definitively recognised, with no significant difference between the final price and the provisional price assigned. However, due to the process of assigning the value of goodwill and the remaining values of assets of the Edam Group to their corresponding cash-generating units, currency translation differences arose which led to a reduction in the initially assigned values. Of these differences, EUR 21,695 thousand relate to the effect arising from the acquisition date to 31 December 2007.

- On 25 June 2008 the remaining 60% of the capital of Canal Factoría de Ficción, S.L. was acquired, bringing ownership to 100%. The 60% was acquired at its carrying value.
- In March 2008 the Parent acquired 35.08% of the capital of Pegaso Televisión INC., which owns 83.34% of the capital of CaribeVisión TV Network LLC, and 25% of CaribeVisión Holdings, INC. The Parent likewise has an option to purchase further shares of the latter, which would take its total holding to 83.34%. The packet of shares was acquired at a cost of USD 31.7 million (approximately EUR 21.13 million).

  CaribeVision is a television channel that currently operates in New York, Miami and Puerto Rico, it initially aims to cover the television market of Spanish-speaking residents on the East Coast of the United States.

SUBSIDIARIES

Subsidiaries are defined as companies over which the Parent has the capacity to exercise effective control, which is presumed to exist when the Parent owns directly or indirectly half or more of the voting power of the investee.

1. Fully consolidated companies (wholly-owned by Gestevisión Telecinco S.A.)

Grupo Editorial Tele 5, S.A.U.

Grupo Editorial Tele 5, S.A.U. was incorporated in Madrid on 10 July 1991, and its registered office is at Carretera de Fuencarral a Alcobendas, nº 4, Madrid.

Its company object is to carry on, inter alia, the following activities which are complementary to operating a television channel: the acquisition and exploitation of phonogram and audiovisual recording rights, artistic representation, the promotion of events and the publishing, production, distribution and marketing of publications and graphic materials.

Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.

Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U. was incorporated in Madrid on 21 January 1998. The company's registered office is in Madrid, at Carretera de Fuencarral a Alcobendas, nº 4.

Its company object is to act as a news agency and, accordingly, it carries on journalistic activities for any public communication media: the written press, radio, television and audiovisual media in general. It also produces, records, executes and performs post-production activities and all other activities that are required to broadcast, in any format, news programmes and audiovisual programmes in general.

Telecinco Cinema S.A.U.

Digitel 5, S.A.U. was incorporated in Madrid on 23 September 1996. Its registered office is in Madrid, at Carretera de Fuencarral a Alcobendas, nº 4.

In November 1999 the change of its corporate name from Dígitel 5, S.A.U. to Estudios Picasso Fábrica de Ficción, S.A.U. was registered at the Mercantile Registry.

In May 2007 the change of its corporate name to Producciones Cinematográficas Telecinco, S.A.U. was registered at the Mercantile Registry.

In November 2007 the change of its corporate name to Telecinco Cinema, S.A.U. was registered at the Mercantile Registry.

The company object includes mainly, although not exclusively, the provision of television broadcasting services through digital technology, research, development and commercialisation of new technologies related to telecommunications; any activity that might be required for television broadcasting, intermediation in the markets for audiovisual rights; organisation, production and broadcasting of shows or events of any kind.

Publiespaña, S.A.U.

Publiespaña, S.A.U. was incorporated on 3 November 1988. Its registered office is at Carretera de Fuencarral a Alcobendas, nº 4, Madrid.

The company's objects are as follows:

a) The performance and execution of advertising projects and all manner of work relating to the commissioning, intermediation and dissemination of advertising messages in all possible forms, by means of any manner of broadcasting or communications media.

b) The performance of activities relating directly or indirectly to marketing, merchandising, telesales and any other commercial activity.

c) The organisation and production of cultural, sports, musical or any other events and the acquisition and exploitation, by any means, of all manner of rights relating thereto.

d) The provision of advisory analysis and management services, using any procedure relating to the aforementioned activities.

e) These activities may be performed fully or partially indirectly by the company, through equity investments in other companies with a similar object.

Conecta 5 Telecinco, S.A.U.

Europortal, S.A. was incorporated on 6 September 1999. On 14 October 1999, the company changed its name to Europortal Jumpy, S.A. Its registered office is at Carretera de Fuencarral a Alcobendas, nº 4, Madrid.

On 5 November 2007, its name was changed to Conecta 5 Telecinco, S.A.U.

Its company object is the exploitation of audiovisual content on the Internet.

Mediacinco Cartera, S.L. (75% owned)

Mediacinco Cartera, S.L.U. was incorporated on 13 April 2007. Its registered office is in Madrid, at Carretera de Fuencarral a Alcobendas, nº 4.

Its company objects are:

a) The investment through acquisition, subscription, assumption, disbursement, ownership, transfer, disposal, contribution and charging of Marketable Securities, including shares and other equity investments in companies and joint property entities, company subscription rights, exchangeable and non-exchangeable debentures, commercial bonds, “rights” bonds, fixed-income and equity securities, irrespective of whether or not they are on the official stock exchanges and government debt securities, including treasury bills and promissory notes, bills of exchange and certificates of deposit, all in accordance with the applicable legislation.

b) The provision of accounting, financial, tax, civil law, corporate law, labour law and administrative law administration, management and advisory services to other companies in which it has direct or indirect ownership interests.

Canal Factoría de Ficción S.A.

Canal Factoría de Ficción, S.A. was incorporated on 2 November 2000, establishing its registered address in Madrid, Carretera de Fuencarral a Alcobendas km 12,450.

The company is engaged in:

a) The production and distribution of all types of audiovisual programs and products, in any technical support format produced either by the Company itself or by third parties; in particular, the production of television programs as well as their structuring and/or total or partial inclusion in television channel programming.

b) The marketing and advertising of audiovisual as well as related products.

c) The management of audiovisual companies.

d) The preparation of studies and reports on matters relating to the above or related activities as well as the provision of consulting and advisory services.

Cinematext Media, S.A. (60% owned)

Cinematext Media, S.A. was incorporated in Madrid on 1 December 2000. Its registered office was located initially in Majadahonda (Madrid) at Calle Benavente, 5, Bajo Izquierda. At the Extraordinary General Meeting held on 21 December 2000, it was resolved to transfer the registered office to Carretera de Fuencarral a Alcobendas, nº 4, Madrid.

The company's object is to provide subtitling services for the film, video and television industries.

As previously stated this company was sold in 2009 and, therefore, is no longer included in the consolidation scope.

2. Fully consolidated companies (wholly-owned through Agencia de Televisión Latino-Americana de Servicios de Noticias España, S.A.U.)

Atlas Media, S.A.U.

Agencia de Televisión Latino-Americana de Servicios y Noticias Cataluña, S.A.U. was incorporated on 22 December 1997. Its registered office is in Sant Just Desvern, at C/Bullidor s/n.

On 28 May 2004, the company's sole shareholder, Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U., resolved to change the company's corporate name to Atlas Media, S.A.U.

Agencia de Televisión Latino-Americana de Servicios y Noticias Country Vasco, S.A.U.

Agencia de Televisión Latino-Americana de Servicios y Noticias País Vasco, S.A.U. was incorporated in Bilbao on 16 July 1998. Its registered office is in Bilbao, at Ribera de Elorrieta, pab. 7-9, Vizcaya.

The object of both this and the preceding company is to act as a news agency and, accordingly, they carry on journalistic activities for any public communication media, the written press, radio, television and audiovisual media in general.

Mi Cartera Media, S.A.U.

Mi Cartera Media, S.A.U. was incorporated in Madrid on 15 February 2001. The company's registered office is in Madrid, at Carretera de Fuencarral a Alcobendas, nº 4.

This company's object is the multimedia exploitation of economic and financial formats and content.

3. Fully-consolidated companies (wholly-owned through Publiespaña, S.A.U.)

Publimedia Gestión, S.A.U.

Publimedia Gestión, S.A.U. was incorporated in Madrid on 23 November 1999. The company's registered office is in Madrid, at Carretera de Fuencarral a Alcobendas, nº 4.

The company's objects are as follows:

a) The creation, acquisition, production, co-production, editing, filming or recording, reproduction, broadcasting, dissemination, distribution, marketing and, in short, operation by any means of all manner of audiovisual, written or electronic works or recordings, together with the rights relating thereto.

b) The performance and creation of advertising projects and work relating to the commissioning, intermediation and dissemination of advertising messages in all possible forms, by means of any manner of broadcasting or communications media.

c) The direct or indirect creation, acquisition, marketing and exploitation, by any means, of brands, patents and any other type of intellectual property or rights of publicity, and of any objects, models or methods that are capable of being used as a support for the exploitation of the above-mentioned rights.

d) The performance of activities relating directly or indirectly to marketing, merchandising or any other commercial activity.

e) The organisation and production of cultural, sports, musical or any other event and the acquisition and exploitation, by any means, of all manner of rights relating thereto.

f) The provision of advisory, analysis and management services, using any procedure, relating to the aforementioned activities.

Advanced Media, S.A.U.

Advanced Media, S.A.U. was incorporated in Madrid on 7 October 1999. Its registered office is in Madrid, at Carretera de Fuencarral a Alcobendas, nº 4.

The company's objects are as follows:

a) The publishing, production and publication in any format of books, newspapers, magazines and printed matter of all kinds.

b) The performance and execution of advertising projects and all work relating to the commissioning, intermediation and dissemination of advertising messages in all possible formats.

c) The performance of activities relating to marketing, merchandising and any other commercial activity.

d) The production of audiovisual programmes and intermediation in the markets for intellectual property rights of all types.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

4. Fully-consolidated company (60% owned through Cinematext Media, S.A.)

Cinematext Media Italia, S.r.L.

This company was formed on 10 February 2005. Its registered office is at Via Marconi, nº 27, 20090 Segrate, Milan.

Its object is the dubbing and subtitling of audiovisual works and recordings.

As indicated previously , this company was sold and, therefore, is no longer included in the consolidation scope.

ASSOCIATES OF GESTEVISIÓN TELECINCO, S.A.

Associates are companies over which the Company is in a position to exercise significant influence, which is presumed to exist when an investment of at least 20% is held, but not control or joint control.

1. Direct ownership through Gestevisión Telecinco, S.A.

COMPANY	2009	2008	LINE OF BUSINESS
PREMIERE MEGAPLEX, S.A. C/ ENRIQUE JARDIEL PONCELA, 4 28016 MADRID	50%	50%	OPERATION OF CINEMAS
PEGASO TELEVISIÓN INC. 1401 BRICKELL AVENUE – STE 500 MIAMI, FLORIDA	35%	35%	CHANNELLING OF THE INVESTMENT IN CARIBEVISIÓN NETWORK, A TV BROADCASTER ON THE EAST COAST OF THE US AND IN PUERTO RICO
BIGBANG MEDIA, S.L. C/ ALMAGRO,3 28010 MADRID	30%	100%	PRODUCTION AND DISTRIBUTION OF ALL CLASSES OF AUDIOVISUAL PROGRAMS AND PRODUCTS IN ANY SUPPORT FORMAT

2. Indirect ownership through Agencia de Televisión Latino-Americana de Servicios y Noticias España, S.A.U.

COMPANY	2009	2008	LINE OF BUSINESS
APROK IMAGEN S.L. C/ MARTÍNEZ CORROCHANO, 3 28007 MADRID	3%	30%	NEWS AGENCY
PRODUCCIONES MANDARINA, S.L. C/ MARÍA TUBAU, 3 28050 MADRID	27%	30%	CREATION, DEVELOPMENT, PRODUCTION AND COMMERCIAL EXPLOITATION OF AUDIOVISUAL CONTENT
LA FABRICA DE LA TELE, S.L. C/ ANGEL GAVINET, 18 28007 MADRID	30%	30%	CREATION, DEVELOPMENT, PRODUCTION AND COMMERCIAL EXPLOITATION OF AUDIOVISUAL CONTENT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

3. Indirect ownership through Publiespaña, S.A.U

COMPANY	2009	2008	LINE OF BUSINESS
PUBLIECI TELEVISIÓN, S.A. C/ HERMOSILLA, 112 28009 MADRID	50%	50%	SALE OF PRODUCTS AND SERVICES TARGETED AT THE END CONSUMER

4. Indirect ownership through Mediacinco Cartera, S.L.

COMPANY	2009	2008	LINE OF BUSINESS
EDAM ACQUISITION HOLDING I COÖPERATIEF U.A. FLEVOLAAN 41 A 1411 KC NAARDEN ÁMSTERDAM	33%	33%	CHANNELLING OF THE INVESTMENT OF THE CONSORTIUM FORMED BY GOLDMAN SACHS CAPITAL PARTNERS, CYRTE FUND II B.V. AND MEDIACINCO CARTERA S.L. IN ENDEMOL N.V., A COMPANY ENGAGING IN THE CREATION, PRODUCTION AND EXPLOITATION OF CONTENT FOR TELEVISION AND OTHER AUDIOVISUAL PLATFORMS.

These companies are accounted for using the equity method, since the Group is not a majority shareholder and does not exercise control.

None of these companies is publicly listed.

In accordance with article 86 of the revised text of the Spanish Corporation Law, the Parent has duly notified the investees of its acquisition of their share capital. It has no commitments which could lead to contingent liabilities with respect to these companies.

2. Basis of presentation and comparability of the consolidated financial statements

2.1. Fair presentation and conformity with International Financial Reporting Standards

The Group's consolidated financial statements for 2007 were formally prepared:

- By the directors, at the Board of Directors Meeting held on 24 February 2010.
- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.
- Taking into account all the mandatory accounting policies and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternative treatments permitted by the relevant standards in this connection, which are specified in these Notes to the consolidated financial statements.
- The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available for sale financial assets that have been measured at fair value.
- So that they present fairly the Group's consolidated equity and financial position at 31 December 2007 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.
- On the basis of the accounting records kept by the Company and by the other Group companies.

The company is the head company of a Group and in accordance with Royal Decree 1815/1991 of 20 December it is required to prepare a set of consolidated financial statement under IFRS-EU due that it is a listed group.

However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2009 and 2008 (IFRSs) are not exactly the same as those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with the International Financial Reporting Standards adopted by the European Union.

The 2009 consolidated financial statements of the Group and the 2009 financial statements of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings, They are expected to be approved without modification.

The statement of comprehensive income is presented in two statements; one which presents the components of income (Separate Income Statement) and a second statement which presents the components of comprehensive income (Statement of Comprehensive Income).

The consolidated separate income statement is presented on the basis of the nature of expenses.

The consolidated cash flow statement is presented using the indirect method.

2.2. Changes in accounting policies

The accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2009 are consistent with those applied in the Group's consolidated financial statements for the year ended 31 December 2008, except for the application of the new EU-adopted standards and interpretations, which came into effect on 1 January 2009. The impact of this new legislation on the consolidated financial statements is summarised below:

Revised IAS 1 – Presentation of financial statements

a) Re-naming of the components of the financial statements

The Company has opted to use the new names indicated in revised IAS 1. Consequently, the former balance sheet is now called statement of financial position.

In addition, the former income statement is now known as the separate income statement.

b) New financial statements

The Company has opted, as permitted by revised IAS 1, to present all income and expense recognised in the year in two statements:

- Separate income statement (formerly income statement): This statement gives the components of profit and loss.
- Statement of comprehensive income: This statement starts with profit (loss) and shows the components of other comprehensive income.

c) Statement of changes in equity as established in the new revised IAS 1.

The Group has made the necessary changes in that statement so that it reflects the following:

- Comprehensive income for the year, broken down into that attributable to the shareholders of the Parent and that attributable to minority interests.
- Amounts relating to transactions with owners.

Additionally under Reserves in associates the amounts corresponding to said associates have been recognised; these were formerly recognised under Translation differences and Other reserves.

IFRS 2 "Share-based payments" – Vesting conditions and cancellations

The standard has been amended in order to clarify the definition of vesting conditions and to define the accounting treatment of cancellations of share-based payment agreements in the event of failure to satisfy a non-vesting condition. The Group has adopted this amendment as of 1 January 2009. Adopting this amendment has had no impact on the Group's financial position or results.

IFRS 7 - Financial Instruments Disclosures. Applicable from 1 January 2009.

The amended standard requires more disclosures on the determination of fair value and liquidity risk. Fair value determination of items recognised at fair value must be broken down by the nature of the assumptions using a three-level hierarchy for each category of financial instrument. In addition, a reconciliation from the beginning balances to the ending balances is now required for the third level of fair value determination, as well as for significant transfers between the hierarchy levels.

These amendments likewise clarify the disclosure requirements for liquidity risk with respect to derivative transactions and assets used to manage liquidity, The disclosures regarding fair value determination are included in Note 21.2. The disclosures related to liquidity risk are not significantly affected by these amendments and are presented in Note 21.

IFRS 8 – Operating segments

The standard requires disclosure of information on Group operating segments and eliminates the requirements to identify the Group's primary segments (business) and secondary segments (geographic). The Group has not identified operating segments other than advertising sales and complimentary activities.

IAS 23 – Borrowing costs (revised)

The standard has been revised to require that interest costs on qualifying assets are capitalised. Accordingly, the Group has changed its accounting policy. As per the transitional provisions of the standard this has been applied prospectively. Consequently, interest costs for qualifying assets are capitalised from 1 January 2009 onwards. No changes have been made to interest costs prior to that date, which were recognised as an expense.

No finance expenses were capitalised in the year ended 31 December 2009.

IAS 32 - Financial Instruments: Presentation and IAS 1 - Puttable financial instruments and obligations arising on liquidation

The standards have been revised to allow an exception, i.e., puttable financial instruments may be classified as equity if they meet certain requirements. The Group does not have this type of financial instruments; hence adopting these modifications has not had an impact on the Group's financial position or results.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial instruments: Recognition and measurement

This amendment to IFRIC 9 requires that an entity assess whether an embedded derivative must be separated from the host contract when the entity reclassifies a hybrid financial asset from the at fair value through profit or loss category. This assessment shall be made on the basis of the circumstances that existed on the later date of (i) when the entity first became a party to the contract or (ii) the date that any change in the terms of the contract significantly modified the cash flows that otherwise would have been required under the contract. IAS 39 now establishes that if an embedded derivative cannot be reliably measured, the entire hybrid instrument must remain classified as at fair value through profit or loss. The Group held no hybrid financial instruments in 2009 therefore this interpretation and the amendment to IAS 32 have had no impact on its 2009 figures.

IFRIC 13 Customer Loyalty Programs

This interpretation requires that credits/points awarded to customers are recognised as a separately identifiable component of the sale transaction in which they are granted. Given that the Group does not have any points-based customer loyalty programs, this interpretation has no impact on the Group's financial position or results.

IFRS improvements

In May 2008 the IASB first published IFRS improvements within the framework of an annual process of improvements aimed at eliminating inconsistencies and clarifying certain standards, including specific transitional provisions for each standard. Adopting the following amendments has led to a change in accounting policies; however, this has had no impact on the Group's financial position or results.

- IAS 1 – "Presentation of financial statements": Assets and liabilities classified as held for trading conform to IAS 39 Financial Instruments: Recognition and Measurement. They are not automatically classified as current in the statement of financial position. The Group has changed its accounting policies and has analysed if management's expectations in respect of the period in which the assets and liabilities will be realised differs from the instrument's classification. This has not led to any reclassifications of financial instruments from current to non-current or vice versa in the statement of financial position.
- IAS 16 – Property, Plant and Equipment Net selling price" is replaced by "fair value less cost to sell." The Group has changed its accounting policy accordingly; however, this has had no impact on its financial position.
- IAS 23 – "Borrowing costs": The definition of borrowing costs has been revised to consolidate into a single entry the two entries considered components of "Borrowing costs" (the interest cost calculated using the effective interest rate method pursuant to IAS 39). The Group has changed its accounting policy accordingly; however, this has had no impact on its financial position.
- IAS 38 – "Intangible Assets": Advertising and promotional activity are recognised as an expense when the Group has a right to have access to the goods or the service has been rendered. This change has not affected the Group.

The following sentence has been eliminated from the standard: "There is rarely, if ever, persuasive evidence to support an amortisation method for intangible assets with finite useful lives that results in a lower amount of accumulated amortisation than under the straight-line method." The Group has measured the useful lives of its intangible assets and has concluded that the straight-line method of amortisation it uses is sufficient.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The modifications of the following standards have had no impact on the Group's accounting policies, financial position or results.

- IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors"
- IAS 10 – "Events after the Statement of financial position Date"
- IAS 16 – "Property, Plant and Equipment"
- IAS 18 – "Revenue"
- IAS 19 – "Employee Benefits"
- IAS 20 -"Accounting for government grants and disclosure of government assistance"
- IAS 27 – "Consolidated and Separate Financial Statements"
- IAS 28 – "Investments in Associates"
- IAS 31- "Interests in Joint Ventures"
- IAS 34 – "Interim Financial Reporting"
- IAS 36 "Impairment of Assets"
- IAS 39 – "Financial Instruments: Recognition and Measurement"

At the date these consolidated financial statements were prepared, the Group elected not to early adopt the following IFRS standards and interpretations as they were not mandatory or had not been adopted by the EU:

STANDARD, INTERPRETATION AND AMENDMENT.		MANDATORY: IN FINANCIAL YEARS BEGINNING ON OR AFTER
REVISED IFRS 3	BUSINESS COMBINATIONS	1 JULY 2009
AMENDMENT TO IAS 27	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	1 JULY 2009
AMENDMENT TO IFRS 2	GROUP TRANSACTIONS WITH SHARE-BASED PAYMENTS AND CASH SETTLEMENTS	1 JANUARY 2010
AMENDMENT TO IAS 39	ELIGIBLE HEDGED ITEMS	1 JULY 2009
REVISED IFRS 1 (*)	FIRST-TIME ADOPTION OF IFRS	1 JULY 2009
IFRS 5	AMENDMENT TO IFRS 5 UNDER THE IMPROVEMENTS TO IFRS PROJECT	1 JULY 2009
IFRS 9 (*)	FINANCIAL INSTRUMENTS	1 JANUARY 2013
REVISED IFRS 24 (*)	RELATED PARTIES	1 JANUARY 2011
IFRIC 14 (*)	IAS 19 THE LIMIT ON A DEFINED BENEFIT ASSET, MINIMUM FUNDING REQUIREMENTS AND THEIR INTERACTION	1 JANUARY 2008
IFRIC 15	AGREEMENTS FOR THE CONSTRUCTION OF REAL ESTATE	1 JANUARY 2010
IFRIC 16	HEDGES OF A NET INVESTMENT IN A FOREIGN OPERATION	1 JULY 2010
IFRIC 17	DISTRIBUTIONS OF NON-CASH ASSETS TO OWNERS	1 JULY 2009
IFRIC 18	TRANSFERS OF ASSETS FROM CUSTOMERS (**)	1 JULY 2009
CIFRIC 19 (*)	EXTINGUISHING FINANCIAL LIABILITIES WITH EQUITY INSTRUMENTS	1 JULY 2009
AMENDMENTS TO IFRIC 9 AND IAS 39 (*)	IFRIC 9 REASSESSMENT OF EMBEDDED DERIVATIVES AND IAS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT	(***)
IFRS IMPROVEMENTS IN APRIL 2009 (*)		1 JANUARY 2011

(*) Not endorsed by the European Union

(**) Applies to those transfers carried out on or after 1 July 2009.

(***) Mandatory for years ended 30 June 2009 or thereafter.

The Group is analysing the impact of applying these standards, amendments and interpretations. It expects that the changes introduced by IFRS 3 (Revised) and the amendments to IAS 27 will affect future acquisitions and transactions with minority interests which take place after January 1, 2010. The possible impacts of the other changes is still being analysed.

2.3. Responsibility for the information and use of estimates

The information in these financial statements is the responsibility of the Company's directors.

In preparing the Group's consolidated financial statements for 2009, certain estimates and assumptions were made on the basis of the best information available at 31 December 2009 on the events analysed. However, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the related consolidated income statements.

Estimates and assumptions are reviewed on an ongoing basis. The impact of changes in accounting estimates is recognized in the period in which the estimates are changed if they affect only that period, or in the period of the changes and future periods if they affect both current and future periods. The main hypothesis and assumptions regarding future events and other uncertain sources of estimates at the date of preparation of the financial statements that may cause corrections to assets and liabilities are as follows.

Impairment of non current assets

The Group assesses whether there are any indications of impairment for all non-financial assets at each reporting date. Goodwill and other indefinite life intangible assets are tested for impairment annually and at any time when such indications exists. Other non-financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable.

If there is objective evidence that an impairment loss occur, the amount of the impairment loss is measured as the difference between the carrying amount of the assets and the estimated future cash-flow discounting using a proper discount rate.

Impairment of financial assets

The Group assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the separate income statement.

Useful life of property, plant and equipment and intangible assets

The Group periodically reviews the useful lives of its property, plant and equipment and its intangible assets, prospectively adjusting the provisions for depreciation when the estimates change.

Recoverability of deferred tax assets

If the Group or any of the Group companies present tax credits relating to deferred tax assets, the corresponding estimates of tax loss carryforwards expected in future years are reviewed at year end to assess their recoverability and, if applicable, recognise the related impairment loss where recoverability is not assured.

Provisions

The Company recognizes provisions for risks in accordance with the accounting policy set forth in Note 18. The Group has made judgements and estimates regarding the probability of the occurrence of said risks, as well as the amount thereof, and has recognized a provision when the risk has been considered likely, estimating the cost that such an occurrence would represent for it.

Share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

2.4. Statement of compliance

At the time of this Financial Statements are formulated, the Group has applied all IFRS and interpretations that were obligated and approved by EU and in force for financial years started from 1st January 2009.

3. Proposed distribution of the profit of the Parent

The distribution of the Parent's net profit for 2009 that its Board of Directors will propose for approval by the shareholders at the Annual General Meeting and the distribution of the Parent's net profit in 2008 approved by the Annual General Meeting are as follows:

DISTRIBUTABLE PROFIT	2009	2008
PROFIT FOR THE YEAR	**68,461**	**269,222**
APPROPRIATION TO		
VOLUNTARY RESERVES	20,021	58,950
DIVIDENDS	48,440	210,272
TOTAL	**68,461**	**269,222**

The Parent's Board of Directors likewise agrees to distribute an interim dividend for the total amount of the proposed ordinary dividend which will be distributed prior to the General Shareholders' Meeting on the basis of the accompanying liquidity statement at 31 December 2010.

LIQUIDITY STATEMENT AT 31 JANUARY 2010	THOUSANDS OF EUROS
CASH AT BANKS AND IN HAND	3,004
SHORT-TERM INVESTMENTS	65,570
OTHER ASSETS REALISED IN SHORT-TERM	170,625
CURRENT LIABILITIES	(399,781)
UNUSED CREDIT FACILITIES	254,881
WORKING CAPITAL AT 31 DECEMBER 2010	**94,299**
AVAILABLE FUNDS	**94,299**

The proposed dividend represents EUR 0.20 per share (2008: EUR 0.86).

4. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements were as follows:

4.1. Basis of consolidation

The Group's consolidated financial statements include the financial statements of all the companies over which the Group has control. Control is the power to govern a company's financial and operating policies in order to obtain benefits from its activities. All intra-Group balances and transactions were eliminated on consolidation. Associates, companies over which the Group exercises significant influence but not control, were accounted for using the equity method.

However, given that the accounting principles and measurement bases applied when preparing the Group's consolidated financial statements for 2008 and 2009 (EU-IFRS) vary from those used by the companies composing the Group (local standards), the necessary adjustments and reclassifications have been made on consolidation to standardise the most significant measurement and recognition principles between the companies and to adapt these to EU-adopted IFRS.

All items of property, plant and equipment and intangible assets are linked to production and the generation of revenue from business activities.

4.2. Translation of financial statements of foreign subsidiaries

The consolidated annual financial statements are presented in euros, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The statement of financial position and separate income statement headings of consolidated foreign companies are translated to euros at the year-end exchange rate, which means:

- All assets, rights and liabilities are translated to euros at the exchange rate ruling at the close of the foreign subsidiaries' accounts.
- Separate Income statement headings are translated at the average exchange rate..

The difference between the equity of foreign companies, including the balance of the separate income statement, translated at year–end exchange rates and the equity obtained translating the assets, rights and liabilities by applying the criteria set forth above are shown under ”Translation differences”, under equity in the consolidated statement of financial position.

4.3. Related parties

The corresponding heading in the consolidated statement of financial position includes the balances with significant shareholders and associates. The other balances arising from related-party transactions with directors and key management personnel are classified under the appropriate consolidated statement of financial position headings.

4.4. Current/Non-current classification

In the accompanying consolidated statement of financial position, assets and liabilities maturing within no more than 12 months are classified as current items and those maturing within more than 12 months are classified as non-current items.

Audiovisual rights are classified in full as non-current assets. Note 8 details the rights that the Group expects to amortise within a period of less than 12 months.

4.5. Property, plant and equipment

Property, plant and equipment are recognised using the cost model, which includes the cost of acquisition of the assets and the additional expenses incurred until they have become operational. Property, plant and equipment are measured at the lower of cost and recoverable amount.

Repairs that do not lead to a lengthening of the useful life of the assets and maintenance expenses are charged directly to the separate income statement.

The depreciation of property, plant and equipment is calculated systematically, using the straight-line method, on the basis of the useful life of the assets, based on the actual decline in value caused by their use and by wear and tear.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The depreciation rates used to calculate the decline in value of the various items of property, plant and equipment are as follows:

	RATE
BUILDINGS	4 %
TV EQUIPMENT	20 %
FIXTURES	10-35 %
TOOLS	20 %
FURNITURE	10 %
COMPUTER HARDWARE	25 %
TRANSPORT EQUIPMENT	14 %
OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	20 %

4.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are recognised as such only when the Group can demonstrate how the asset will generate future economic benefits and the ability to measure reliably the expenditure during development.

Development expenditure

Expenditure on development activities is recognised as an expense as incurred, except in the case of computer software projects that have reached the development stage. These expenses are measured at cost and are allocated to specific projects until the projects have been completed, provided there is a reasonable assurance that they can be financed through completion and there are sound reasons to foresee their technical success.

Trademarks and trade names

These are the intellectual property relating to the licences to use the following trademarks:

- Tele 5, granted for a period of ten years and amortised on a straight-line basis over the ten-year period following the grant date.
- Publiespaña, amortised on a straight-line basis over ten years.
- Atlas, amortised on a straight-line basis over ten years.
- Canal Factoría de Ficción, amortised on a straight-line basis over ten years.

Computer software

This includes the amounts paid for title to or the right to use computer programs. Computer software maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

Computer software is amortised over three years from the date on which it starts to be used.

4.7. Audiovisual property rights

4.7.1. Outside production rights

These consist primarily of rights acquired for a period that exceeds one business year. These rights are measured at cost and relate to the individual value of each right. If they are acquired in closed packages, with no breakdown of the individual value of each product, individual values are calculated based on a weighting factor equivalent to the acquisition cost of products of a similar type and category that would have been incurred had the acquisition been made on an individual basis.

The right is recognised at the earlier of the time the material becomes available for broadcasting pursuant to the contract or, if earlier, the date on which the right commences. In the case of several rights associated with a single contract that are accepted during the same year but on different dates, the Group recognises the inclusion of the rights under the contract on the earlier of the date on which the first right is accepted for broadcasting and the date the rights commence.

These rights are recognised in the separate income statement under “Amortisation of Audiovisual Property Rights”, based on the number of screenings, as follows:

1. Films and TV movies (non-series)

1.1 Contractual rights for two screenings:

First screening: 50% of acquisition cost.

Second screening: 50% of acquisition cost.

1.2 Contractual rights for three or more screenings:

First screening: 50% of acquisition cost.

Second screening: 30% of acquisition cost.

Third screening: 20% of acquisition cost.

2. Other products (series)

Contractual rights for two or more screenings:

First screening: 50% of acquisition cost.

Second screening: 50% of acquisition cost.

When a screening is sold to a third party, the value of the screening, calculated on the basis of the aforementioned percentages, is amortised on the basis of the territorial television signal distribution capacity of the television station buying the screenings, and a cost of sales is recognised based on the revenue generated in the region where the screening has been sold, with adjustments made to the unsold value of the screening in question.

These rights are subject to valuation adjustments, where necessary, as detailed in Note 4.10.

4.7.2. Series in-house production rights

These include productions owned by the Group, which may subsequently sell them.

Their value includes both the costs incurred directly by the Group and the amounts billed by third parties.

The residual value, estimated at 2% of the total cost, is amortised on a straight-line basis over three years from the time the productions become available; unless these rights are sold to third parties during the amortisation period, in which case the residual value is allocated to the revenue generated by the sale.

These rights are recognised in the separate income statement under “Amortisation of Audiovisual Property Rights”, based on the number of screenings, as follows:

Series of less than 60 minutes and/or broadcast daily.

First screening: 100% of the amortisable value.

Series of more than 60 minutes and/or broadcasted weekly.

First screening: 90% of the amortisable value.

Second screening: 10% of the amortisable value.

These rights are subject to valuation adjustments, where necessary, as detailed in Note 4.10.

4.7.3. Distribution rights

These include the rights acquired by the Group for their exploitation in all windows in Spain.

The cost of the right is that stipulated in the contract. Amortisation of distribution rights is recognised on the basis of the revenue generated in each window in which the right is exploited and of an estimate of future revenue from each window.

When the free-to-air broadcasting or right commences, it is reclassified to “Audiovisual Property Rights”.

In the free-to-air window, the amortisation of the rights is recognised in the separate income statement under “Amortisation of Audiovisual Property Rights” in the same way as in the case of audiovisual property rights, as detailed in the related note to these consolidated financial statements.

4.7.4. Co-production rights

These include the co-production rights acquired by the Group for exploitation in all windows.

The cost of the right is that stipulated in the contract. Amortisation of co-production rights is recognised on the basis of the revenue generated in each window in which the right is exploited and of an estimate of future revenue from each window.

When the free-to-air broadcasting or right commences, it is reclassified to “Audiovisual Property Rights”.

In the free-to-air window, the amortisation of the rights is recognised in the separate income statement under “Amortisation of Audiovisual Property Rights” in the same way as in the case of audiovisual property rights, as detailed in the related note to these consolidated financial statements.

4.7.5. Master copies and dubbing

These items relate to the material supporting the audiovisual property rights and the cost of dubbing original versions, respectively.

They are measured at cost and the related amortisation is recognised at the same rate as the amortisation of the audiovisual property rights with which they are associated.

4.7.6. Retransmission rights

The costs for the rights to broadcast sport are recognised under Procurements on the separate income statement at the cost stipulated in the agreement. The costs are recognised when each event is broadcast. Advance payments are recognised in the statement of financial position under Other current assets.

4.8. Non-current investments in companies accounted for using the equity method

The companies over which the Group exercises significant influence, directly or indirectly, through an ownership interest of 20% or more in the voting power of the investee are accounted for using the equity method.

Investments in an investee are initially recognised at cost, which will be increased or reduced on the basis of the Group’s share of the investee’s equity, subsequent to the date of acquisition.

The value of these investments in the consolidated statement of financial position includes, where applicable, the goodwill arising on the acquisition thereof.

The results of the investee are recognised in profit or loss in proportion to the Group’s percentage of ownership. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any change and discloses this, when applicable, in the statements of changes in equity.

The dividends received from investees reduce the carrying amount of the investment.

Following the application of the equity method and recognition of the value of the associate, if there is any indication that the investment might have become impaired, pursuant to IAS 39 the relevant analysis and impairment tests are carried out in order to recognise the impact of the impairment loss on the investment in the year in which it is detected.

4.9. Financial assets

Financial assets are initially recognised at fair value, including, in case investments are not recognised at fair value with changes in results, general transactions costs.

The Group determines the classification of its financial assets on initial recognition and re-evaluates this designation at each financial year end.

The financial assets held by the Group companies are classified as:

- Held-to-maturity investments: financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold from the date of purchase to the date of maturity. They do not include loans and accounts receivable originated by the company. After initial measurement held-to-maturity investments are measured at amortised cost using the effective interest method.
- Originated loans and receivables: financial assets originated by the companies in exchange for supplying cash, goods or services directly to a debtor. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process. Loans and receivables in the consolidated statement of financial position maturing in 12 months or less from the consolidated statement of financial position date are classified as current and those maturing in over 12 months as non-current.

- Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealised gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the separate income statement, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the separate income statement.
- Financial assets at fair value through profit and loss: Financial assets classified as held for trading are included in the category Financial assets at fair value through profit and loss. Financial assets are classified as held for trading when they are acquired for the purpose of selling in the near future. Derivatives are also classified as held for trading unless they are effective hedging instruments and identified as such. Gains or losses on financial assets held for trading are recognised in profit or loss. The Group has no held-for-trading financial assets.

The fair value of a financial instrument on a given date is taken to be the amount for which it could be bought or sold on that date by two knowledgeable, willing parties in an arm's length transaction acting prudently. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it on an organised, transparent and deep market (“quoted price” or “market price”). If this market price cannot be determined objectively and reliably for a given financial instrument, its fair value is estimated on the basis of the price established in recent transactions involving similar instruments or of the discounted present value of all the future cash flows (collections or payments), applying a market interest rate for similar financial instruments (same term, currency, interest rate and same equivalent risk rating).

4.10. Impairment of non current assets

4.10.1. Non-financial assets

The Group assesses periodically and at least at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

For assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating units to which the asset belongs.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the consolidated income statement.

At each reporting date the group assess if there are indications that a, a previously recognized impairment loss is reversed or reduce. If this is the case, the Group estimates the asset’s recoverable amount. Except for the goodwill, an impairment loss previously recognized can be reverted if there has been a change in the circumstances that caused it. Such reversal is recognized in the consolidated income statement. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset.

4.10.2. Financial assets

The Group assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the assets’ carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Available-for-sale financial investments

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss. Reversals of impairment losses on debt instruments are reversed through profit or loss; if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the separate income statement.

4.11. Inventories

The cost of producing in-house productions is determined taking into account all the costs allocable to the product incurred by the Group. Advances paid for programmes are also included.

The production costs are expensed when the related programmes are broadcast.

4.12. Cash equivalents

The cash equivalents comprise mainly short-term deposits, short-term marketable bills and notes, short-term government bonds and other money market assets maturing at three months or less.

4.13. Debt transformable into grants

Such loans received are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Difference between the nominal value and the fair value of the loan is deducted from the carrying amount of the related asset and its allocated to the separate income statement according to a basis.

4.14. Treasury shares

Treasury shares are recognized as a reduction of capital and reserves. Gains or losses on the sale of these shares are recognized in "Other reserves."

4.15. Financial liabilities

Financial liabilities are initially measured at fair value less attributable transaction costs. Following initial recognition, financial liabilities are measured at amortized cost, with any differences between cost and redemption value recognized in the consolidated income statement over the period of the borrowings using the effective interest rate method.

Liabilities maturing in less than 12 months from the consolidated statement of financial position date are classified as current, while those with longer maturity periods are classified as non-current.

4.16. Derivative financial instruments

The Group uses financial derivatives to manage some its interest rate risk exposure.

Cash flow hedges are a hedge of the exposure to variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, while the ineffective portion is recognized in the consolidated income statement.

Amounts taken to equity are transferred to the consolidated income statement when the hedged transaction affects profit or loss such as when hedged financial income or expense is recognized or when a forecast sale or purchase occurs.

Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, the amounts previously recognized in equity are transferred to the consolidated income statement. If a hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognized in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to income.

4.17. Derecognition of financial assets and liabilities

4.17.1 Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the assets have expired.
- The Group retains the right to receive the cash flows from the asset but has assumed the obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement;
- the Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4.17.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the separate income statement.

4.18. Provisions and contingencies

Provisions are recognized in the consolidated statement of financial position where the Group has a present obligation (either legal or tacit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Amounts recognized as provisions are the best estimate of the amounts required to offset the current value of those obligations at the consolidated statement of financial position date.

Provisions are reviewed at each year end and adjusted to reflect the current best estimate of the liability.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

4.19. Income tax

The Parent, Gestevisión Telecinco, S.A., files consolidated income tax returns with the following subsidiaries:

- Grupo Editorial Tele 5, S.A.U.
- Telecinco Cinema, S.A.U.
- Agencia de Televisión Latinoamericana de Servicios y Noticias España, S.A.U.
- Atlas Media, S.A.U.
- MiCartera Media, S.A.U.
- Publiespaña, S.A.U.
- Publimedia, S.A.U.
- Advanced Media, S.A.U.
- Mediacinco Cartera, S.L.
- Conecta 5 Telecinco, S.A.U.

The income tax expense for the year is recognised in the separate income statement, except in cases in which it relates to items that are recognised directly in the statement of other comprehensive income or equity, in which case the related tax is also recognised in equity.

Deferred tax assets and liabilities are recognised on the basis of the temporary differences between the carrying amounts of the assets or liabilities and their tax bases and are measured on the basis of the tax rates that are expected to apply in the period when the asset is realised or the liability is settled. Deferred tax assets and liabilities arising from changes in equity are charged or credited directly to equity. Deferred tax assets and tax loss and tax credit carryforwards are only recognised when the probability of their future realisation is reasonably assured and are adjusted subsequently if it is not considered probable that taxable profits will be obtained in the future.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities taking the tax rates prevailing at the consolidated statement of financial position date and including any tax adjustments from previous years.

The Group recognizes deferred tax liabilities for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group recognizes deferred income tax assets for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carryforward of unused tax credits or losses can be utilized, except:

- Where the deferred income tax relating to the deductible temporary difference arises from the initial recognition of an asset or liability a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the differed income tax asset to be utilized. The Group also reviews unrecognized deferred income tax assets at each statement of financial position date and recognizes them to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

4.20. Revenue and expense recognition

Revenue and expenses are recognised net of the related taxes, except in the case of non-deductible expenses.

In accordance with the accrual principle, income and expenses are recognized when the goods or services represented by them take place, regardless of when actual payment or collection occurs.

Revenue associated with the rendering of services is recognised by reference to the stage of completion of the services, provided that the revenue can be measured reliably.

The Group's main source of revenue is from advertising. This revenue is recognised in the period in which it is earned; i.e. when the related advertisement is broadcast.

Expenses, including discounts and volume rebates, are recognised in the separate income statement in the period in which they are incurred.

4.21. Equity-settled transactions

The Company maintains share option plans related to the compensation system for executive directors and board members that are settled by delivering Company shares. The employee benefits expense is determined based on the fair value of the share options to be awarded on the date the option is granted. This expense is recognized over the stipulated three-year period during which the services are rendered. The fair value of share options established at the date the award was granted is not modified.

The options' fair value is measured based on an internal valuation using valuation option models – specifically, the binomial method – and taking into account the price of the option in the year, the life of the option, the price of the underlying shares, the expected volatility of the share price, estimated dividend payments and the risk-free interest rate for the life of the option. The option valuation models and the assumptions used are described in Note 20.

4.22. Transactions in foreign currency

Transactions in foreign currency are initially recognized at the exchange rate prevailing at the date of the transaction. All exchange gains or losses arising from translation as well as those arise when statement of financial position items settled are recognized in the separate income statement.

4.23. Earnings per share

The Group calculates basic earnings per share on the basis of the weighted average number of shares outstanding at year-end. The calculation of diluted earnings per share also includes the dilutive effect, if any, of stock options granted during the year.

4.24. Environmental issues

In view of the business activities carried out by the Group, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific environmental disclosures have been included in these notes to the financial statements.

5. Segment information

Activities of the Group are not distributed into different operating segments. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

6. Property, plant and equipment

The detail of the balances of "Property, Plant and Equipment" and of the changes therein in the years ended 31 December 2009 and 2008 is as follows:

	BALANCE AT 31.12.07	ADDITIONS	DISPOSALS	TRANSFER	BALANCE AT 31.12.08	ADDITIONS	DISPOSALS	TRANSFERS	BALANCE AT 31.12.09
COST									
LAND AND NATURAL RESOURCES	14,970	-	-	-	14,970	-	-	-	14,970
BUILDINGS AND OTHER STRUCTURES	31,225	458	-	539	32,222	14	(9)	156	32,383
MACHINERY, PLANTS AND TOOLS	93,599	4,429	(4,793)	2,321	95,556	1,532	(4,693)	18	92,413
FURNITURE AND FIXTURE	5,902	385	(667)	6	5,626	146	(181)	-	5,591
COMPUTER HARDWARE	15,943	881	(2,790)	1,904	15,938	796	(1,758)	-	14,976
OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	1,079	67	(368)	-	778	39	(43)	-	774
PROPERTY, PLANT AND EQUIPMENT IN THE COURSE OF CONSTRUCTION	4,698	370	(13)	(4,906)	149	740	(5)	(174)	710
TOTAL COST	**167,416**	**6,590**	**(8,631)**	**(136)**	**165,239**	**3,267**	**(6,689)**	**-**	**161,817**
ACCUMULATED DEPRECIATION									
BUILDINGS AND OTHER STRUCTURES	(14,908)	(1,275)	-	-	(16,183)	(1,303)	3	-	(17,483)
MACHINERY, PLANTS AND TOOLS	(78,895)	(4,760)	4,643	-	(79,012)	(4,691)	4,376	-	(79,327)
FURNITURE AND FIXTURES	(4,017)	(377)	621	-	(3,773)	(368)	153	-	(3,988)
COMPUTER HARDWARE	(13,369)	(1,368)	2,779	-	(11,958)	(1,582)	1,733	-	(11,807)
OTHER ITEMS OF PROPERTY, PLANTS AND EQUIPMENT	(1,018)	(31)	364	-	(685)	(36)	42	-	(679)
TOTAL ACCUMULATED DEPRECIATION	**(112,207)**	**(7,811)**	**8,407**	**-**	**(111,611)**	**(7,980)**	**6,307**	**-**	**(113,284)**
PROVISIONS	(144)	-	144	-	-	-	-	-	-
CARRYING AMOUNT	**55,065**	**(1,221)**	**(80)**	**(136)**	**53,628**	**(4,713)**	**(382)**	**-**	**48,533**

Additions in 2009 and 2008 relate to the acquisition of items of property, plant and equipment required to continue with and increase the Group's activities.

Disposals in 2009 and 2008 relate mainly to the retirement and/or sale of fully depreciated items or those no longer in uses.

The detail of the fully depreciated property, plant and equipment in use at 31 December 2009 and 2008 is as follows:

	2009	2008
COMPUTER HARDWARE	8,843	9,582
TECHNICAL MACHINERY, FIXTURES AND TOOLS	64,834	54,087
FURNITURE	2,469	1,893
OTHER ITEMS OF PROPERTY, PLANT AND EQUIPMENT	88	523
TOTAL	**76,234**	**66,085**

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

The Group had no items under finance leases at 31 December 2009 or at 31 December 2008.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

7. Intangible assets

The detail of the balances of "Intangible Assets" and of the changes therein in the years ended 31 December 2009 and 2008 is as follows:

	BALANCE AT 31.12.07	ADDITIONS	DISPOSALS AND OTHER	TRANSFERS	BALANCE AT 31.12.08	ADDITIONS	DISPOSALS AND OTHER	TRANSFERS	BALANCE AT 31.12.09
COST									
DEVELOPMENT EXPENDITURE	327	657	(12)	(276)	696	391		(471)	616
CONCESSIONS, PATENTS AND TRADEMARKS	33,682	300	-	(906)	33,076		(396)		32,680
COMPUTER SOFTWARE	18,050	1,235	(997)	1,396	19,684	556	(370)	583	20,453
COMPUTER SOFTWARE IN PROGRESS	878	238	(2)	(984)	130	961	-	(112)	979
ADVANCE ON INTANGIBLE ASSETS	-	-	-	-	-	-	-	-	-
TOTAL COST	**52,937**	**2,430**	**(1,011)**	**(770)**	**53,586**	**1,907**	**(766)**	**-**	**54,727**
ACCUMULATED AMORTISATION									
CONCESSIONS, PATENTS AND TRADEMARKS	(33,259)	(31)	-	906	(32,384)	(35)	6	-	(32,413)
COMPUTER SOFTWARE	(14,189)	(2,517)	995	-	(15,711)	(2,407)	304	-	(17,814)
TOTAL ACCUMULATED AMORTISATION	**(47,448)**	**(2,548)**	**995**	**906**	**(48,095)**	**(2,442)**	**310**	**-**	**(50,227)**
CARRYING AMOUNT	**5,489**	**(118)**	**(16)**	**136**	**5,491**	**(535)**	**(456)**	**-**	**4,500**

The breakdown of the fully amortised intangible assets in use at 31 December 2009 and 2008 is as follows:

	2009	2008
COMPUTER SOFTWARE	13,552	11,095
CONCESSIONS, PATENTS AND TRADEMARKS	19,256	19,256
TOTAL	**32,808**	**30,351**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

8. Audiovisual property rights

The detail of the balances of the audiovisual property rights and of the changes therein in the years ended 31 December 2009 and 2008 is as follows:

	BALANCE AT 31.12.07	ADDITIONS	DISPOSALS	TRANSFERS AND OTHERS	BALANCE AT 31.12.08	ADDITIONS	DISPOSALS	TRANSFERS AND OTHERS	BALANCE AT 31.12.09
COST									
AUDIOVISUAL PROPERTY RIGHTS	350,026	37,023	(71,741)	8,561	323,869	53,946	(80,607)	3,911	301,119
MASTER COPIES	23	1	(5)	-	19	2	(7)	-	14
DUBBING	6,432	362	(121)	-	6,673	1,316	(380)	-	7,609
CO-PRODUCTION RIGHTS	66,534	(765)	-	16,525	82,294	2,418	(3,479)	51,730	132,963
IN-HOUSE RIGHTS	733,098	97,191	-	5,451	835,740	96,613	-	3,876	936,229
DISTRIBUTION RIGHTS	11,980	450	-	(933)	11,497	-	-	-	11,497
OTHER ANCILLARY WORK	653	58	-	-	711	43	-	-	754
RIGHTS, OPTIONS, SCRIP DEVELOP.	291	391	-	-	682	511	(314)	-	879
START-UP COSTS	250	-	-	-	250	-	(92)	-	158
ADVANCES	39,639	52,086	(889)	(29,604)	61,232	14,200	(521)	(59,867)	15,044
TOTAL COST	**1,208,926**	**186,797**	**(72,756)**	**-**	**1,322,967**	**169,049**	**(85,400)**	**(350)**	**1,406,266**
ACCUMULATED AMORTISATION									
AUDIOVISUAL PROPERTY RIGHTS	(225,835)	(60,466)	71,628	-	(214,673)	(40,974)	80,607	-	(175,040)
MASTER COPIES	(18)	(3)	5	-	(16)	(2)	7	-	(11)
DUBBING	(5,627)	(446)	121	-	(5,952)	(955)	380	-	(6,527)
CO-PRODUCTION RIGHTS	(45,570)	(22,415)	-	-	(67,985)	(36,679)	-	-	(104,664)
IN-HOUSE RIGHTS	(707,981)	(103,033)	-	-	(811,014)	(89,939)	-	-	(900,953)
DISTRIBUTION RIGHTS	(10,139)	(1,358)	-	-	(11,497)	-	1	-	(11,496)
OTHER ANCILLARY WORK	(542)	(132)	-	-	(674)	(71)	-	-	(745)
START-UP COSTS	(202)	(12)	-	-	(214)	(1)	62	-	(153)
TOTAL ACCUMULATED DEPRECIATION	**(995,914)**	**(187,865)**	**71,754**	**-**	**(1,112,025)**	**(168,621)**	**81,057**	**-**	**(1,199,589)**
PROVISIONS	(26,894)	(16,248)	22,937	-	(20,205)	(208)	7,374	350	(12,689)
TOTAL AUDIOVISUAL RIGHTS	**186,118**	**(17,316)**	**21,935**	**-**	**190,737**	**220**	**3,031**	**-**	**193,988**

The Group estimates that between 45% and 50% of the total amount of audiovisual property rights recognised, classified as non-current assets in the consolidated statement of financial position at 31 December 2009, will be amortised within 12 months from the statement of financial position date. This percentage was between 35% and 40% in 2008. This percentage represents the best estimate currently available on the basis of the programming budget for 2010.

The impairment losses at year-end relate to the carrying amount of rights which, although they expire after 31 December 2009, do not feature in the network's future broadcasting plans at the date of preparation of these consolidated financial statements. Therefore, the balance of this account relates mainly to the adjustment required to determine the carrying amount of the library. At 31 December 2009 and 2008, the impairment losses recognised in the separate income statement amounted to EUR 208 thousand and EUR and EUR 16.248 thousand, respectively.

At the statement of financial position date there were firm commitments to purchase audiovisual property rights, available from 1 January 2010 for a total amount of USD 42.592 thousand and EUR 69.938 thousand. The commitments at 2008 year-end amounted to USD 24.207 thousand and EUR 65.908 thousand.

At 31 December 2009, advances of USD 250 thousand and EUR 6,619 thousand had been paid in connection with these firm commitments to purchase audiovisual property rights. The advances paid in 2008 amounted to EUR 7,066 thousand and USD 670 thousand.

At the statement of financial position date there were commitments to purchase co-production rights, available from 1 January 2010, for a total amount of EUR 27,615 thousand. The commitments at 2008 year-end amounted to EUR 56,982 thousand.

At 31 December 2009, advances of EUR 6,359 thousand had been paid in connection with these co-production right purchase commitments. The advances paid in 2008 amounted to EUR 51,838 thousand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

At the statement of financial position date there were commitments to purchase distribution rights, available from 1 January 2010 for a total amount of EUR 125 thousand. There were no commitments to acquire distribution rights at 2008 year-end.

At 31 December 2009, advances of EUR 50 thousand had been paid in connection with these firm distribution right purchase commitments. At 2008 year-end the advances totalled nil.

Advances for fiction series are included under Advances.

9. Equity method investments

The detail of the balance of "Equity method investment" and of the changes therein in 2009 and 2008 is as follows:

	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
BALANCE AT 31 DECEMBER 2007	**438,300**
INCREASE	21,481
DECREASE	(120)
SHARE OF RESULT OF ASSOCIATES	(175,821)
DIVIDENDS RECEIVED	(1,641)
CHANGE IN MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS	(13,926)
FOREIGN CURRENCY TRANSLATION	(30,775)
OTHER CHANGES	(81)
BALANCE AT 31 DECEMBER 2008	**237,417**
INCREASE	60
SHARE OF RESULT OF ASSOCIATES	(119,214)
DIVIDENDS RECEIVED	(1,790)
FOREIGN CURRENCY TRANSLATION	6,266
STOCK OPTIONS PLANS	5,199
CHANGE IN MEASUREMENT OF DERIVATIVE FINANCIAL INSTRUMENTS	4,310
OTHER CHANGES	(108)
BALANCE AT 31 DECEMBER 2009	**132,141**

The accounting information related to these companies for 2009 and 2008 is the following:

COMPANY	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		RESULTS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	
	2009	2008	2009	2008
PREMIERE MEGAPLEX, S.A. (*)	24	24	1	6
EDAM ACQUISITION HOLDING I COOPER. U.A.	127,621	222,111	(110,267)	(167,983)
PEGASO TELEVISION, INC.	1,421	12,340	(10,920)	(9,140)
CANAL FACTORÍA DE FICCIÓN, S.A. (*)	-	-	-	100
APROK IMAGEN, S.L. (*)	-	-	-	(691)
PRODUCCIONES MANDARINA, S.L.	231	880	83	437
LA FÁBRICA DE LA TELE, S.L.	2,082	1,173	1,371	747
PUBLIECI TELEVISIÓN, S.A. (*)	536	889	351	703
BIGBANG S.L.	226	-	167	-
TOTAL	**132,141**	**237,417**	**(119,214)**	**(175,821)**

(*) Companies not obliged to undergo audits.

Mediacinco Cartera, S.L. owns 33.3% of the shares of Edam Acquisition Holding I Cooper. U.A. All the shares of this company carry the same rights.

The accounting information related to these companies for 2009 and 2008 is the following:

2009	ASSETS	EQUITY	LIABILITIES	INCOME	PROFIT FOR THE YEAR
			(THOUSANDS EUROS)		
PREMIERE MEGAPLEX, S.A. (1)	53	48	5		2
EDAM ACQUISITION HOLDING I COOPER. U.A.	3,460,100	257,200	3,202,900	1,189,300	(337,800)
PEGASO TELEVISION, INC. (1)	30,370	8,736	21,634	2,446	(12,307)
BIGBANG	2,653	755	1,898	3,980	555
PRODUCCIONES MANDARINA, S.L.	2,369	843	1,526	7,450	304
LA FÁBRICA DE LA TELE, S.L.	15,799	6,940	8,859	22,175	4,564
PUBLIECI TELEVISIÓN, S.A. (1)	1,223	1,065	158	7,948	693

2008	ASSETS	EQUITY	LIABILITIES	INCOME	PROFIT FOR THE YEAR
			(THOUSANDS EUROS)		
PREMIERE MEGAPLEX, S.A. (1)	52	47	5		12
EDAM ACQUISITION HOLDING I COOPER. U.A.	3,750,550	577,580	3,172,970	1,301,100	(639,580)
PEGASO TELEVISION, INC. (**)	54,229	38,542	15,687	4,694	(16,498)
PRODUCCIONES MANDARINA, S.L.	5,415	2,934	2,481	14,744	1,457
LA FÁBRICA DE LA TELE, S.L.	6,505	3,910	2,595	13,553	2,491
PUBLIECI TELEVISIÓN, S.A. (1)	2,695	1,778	917	23,104	1,406

(**) Figures for the period from 1 March 2008 (acquisition date) to 31 December 2008.

(1) Data not subject to audit.

Changes in the investments accounted for using the equity method are described in Note 1 under changes in the consolidation scope.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

Impairment test of equity method investments

Edam Adquisition Holding I Cooperative U.A.

As indicated above, Mediacinco Cartera, S.L. owns a 33% equity interest in the share capital of Edam Acquisition Holding I Cooperative U.A., the parent company of Grupo Endemol, and has no other operating activities.

At year end 2009 the consolidated financial statements reflect the impact of the impairment test performed on the various CGUs (cash generating units) of Grupo Endemol. The impairment test compares their carrying amount at that date with their recoverable value by discounting the cash flows to their present value, based on the best estimates of financial parameters.

The impairment test performed on identified cash generating units at Grupo Edam and reflected in the financial statements of Edam Acquisition Holding Cooperative at 31 December 2009, took into consideration for 2009 the 2010-2013 Business Plan approved by the Company's Board of Directors (for 2008:the 2009-2012 Business Plan) and applied 1%-8% growth rates depending on the country. The results of that test, adjusted for cash generating units producing positive results, represent a negative impact on the consolidated financial statements of Grupo Telecinco in 2009 of EUR 89 million before tax (2008: EUR 123 million).

Pegaso Televisión Inc.

In 2008 the Company acquired an ownership interest in Pegaso Televisión Inc. At year end 2009 this investment's recoverable amount was determined from the market value of the merger with a local operator which has yet to obtain regulatory approval of the American FCC.

At year end 2008 the recoverable amount was determined from the estimated cash flows that this subgroup was expected to generate, taking into consideration the business plan approved by its Parent's Board of Directors on 25 February 2009. Said business plan included future performance assumptions and estimates of relevant financial indicators at the date it was prepared. The discount rate applied to the projected cash flows is in line with the risks inherent in its sector and to that type of business, as is the growth rate used.

10. Other non current financial assets

The following are included under Other non-current financial assets:

	31.12.2009	31.12.2008
INVESTMENTS IN		
KULTEPERALIA, S.L.	492	1,475
ALBA ADRIÁTICA, S.L.	1,500	9,500
OTHER INVESTMENTS	-	75
LONG TERM LOANS	-	226
LONG TERM GUARANTEES	156	263
LOANS TO RELATED COMPANIES	33,302	14,896
OTHER	1,079	642
TOTAL	**36,529**	**27,077**

Investments in other companies

The impairment of these investments is recognised on the separate income statement under Impairment losses at EUR 5,025 thousand in 2009 (2008: EUR 26 thousand).

In 2009 the Parent's ownership interest in Kulteperalia, S.L. and Alba Adriática, S.L. decreased from 15% to 5%. The transfer price was their carrying amounts: EUR 1,000 thousand in the case of Kulteperalia, S.L. and EUR 3,000 thousand for Alba Adriática, S.L. These amounts were offset against balances at 31 December 2009.

At 31 December 2009 the Parent agreed to sell its remaining ownership interest in Kulteperalia, S.L. and Alba Adriática, S.L. The sale is expected to take place in 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

Non-current loans to related companies

In 2008 the Group acquired part of the mezzanine debt of Edam Adquisition Holding I Cooperative U.A. This was acquired from one of the banks from which the Company obtains credit and the acquisition price of EUR 14,735 thousand represented a significant discount on the nominal value of its assets. The loan matures in full in 2017 and it bears interest at market rates. In 2009, additional portions of the mezzanine debt were bought: EUR 4,295 thousand and EUR 4,293 thousand. Second lien debt was also acquired at EUR 5,133 thousand. This debt likewise matures in 2017 at a significant discount in respect of the nominal value of the assets.

Interest accrued in 2009 amounted to EUR 6,281 thousand (2008:EUR 455 thousand).

Implicit interest is also recognised under this heading to recognise the loans at amortised cost. The implicit interest amounts to EUR 4,685 thousand at 31 December 2009.

Holding the investment until maturity would represent internal rates of return for each tranche of 31.07%, 32.57%, 29.68% and 30.71% (2008:35%).

11. Other current assets

The breakdown of Other current assets at December 31, 2009 and December 31, 2008 is as follows:

	31.12.2009	31.12.2008
PREPAID EXPENSES	10,892	4,159
ADVANCE COMMISSIONS	18	6
TOTAL	**10,910**	**4,165**

Prepaid expenses relate mainly to retransmission rights for programs which have yet to be broadcast.

12. Other current financial assets

The breakdown of Other current financial assets at December 31, 2009 and December 31, 2009 is as follows:

	31.12.2009	31.12.2008
SHORT-TERM INVESTMENTS SECURITIES	-	398
LOANS TO ASSOCIATES	5,136	1,822
TOTAL	**5,136**	**2,220**

Loans to associates mainly recognises a loan granted to the associate, Pegaso Inc.

13. Cash and cash equivalents

The breakdown of Cash and cash equivalents at December 31, 2009 and December 31, 2008 is as follows:

	31.12.2009	31.12.2008
CASH ON HAND AND AT BANK	5,487	32,098
CASH EQUIVALENTS	77	794
TOTAL	**5,564**	**32,892**

No restrictions to the availability of balances exist.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

14. Equity

14.1. Share capital

At 31 December 2009 and December 31, 2008 the Company's share capital was represented by 246,641,856 fully subscribed and paid shares of EUR 0.5 par value each, traded by the book-entry system, the shareholder structure being as follows:

	2009	2008
OWNER	% INTEREST	% INTEREST
MEDIASET INVESTIMENTI, S.P.A.	50.1	50.1
CORPORACIÓN DE NUEVOS MEDIOS AUDIOVISUALES, S.L.U. (GR. VOCENTO)	-	5.1
MARKET	48.5	43.5
TREASURY SHARES	1.4	1.3
TOTAL	**100.0**	**100.0**

All the Parent's shares carry the same rights.

Share transfers are governed by Private Television Law 10/1988, of 3 May.

The ultimate parent of the Group is Fininvest Spa, domiciled in Italy.

14.2. Dividends

On 1 April 2009, the shareholders at the Parent's Annual General Meeting resolved to pay a dividend of EUR 210,272 thousand out of the profit for 2008. This dividend was paid in May 2009 and amounted to EUR 0,865 per eligible share.

The dividend distributed in 2008 against 2007 profit was EUR 317,562 thousand. This was paid in May 2008 and represented EUR 1.30 per outstanding share.

14.3. Legal reserve

Under the Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

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

The legal reserve recognised by the Parent has reached the stipulated level, amounts to EUR 24,664 thousand and is recognised under “Other Reserves” in the accompanying consolidated statement of financial position.

14.4. Treasury shares

The treasury shares were acquired to cover the Company's obligations under its share option plans. These plans are detailed in Note 20.

At 31 December 2009, the Company has treasury shares of EUR 60,301 thousand valued at cost (31 December 2008: EUR 57,813 thousand).

The changes in "Treasury Shares" in 2009 and 2008 were as follows:

	EJERCICIO 2009		EJERCICIO 2008	
	NUMBER OF SHARES	AMOUNT(*)	NUMBER OF SHARES	AMOUNT(*)
AT BEGINNING OF YEAR	**3,106,913**	**57,813**	**3,014,813**	**56,469**
INCREASE	445,374	2,921	92,100	1,344
DECREASE	-	-	-	-
AT END OF YEAR	**3,552,287**	**60,734**	**3,106,913**	**57,813**

(*) Amounts in thousands of euros.

At 31 December 2009, the Company shares held by it and by its subsidiaries represented 1.44% of the share capital (31 December 2008: 1.26%).

The average purchase price of the treasury shares in 2009 and 2008 was EUR 6,56 and 14,59 per share, and no shares were disposed of neither in 2009 nor in 2008.

14.5. Minority interests

The detail, by company, of the balance of "Minority Interests" in the consolidated statement of financial position at 31 December 2009 and 2008 is as follows:

	2009			2008		
	MINORITY INTEREST	SEPARATED PROFIT(LOSS) ATTRIBUTABLE TO MINORITY INTERESTS	CONSOLIDATED PROFIT(LOSS) ATTRIBUTABLE TO MINORITY INTERESTS	MINORITY INTEREST	SEPARATED PROFIT(LOSS) ATTRIBUTABLE TO MINORITY INTERESTS	CONSOLIDATED PROFIT(LOSS) ATTRIBUTABLE TO MINORITY INTERESTS
CINEMATEXT MEDIA, S.A.	-	-	-	747	192	-
CINEMATEXT MED. ITALIA S.R.L.	-	-	-	67	13	-
MEDIACINCO CARTERA, S.L.	(5,221)	(21,455)	(17,511)	12,287	(26,960)	(37,524)
TOTAL	**(5,221)**	**(21,455)**	**(17,511)**	**(13,101)**	**(26,755)**	**(37,524)**

Mediaset Investiment S.A.R.L. is the minority partner of Mediacinco Cartera, S.L., to which it has granted a participative loan (Note 16). Accordingly, it has been assigned a negative amount as its minority interest's share.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

15. Long-term provisions

These include provisions made in 2009 and prior years to cover, among other items, contingent risks arising from litigation in progress and unresolved tax assessments.

The changes in long-term provisions in the years ended 31 December 2009 and 2008 were as follows:

2009	BALANCE AT 31.12.08	CHARGE FOR THE YEAR	AMOUNT USED	AMOUNTS REVERSED	TRANSFER	BALANCE AT 31.12.09
PROVISION FOR CONTINGENCIES AND CHARGES	43,802	14,795	(2,323)	(10,352)	(24,602)	21,320
OTHER PROVISION FOR CONTINGENCIES	-	-	-	-	-	-
LONG-TERM PROVISIONS	**43,802**	**14,795**	**(2,323)**	**(10,352)**	**(24,602)**	**21,320**

2009	BALANCE AT 31.12.08	CHARGE FOR THE YEAR	AMOUNT USED	AMOUNTS REVERSED	TRANSFER	BALANCE AT 31.12.09
PROVISION FOR LIABILITIES AND CHARGES	61,484	14,072	(7,376)	(24,378)	-	43,802
OTHER PROVISION FOR CONTINGENCIES	28,607	-	-	-	(28,607)	-
LONG-TERM PROVISIONS	**90,091**	**14,072**	**(7,376)**	**(24,378)**	**(28,607)**	**43,802**

Provision for liabilities and charges

The provisions for contingencies and charges relate mainly to contingencies arising from unresolved litigation.

Since 2001 the Company has recognised provisions for litigation with collection societies, which have either filed suits against the Company claiming amounts for the purported use of their respective rights catalogues or have made claims, by any means, for payment of their respective fees.

The Group has reached agreements with some of these societies. This fact motivates the application of provision in prior years. Other suits are still pending in various jurisdictions, either because the Company does not recognise the right being claimed, or because claims are being made for fees in relation to differing degrees of usage of their respective catalogues. In this case the Group has allocated a provision, included under this heading, based on reasonable estimates of the amounts involved. The provision has been reclassified to current as this matter is expected to be resolved in 2010 (Note 17).

The provisions for liabilities and charges also include other amounts to cover probable contingencies based on a reasonable estimate of the amounts involved, mainly a tax provision for assessments signed in disagreement by the Parent (Note 18.2)

The Group's legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the financial statements for the years in which they are settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

On 29 June 1995, the Spanish tax authorities initiated a tax audit of the Parent and Publiespaña covering the following taxes and years:

ITEM(S)	PERIOD
INCOME TAX	1989-90-91-92-93
VALUE ADDED TAX	1990-91-92-93-94
PERSONAL INCOME TAX WITHHOLDINGS AND PREPAYMENTS	1990-91-92-93-94
WITHHOLDINGS FROM INCOME FROM MOVABLE CAPITAL	1990-91-92-93-94
ANNUAL STATEMENT OF TRANSACTIONS WITH THIRD PARTIES	1989-90-91-92-93
NON-RESIDENT INCOME TAX (FORM 210)	1990-91-92-93-94
TRANSFER TAX	1990-91-92-93-94
GAMING TAX	1992-93-94-95

Subsequently, the inspection period was extended to include 1995 for all the aforementioned taxes, which were not originally to be inspected for that year.

Between December 1996 and February 1997, the audits and inspection were carried out. Following the audits and inspection, €13,373 thousand in penalties was assessed. The Company signed the assessments in disagreement and filed the relevant appeals.

At the date the 2008 financial statements were prepared, the Group had not received the assessment signed in disagreement which would be added to those initially corresponding to 1995 income tax. Consequently, at that time the definitive amounts which might arise from these contingencies were not known.

In a decision dated 19 April 2007, handed down in case file number 15/2005, Section One of Criminal Court of the National Court of Justice ruled on the case arising from Summary Proceedings 262/1997 of Central Magistrate Court No. 5, for tax offenses and misrepresentations related to various companies, including Gestevisión Telecinco, S.A. and Publiespaña, S.A.U., in which these companies were named as being parties jointly and severally liable to a secondary degree.

In its decision, the National Court of Justice absolved all of the parties accused and affirmed that none of the events under investigation constitutes an offense. Nevertheless, this ruling was appealed by the Prosecutor's Office.

On 23 June 2008, the Second Court in Criminal Matters of the National Appellate Court rejected Appeal 1701/2007 before the Supreme Court filed the Prosecutor's Office against the aforementioned ruling of the National Court of Justice, upholding the acquittal handed down in the previous instance.

In June 2009 the corresponding notifications were received from the tax authorities confirming the aforementioned acquittal as ruled by the National Court of Justice; hence the Group reversed the current provisions of EUR 29,612 thousand (Note 17).

Following the serving of notice on 1 September 2008, the Spanish tax authorities began the review and inspection with regard to the following items and periods for the consolidated tax group Gestevisión-Telecinco:

ITEM(S)	PERIOD
INCOME TAX	2004 to 2007
VALUE ADDED TAX	07/2004 to 12/2007
TAXES WITHHELD ON ACCOUNT FROM NON-RESIDENTS	07/2004 to 12/2007
GAMING TAX: BETS AND PROMOTIONAL DRAWS	09/2004 to 05/2008
TAXES ON GAMES OF LUCK, BETS OR CHANCE: RAFFLES AND TOMBOLAS	09/2004 to 05/2008
DECLARATION OF ANNUAL TRANSACTIONS	2004 to 2007
SUMMARY DECLARATION OF DELIVERIES AND ACQUISITIONS OF INTRA-EU GOODS	2004 to 2007

On 26 June 2009 and 24 July 2009 the tax authorities sent the company the tax assessment settlements. These were signed in disagreement. Consequently, the provisions were adjusted in light of the assessments raised by EUR 2,091 thousand and EUR 3,543 thousand and guarantees were deposited for these amounts. (Notes 15 and 19).

Thousands of euros

Other provisions

Most of the amount reversed and the provision applied in 2008 relates to the agreement signed with AGEDI (Spanish Association for the Management of Intellectual Property Rights) which settled the dispute regarding the use of sound recordings and payment for such use.

16. Other Non-current liabilities

The breakdown of Other non-current liabilities is as follows:

	BALANCE AT 31.12.09	BALANCE AT 31.12.08
LOANS TO RELATED COMPANIES	60,074	58,790
ADVANCES RECEIVED ON LOANS	667	1,020
BANK BORROWINGS	29,931	-
OTHER PAYABLES	264	220
TOTAL	**90,936**	**60,030**

Loans to related companies

This includes the loan granted by Mediaset Investment, S.R.L.A. to Mediacinco Cartera, S.L. in 2007, which has a single and final maturity date i.e., 30 June 2012. This loan was granted to finance the acquisition of a 33% ownership interest in Edam Acquisition Holding I Cooperative U.A. It bears interest at Euribor plus 1%. On 30 June 2009, a portion of the balance payable to Mediaset Investment, S.R.L.A. was converted into a participative loan. The portion converted was EUR 27.5 million. The new loan matures on the same date as the original loan and interest payments were linked to the borrower's business performance.

The interest accrued in 2009 on this loan was EUR 1,284 thousand. In 2008 the interest accrued was EUR 3,487 thousand.

Bank borrowings

Two bank loans are recognised under this heading, which mature in 2011 and bear interest at Euribor plus a market spread in keeping with the borrower's solvency.

These loans offer a maximum credit limit of EUR 50 million.

17. Short-term provisions

This detail of “Short-Term Provisions” is as follows:

	BALANCE AT 31.12.09	BALANCE AT 31.12.08
PROVISIONS FOR SALES VOLUME REBATES	27,226	37,218
PROVISIONS FOR CONTINGENCES	30,244	31,351
TOTAL	**57,470**	**68,569**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The current provisions for liabilities were considerably reduced in 2009. This was due in part to the favourable ruling on the tax-related proceedings (explained in Note 18.2), which led to the reversal of the provision of EUR 29.612 thousand set aside for said proceedings. The reversal is recognised under Other expenses on the separate income statement Note 22.4).

In addition, the portion of the amounts provisioned for matters which are expected to be resolved in 2010 (Note 15) are recognised in this heading.

In 2009, 3% of the Parent's gross operating income billed from September to December has been set aside pursuant to Law 8/2009 on the financing of Radio Televisión Española.

18. Tax matters

18.1. Consolidated Tax Group

Pursuant to current legislation, the Consolidated Tax Group includes Gestevisión Telecinco, S.A., as the Parent, and the Spanish subsidiaries that meet the requirements provided for in Spanish legislation regulating the taxation of the consolidated profits of corporate groups.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

18.2. Years open to tax inspection

Under prevailing tax regulations, tax returns may not be considered final until they have either been inspected by tax authorities or until the four-year inspection period has expired.

Once the Spanish Tax Authorities' Tax and Customs Control Department of the Central Office of Major Tax Payers had performed its verifications and investigations in 2009, the Group has the following items and years open to inspection:

ITEM (S)	YEARS
INCOME TAX	2008 to 2009
VALUE ADDED TAX	2008 to 2009
WITHHOLDINGS, NON-RESIDENT INCOME TAX	2008 to 2009
TAXES ON GAMES OF LUCK, BETTING, AND CHANCE: RAFFLES AND TOMBOLA	06/2008 to 2009
ANNUAL TRANSACTION STATEMENT	2008 to 2009
CONSOLIDATED STATEMENT OF INTRA-REGIONAL DELIVERY AND ACQUISITION OF ASSETS	2008 to 2009

The Group has the last four years open to inspection of all other applicable taxes. Based on the best interpretation of current legislation, the Parent’s directors and tax advisors consider that in the event of a tax inspection, no significant tax contingencies would arise as a result of varying interpretations of the tax legislation applicable to the Group’s transactions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

18.3. Balances relating to Public Authorities

The breakdown of balances relating to Public Authorities is as follows:

	BALANCE AT 31/12/09	BALANCE AT 31/12/08
VALUE ADDED TAX LIABILITY	6,093	10,748
PERSONAL INCOME TAX WITHHOLDINGS	2,087	2,451
PAYABLE TO SOCIAL SECURITY	1,176	1,197
OTHER PUBLIC ENTITIES	280	464
PAYABLE TO TAX AUTHORITIES	9,636	14,860

	BALANCE AT 31/12/09	BALANCE AT 31/12/08
DEFERRED TAX ASSETS	108,215	26,309
INCOME TAX RECEIVABLE	5,660	41,698
VAT RECEIVABLE	2,434	10,672
OTHER TAX RECEIVABLES	5	3,094
RECEIVABLE FROM TAX AUTHORITIES	2,439	13,766

18.4. Income tax reconciliation

The reconciliation of net income and expenses for the year with tax results is as follows:

	2009	2008
CONSOLIDATED INCOME STATEMENT		
CURRENT INCOME TAX		
- CURRENT INCOME TAX EXPENSE	7,051	29,875
DEFERRED TAX LIABILITIES		
- RELATING TO INCREASES AND DECREASES IN TEMPORARY DIFFERENCES	(31,189)	(6,750)
	(24,138)	**23,125**

	2009	2008
CONSOLIDATED PROFIT BEFORE TAX	2,849	207,650
TAX RATE	855	62,296
PERMANENT DIFFERENCES	1,462	(18,034)
TAX CREDITS AND REBATES	(26,455)	(21,137)
	(24,138)	**23,125**

In 2009 and 2008, the Group has not allocated to consolidated equity any amount that would have a tax effect.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

18.5. Reconciliation of rates

The reconciliation of the statutory tax rate in force in Spain to the effective tax rate applicable to the Group is as follows:

	2008
TAX RATE IN SPAIN	**30.00**
INVESTMENT TAX CREDITS	(7.08)
MOVEMENTS IN EQUITY OF EQUITY CONSOLIDATED COMPANIES	(9.58)
OTHER	(2.20)
EFFECTIVE TAX RATE	**11.14**

For 2009 the reconciliation of the statutory tax rate to the effective rate has not been performed since the latter was negative due to the utilisation of tax credits.

18.6. Deferred taxes

The tax effect was calculated by applying the applicable tax rate in the year each item was generated to the corresponding amount, adjusted for the effect of the change in tax legislation in the current year, if necessary.

	BALANCE AT 31.12.09	BALANCE AT 31.12.08
DEFERRED TAX ORIGINATING FROM:		
PROVISION FOR ASSET IMPAIRMENT	3,367	5,496
PROVISION FOR LITIGATION	7,183	7,754
OTHER PROVISIONS	77,994	6,680
DEDUCTIONS PENDING APPLICATION	19,671	6,379
TOTAL DEFERRED TAX ASSETS	**108,215**	**26,309**

The unused tax credits mainly relate to tax credits for investments in film productions. The majority were generated in 2009. These tax credits may be used over the next 10 years.

Other relates mainly to the temporary difference generated by the impairment of the investee Edam Acquisition Holding I Cooperative U.A.

The Group estimated the taxable profits which it expects to obtain over the next five fiscal years (period for which it considers the estimates to be reliable) based on budgeted projections. It has likewise analysed the reversal period of taxable temporary differences. Based on this analysis, the Group has recognised deferred tax assets for tax credits and deductible temporary differences which it considers probable will be recoverable in the future.

In 2009 the Group has transferred approximately EUR 50 million from current assets - Income tax current assets to non-current asses - Deferred tax assets due to the reclassification of the impairment of Edam Acquisition Holding I Cooperativa U.A.

19. Guarantee commitments to third parties

The breakdown, by nature, of the guarantees provided and received at 31 December 2009 and 31 December 2008 are as follows:

NATURE OF GUARANTEE	31.12.2009 (THOUSANDS OF EUROS)	31.12.2008 (THOUSANDS OF EUROS)
GUARANTEES PROVIDED		
SURETY BONDS FOR CONTRACTS, CONCESSIONS AND TENDERS	46,726	10,990
PAYMENTS INTO COURT	364	340
	47,090	**11,330**
GUARANTEES RECEIVED	**26,515**	**40,916**

19.1. Guarantees provided

The first category of guarantees includes EUR 6,010 thousand securing the performance of the obligations arising from the concession to indirectly manage the television service, in accordance with Law 107/1988, of 3 May, and the General Secretariat of Communications Resolution dated 25 January 1989. This concession was renewed for a further ten years by the decision of the Spanish Cabinet on 10 March 2000, made public through a General Secretariat of Communications Resolution of that same date and published in the Official State Gazette on 11 March 2000.

The Group has provided guarantees totalling EUR 482 thousand to the Directorate-General for the Development of the Information Society (Ministry of Science and Technology, now the Ministry of Industry and Tourism) for an indefinite period of time to secure the repayable advances granted by that Directorate-General as aid for research and development in the following projects:

- Research and development of new tools for technological advancement in production processes in digital television.
- Research and development of an information system to manage contracts with electronic signature, security and contingency plans.

The breakdown of the guarantees deposited with the tax authorities is as follows:

- A 3,543 thousand euro guarantee deposited with the Tax and Customs Control Department due to the appeal against the tax settlement agreement notified to the Group by said department on 24 July 2009 and which confirms the proposal given in the assessment from the tax inspection dated 1 September 2008. The tax inspection included verification of income tax for 2004, 2005, 2006 and 2007 (Note 18.2).
- A second guarantee of EUR 2,091 thousand was deposited with the Tax and Customs Control Department due to the appeal against the tax settlement agreement of which the Department notified the Group on 26 June 2009 and which confirmed the proposal given in the assessment from the tax inspection dated 1 September 2008. The tax inspection included the verification of the gaming tax in respect of bets and promotional draws, as well as raffles and tombolas from September 2004 up to and including May 2008 (Note 18.2).

The Group has deposited EUR 34.9 million in guarantees required for its commercial activity.

19.2. Guarantees received

Under the Group's advertising contracting procedures, deferred sales must be accompanied by performance bonds. The amount of the guarantees received in this connection at 31 December 2009 and 31 December 2008 is shown in the preceding table.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

20. Share-based payment plan

At 31 December 2009, as described below, the Group has five valid share option plans which it has granted to certain employees. The last share option plan was approved in 2009.

All the approved plans that remain in effect have a three-year accrual period and the given strike price, and, if applicable, are exercised through the delivery of the shares.

The most relevant assumptions used in the measurement are as follows:

	2005 PLAN	2006 PLAN	2007 PLAN	2008 PLAN	2009 PLAN
STRIKE	19.70	18.57	20.82	8.21	6.29
YIELD ON THE SHARE (DIVIDEND YIELD)	6%	6%	6%	10%	5%
VOLATILITY	22.5%	22.5%	22.5%	27.5%	30%

The services received from employees in exchange for the share options granted are charged to the separate income statement at fair value calculated on the date granted. An expense of EUR 987 thousand was recognised for share options in 2009 (2008: EUR 2,182 thousand) (Note 22.2).

These share-based payment schemes in 2009 are shown in the following table (in any case, the granting conditions approved by the Board of Directors have been met):

	NO. OF OPTIONS	STRIKE PRICE	ASSIGNMENT DATE	FROM	TO
PLANS OUTSTANDING AT 31 DECEMBER 2005	**1,483,500**	**19.70**	2005	27/07/2008	26/07/2010
OPTIONS GRANTED	1,733,150	18.57	2006	26/07/2009	25/07/2011
OPTIONS CANCELLED	(263,000)	19.70	2005		
PLANS OUTSTANDING AT 31 DECEMBER 2006	**2,953,650**				
OPTIONS GRANTED	1,153,650	20.82	2007	25/07/2010	24/07/2012
OPTIONS CANCELLED	(89,500)	19.70	2005		
	(105,500)	18.57	2006		
	(18,000)	20.82	2007		
PLANS OUTSTANDING AT 31 DECEMBER 2007	**3,894,300**				
OPTIONS GRANTED	590,325	8.21	2008	30/07/2011	29/07/2013
OPTIONS CANCELLED	(94,500)	19.70	2005		
	(111,500)	18.57	2006		
	(57,000)	20.82	2007		
PLANS OUTSTANDING AT 31 DECEMBER 2008	**4,221,625**				
OPTIONS GRANTED	319,163	6.29	2009	29/07/2012	28/07/2014
OPTIONS CANCELLED	(30,000)	19.70	2005		
	(36,000)	18.57	2006		
	(36,000)	20.82	2007		
	(18,000)	8.21	2008		
PLANS OUTSTANDING AT 31 DECEMBER 2009	**4,420,788**				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

21. Financial Instruments

21.1. Derivatives

The Group uses financial instruments to hedge the foreign currency risks relating to purchases of audiovisual property rights in the year and, when necessary, to hedge those related to commercial transactions with customers, which are recognised in the consolidated statement of financial position.

The breakdown, by maturity, of the notional amounts of derivatives outstanding at the Group at 31 December 2009 is as follows:

AMOUNT IN USD				
2009	NOTIONAL AMOUNT/ MATURITY UP TO ONE YEAR	DOLLARS	YEAR - END (€/$) EXC. RATE	FAIR VALUE
PURCHASE OF UNMATURED CURRENCY:				
PURCHASE OF DOLLARS IN EUROS	8,664	11,975	1.382	337
SALES OF DOLLARS IN EUROS	(31)	(41)	1.288	(3)
NET	8,633	11,934		334

The breakdown, by maturity, of the notional amounts of derivatives outstanding at the Group at 31 December 2008 is as follows:

AMOUNT IN USD				
2008	NOTIONAL AMOUNT/ MATURITY UP TO ONE YEAR	DOLLARS	YEAR - END (€/$) EXC. RATE	FAIR VALUE
PURCHASE OF UNMATURED CURRENCY:				
PURCHASE OF DOLLARS IN EUROS	3,053	4,598	1.506	262

The foreign currency derivatives associated with the property rights are measured at the difference between the present value of the quoted foreign currency hedge at the forward exchange rate in the contract and the value of the quoted foreign currency hedge at year end.

21.2. The classification of financial assets and liabilities per the categories established in IAS would be as follows:

	EQUITY INSTRUMENTS		DEBT SECURITIES		LOANS, DERIVATIVES AND OTHER FINANCIAL ASSETS		TOTAL	
(THOUSANDS OF EUROS)	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
NON-CURRENT FINANCIAL ASSETS								
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS								
HELD FOR TRADING	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-
HELD-TO-MATURITY INVESTMENTS	-	-	-	-	-	-	-	-
LOANS AND RECEIVABLES	-	-	-	-	34,537	16,082	34,537	16,082
AVAILABLE-FOR-SALE FINANCIAL ASSETS								
MEASURED AT FAIR VALUE	1,992	10,995	-	-	-	-	1,992	10,995
MEASURED AT COST	-	-	-	-	-	-	0	0
HEDGING DERIVATIVES	-	-	-	-	-	-	-	-
TOTAL	**1,992**	**10,995**	**-**	**-**	**34,537**	**16,082**	**36,529**	**27,077**
CURRENT FINANCIAL ASSETS								
ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS								
HELD FOR TRADING	-	-	-	-	-	-	-	-
OTHER	-	-	-	-	-	-	-	-
HELD-TO-MATURITY INVESTMENTS	-	-	-	-	-	-	-	-
LOANS AND RECEIVABLES	-	-	-	-	187,135	241,957	187,135	241,957
AVAILABLE-FOR-SALE FINANCIAL ASSETS							0	0
MEASURED AT FAIR VALUE	-	398	-	-	-	-	-	398
MEASURED AT COST	-	-	-	-	-	-	-	0
HEDGING DERIVATIVES	-	-	-	-	3	262	3	262
TOTAL	**-**	**398**	**-**	**-**	**187,138**	**242,219**	**187,138**	**242,617**
TOTAL	**1,992**	**11,393**	**-**	**-**	**221,676**	**258,301**	**223,668**	**269,694**

These financial assets are classified in the statement of financial position as follows:

	2009	2008
NON-CURRENT FINANCIAL ASSETS	36,529	27,077
ACCOUNTS RECEIVABLE	182,003	240,397
OTHER CURRENT FINANCIAL ASSETS	5,136	2,220
	223,668	**269,694**

At 31 December 2009 and 2008 the only financial instruments the Group measured at fair value are those relating to its equity investments held in Alba Adriática, S.L. and Kulteperalia, S.L. (Note 10). The fair value of these financial assets at 31 December 2009 was calculated on the basis of the sale agreement for these investments (Note 10).

	BANK BORROWINGS		BONDS AND OTHER MARKETABLE DEBT SECURITIES		PAYABLES, DERIVATIVES AND OTHER FINANCIAL ASSETS		TOTAL	
(THOUSANDS OF EUROS)	2009	2008	2009	2008	2009	2008	2009	2008
NON-CURRENT FINANCIAL LIABILITIES								
TRADE AND OTHER PAYABLES	29,930				61,005	60,030	90,936	60,030
LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS								
HELD FOR TRADING	-	-	-	-	-	-	-	-
DERIVATIVES	-	-	-	-	-	-	-	-
TOTAL	**29,930**	**-**	**-**	**-**	**61,005**	**60,030**	**90,936**	**60,030**
PASIVOS FINANCIEROS A CORTO PLAZO								
TRADE AND OTHER PAYABLES	75,637				195,722	192,997	271,359	192,997
LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS								
HELD FOR TRADING	-	-	-	-	-	-	-	-
DERIVATIVES	-	-	-	-	337	-	337	-
TOTAL	**75,637**	**-**	**-**	**-**	**196,059**	**192,997**	**271,696**	**192,997**
TOTAL	**105,567**	**-**	**-**	**-**	**257,064**	**253,027**	**362,631**	**253,027**

Bank borrowings relates to the amounts drawn on credit facilities granted to the Group. They bear market rate interest. At 31 December 2009, the Group's undrawn credit amounted to EUR 222,611 thousand. This amounts to a considerable increase in its available working capital at 31 December 2009. The interest accrued on these loans in 2009 amounted to EUR 1,275 thousand.

These financial liabilities are classified in the statement of financial position as follows:

	2009	2008
OTHER NON-CURRENT LIABILITIES (NOTE 16)	90,936	60,030
PAYABLE TO RELATED PARTIES (NOTE 24)	22,416	43,014
ACCOUNTS PAYABLE FOR PURCHASES AND SERVICES	102,570	88,044
ACCOUNTS PAYABLE FOR AUDIOVISUAL RIGHTS	50,485	23,080
OTHER NON-TRADE PAYABLES	96,224	38,859
TOTAL	**362,631**	**253,027**

There are no significant differences between the fair value and the net carrying amounts of financial assets and liabilities at 31 December 2009 and 2008.

The maturity of the principal financial instruments is as shown in the following table (in thousands of euros):

2009	BALANCE	MATURITIES			
		3 MONTHS	6 MONTHS	12 MONTHS	30 MONTHS
PAYABLE FOR PURCHASES OR RENDERING OF GOODS OR SERVICES	102,570	99,457	2,556	557	-
PAYABLES FOR PURCHASES OF AUDIOVISUAL RIGHTS	50,485	50,207	17	261	-
BANK BORROWINGS	75,637	13,177	12,468	44,838	5,154
PAYABLES FOR ACQUISITION OF ASSETS	1,233	1,057	176	-	-
TOTAL	**229,925**	**163,898**	**15,217**	**45,656**	**5,154**

2008	BALANCE	MATURITIES			
		3 MONTHS	6 MONTHS	12 MONTHS	30 MONTHS
PAYABLE FOR PURCHASES OR RENDERING OF GOODS OR SERVICES	88,044	83,997	2,860	135	1052
PAYABLES FOR PURCHASES OF AUDIOVISUAL RIGHTS	23,080	22,239	841	-	-
PAYABLES FOR ACQUISITION OF ASSETS	3,174	3,061	113	-	-
TOTAL	**114,298**	**109,297**	**3,814**	**135**	**1,052**

The maturities of the borrowings from related parties are shown in detail in Note 24.1.

21.3. Capital management policy

The Group's capital management policy is focused on securing a return on investment for shareholders that maximises the profitability of their contribution to the company thereby making the Company a highly attractive investment vehicle for the market. The capital structure of the company places it in an excellent position as a result of its significant capacity to generate positive cash flows, even in the current markets condition.

21.4. Risk management policy

To efficiently manage the risks to which the Telecinco Group is exposed, certain control and prevention mechanisms have been designed and implemented, led by the senior executives of the Group in the Audit Committees. These mechanisms have been put into place in the corporate governance rules and have been applied throughout the Group.

The measures adopted by the Group to manage risks can be classified into three main categories and were designed to cover exposure to credit risk, liquidity risk and market risk.

21.4.1. Credit risk

Credit risk exists when a potential loss may arise from the Company's counterparty not meeting its contractual obligations, i.e., the possibility that financial assets will not be recovered at their carrying amount within the established timeframe.

The Group maximum exposure to credit risk at December 31, 2009 and December 31, 2008 was as follows:

	2009	2008
	THOUSANDS OF EUROS	THOUSANDS OF EUROS
NON-CURRENT RECEIVABLES	34,537	16,107
NON-CURRENT FINANCIAL INVESTMENTS	1,992	10,970
TRADE AND OTHER RECEIVABLES	179,415	239,159
CURRENT RECEIVABLES FROM GROUP COMPANIES AND ASSOCIATES	2,587	1,238
CURRENT INVESTMENTS	5,136	2,220
CASH AND CASH EQUIVALENTS	5,564	32,892
TOTAL	**229,231**	**302,586**

Receivables from public authorities are not included in the above table as it is considered that there is no credit risk associated with these.

For the purposes of credit risk Group management differentiates between financial assets arising from operations and those arising from investments.

21.4.2 Operating activities

Most of the operating activities of the Group consist of advertising revenues.

Group management has developed a policy whereby credit limit by customer type and authorisation levels in order to approve transactions are established.

The financial assets considered as part of the operating activities are trade receivables for sales and services.

From a business standpoint, the Group considers the advertisers to be the end customer; none of these represents significant business revenue in terms of the Group's total turnover. It is standard sector practice to use media agencies as intermediaries between advertisers and the television channel offering the advertising space. The risk of concentration of balances with these intermediaries is broken down below:

	2009		2008	
THOUSANDS OF EUROS	TOTAL AMOUNT	NO. OF CUSTOMERS	TOTAL AMOUNT	NO. OF CUSTOMERS
FROM 0 TO 100	9,657	850	8,048	695
FROM 100 TO 200	7,359	53	6,082	45
FROM 200 TO 500	10,110	34	9,091	28
FROM 500 TO 1,000	15,053	21	8,341	12
OVER 1,500	145,004	22	147,822	24
TOTAL	**187,183**	**980**	**179,384**	**804**
PROVISIONS	(15,960)		(15,604)	
INPORTE NETO	**171,223**	**980**	**163,780**	**804**

These balances all mature within less than 12 months.

The Group constantly monitors the age of its debt, and there were no risk situations at year-end.

21.4.3. Investing activities

The financial assets considered as investment activity are non-current loans (Note 10), non-current financial investments (Note 10) and current financial investments (Note 12). Notes 10 and 12 provide information on the concentration of this risk and the related maturities.

A Financial Risk Management Procedures Manual sets forth the general criteria governing investments of the Group's Treasury surpluses, which, in broad terms, are as follows:

- The investments are made with institutions (whether domestic or foreign) of recognized financial solvency;
- The investments are placed in conservative products (bank deposits, debt repos, etc.) on which, in general, the repayment of the invested capital is guaranteed.
- Authorizations for the corresponding investments are limited by the powers granted to the group's senior executives and, in any event, are highly restricted (according to the amount, the Board Members, General Management and Operations Director, Financial Director)
- Under ordinary circumstances, the longest term is three months and the investments usually offer automatically available funds.

21.4.4. Liquidity risk

The Company's financial structure is at a low liquidity risk, given the low level of financial leveraging and the high levels of operating cash flows generated each year.

Liquidity risk would result from the Group having insufficient funds or access to sufficient funds at an acceptable cost to meet its payment obligations at all times. The Group's objective is to maintain sufficient available funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The Group's policies establish the minimum liquidity levels required at all times:

- Excess liquidity may only be invested in certain types of assets (see previous section on credit risk/investment activities) the liquidity of which is guaranteed.
- The amount of the Group's revolving credit lines ensures that the Group is able to meet its operating needs as well as finance new short-term investment projects. At year-end 2008, the opening credit lines total 218 million euros. At the year-end 2009, the opening credit lines total 348 million euros. Given the difficult market situation, these credit lines have been contracted under very competitive financial conditions, which strengthen the financial sector's perception that the Group is creditworthy and sound.

21.4.5. Market risk

Given the nearly complete absence of financial debt, there are no financial risks associated with interest-rate movements. Nevertheless, and for illustrative purposes, the Group has conducted a test to determine the sensitivity of the Group's cash surpluses to certain modifications in interest rates.

The following assumption was used: beginning with our year-end cash surpluses, and taking the 1-month Euribor at December31 as the benchmark, we applied a variation of +100 basis points -30 basis points.

The sensitivity test shows that the impact of variations on the interest rates applied to the cash surpluses at December 31 would, in any event, not be significant and would exclusively affect the amount of financial income.

	REFERENCE RATE (%)	CASH SURPLUSES	ANNUAL INTEREST	100 B.P.	ANNUAL INTEREST	-30 B.P.	-100 B.P.	ANNUAL INTEREST
31-12-09	0.5%	-156,005	-707	1.453	-2,267	0.153	-	-239
31-12-08	2.6%	-25,852	-673	3.603	-931	-	1.603	-414

21.4.6. Sensitivity analysis and estimates of the impact of changes in exchange rates on the separate income statement

The financial instruments exposed to EUR/USD exchange-rate risk, mainly consisting of future currency-purchase agreements, have undergone a sensitivity test at the statement of financial position date.

The exposed statement of financial position value of these financial instruments was corrected by applying a symmetrical percentage change, equal to the 1-year implicit volatility of the currency in question published by Reuters (13,2% for 2009 and 19.5% for 2008), to the year-end exchange rate.

The sensitivity test shows that the variations on the year-end exchange rate would have had an impact on the Separate Income Statement account that, in any event, is not significant.

31/12/2009			31/12/2008		
USD	EXC. RATE	DIFFERENCES	USD	EXC. RATE	DIFFERENCES
11,934	1.4406	-334	4,598	1.3917	262
SENSITIVITY TEST					
11,934	1.2501	926	4,598	1.1203	1,058
11,934	1.6311	-1,299	4,598	1.6631	-274

Thousands of euros

22. Income and expenses

22.1. The detail of the Group's ordinary revenue is as follows:

	2009	2008
ACTIVITY		
PUBLIESPAÑA GROUP ADVERTISING REVENUE	589,791	892,558
OTHER ADVERTISING REVENUE	355	804
REVENUE FROM THE RENDERING OF SERVICES	32,948	33,676
OTHER	10,461	11,754
TOTAL	**633,555**	**938,792**

These consolidated financial statements do not provide a breakdown of revenue by business segment because the Group does not have significant differentiated business or geographical segments.

22.2. The detail of "Staff Costs" in 2009 and 2008 is as follows:

	2009	2008
WAGES AND SALARIES	64,279	72,016
ACCRUED SHARE-BASED PAYMENT COSTS (NOTE 20)	987	2,182
SOCIAL SECURITY COSTS	11,979	12,350
EMPLOYEE BENEFIT COSTS	2,296	2,670
TOTAL	**79,541**	**89,218**

The average number of employees at the Group, by professional category, was as follows:

	2009		2008	
	MEN	WOMEN	MEN	WOMEN
MANAGERS	70	30	74	30
SUPERVISORS	28	45	33	49
OTHER LINE PERSONNEL	47	68	48	65
CLERICAL STAFF	439	381	452	386
OTHER	21	2	25	3
EMPLOYEES UNDER CONTRACTS FOR PROJECT WORK OR SERVICES	2	6	8	11
TOTAL EMPLOYEES	**607**	**532**	**640**	**544**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The breakdown of personnel by gender and by professional category at 31 December is as follows:

	2009		2008	
	MEN	WOMEN	MEN	WOMEN
MANAGERS	68	30	71	27
SUPERVISORS	29	42	32	49
OTHER LINE PERSONNEL	424	366	446	390
CLERICAL STAFF	46	69	48	69
OTHER	21	2	22	1
EMPLOYEES UNDER CONTRACTS FOR PROJECT WORK OR SERVICES	3	7	2	6
TOTAL EMPLOYEES	**591**	**516**	**621**	**542**

22.3. The detail of "Change in Operating Provisions" at the statement of financial position date, which relates to the allowance for doubtful debts, is as follows:

	2009	2008
CHARGE FOR THE YEAR	3,324	2,450
LOSSES ON UNCOLLECTIBLE RECEIVABLES	-	1
AMOUNTS USED	(2,929)	(555)
TOTAL	**395**	**1,895**

22.4. The breakdown of "Other expenses" in 2009 and 2008 is as follows:

	2009	2008
OTHER EXPENSES	145,394	162,052
OVERPROVISIONS	(42,545)	(7,179)
TOTAL	**102,849**	**154,873**

Overprovisions mainly includes the reversal of the provisions explained in Notes 15 and 17.

22.5. Services provided by the auditors

"Other operating expenses" in the accompany consolidated income statement includes the fees for the audit of the Group's financial statements in 2009, conducted by Ernst & Young, S.L., amounting to €171 thousand and €168 thousand in 2008.

The fees for other professional services provided exclusively to the Parent by the principal auditor amounted to €74 thousand at December 31, 2009 corresponding to audit-related services. At December 31, 2008, fees for other professional services amounted to €209 thousand, of which correspond to audit-related services.

22.6. The detail of the Group's net finance income in 2009 and 2008 is as follows:

	2009	2008
INTEREST INCOME	8,335	4,596
LESS INTEREST EXPENSES	(5,240)	(7,651)
TOTAL	**3,095**	**(3,055)**

Finance income arises mainly from the interest on loans to related parties and interest earned from banks.

Finance expenses arise from the interest on associates' loans and the interest on credit facilities.

22.7. Exchange differences

The detail of the exchange differences in 2009 and 2008 is as follows:

	2009	2008
EXCHANGE GAINS	292	509
EXCHANGE LOSSES	(186)	(851)
TOTAL	**106**	**(342)**

The foreign currency transactions, which related to the acquisition of audiovisual property rights and distribution rights, amounted to USD 26 million in 2009 (2008: USD 24 million).

In addition, the balance of the trade payables for purchases of audiovisual property rights includes EUR 9,303 thousand denominated in US dollars in 2009 (2008: EUR 3,300 thousand).

Trade receivables for sales and services includes EUR 102 thousand denominated in US dollars in 2009 (2008: EUR 1,763 thousand).

22.8. Operating leases

The detail of “Operating Leases” in 2009 and 2008 is as follows:

	2009	2008
	THOUSANDS OF EUROS	
MINIMUM LEASE PAYMENTS UNDER OPERATING LEASES RECOGNISED IN PROFIT OR LOSS	440	1.486
TOTAL	**440**	**1.486**

The future operating lease obligations assumed by the Group fall due at one year and are for amounts similar to those for 2008.

23. Earnings per share

The calculation of the weighted average number of shares outstanding and diluted at 31 December 2009 and 2008 is as follows:

	31.12.09	31.12.08
TOTAL SHARES ISSUED	**246,641,856**	**246,641,856**
LESS: TREASURY SHARES	(3,520,562)	(3,102,765)
TOTAL SHARES OUTSTANDING	243,121,294	243,539,091
DILUTIVE EFFECT OF SHARE OPTIONS AND FREE DELIVERY OF SHARES	(319,163)	-
TOTAL NUMBER OF SHARES FOR CALCULATING DILUTED EARNINGS PER SHARE	242,802,131	243,539,091

23.1. Basic earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss attributable to the Group by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	31.12.09	31.12.08	CHANGE
NET PROFIT FOR THE YEAR (THOUSANDS OF EUROS)	48,442	211,279	(162,837)
NUMBER OF SHARES OUTSTANDING	243,121,294	243,539,091	(417,797)
BASIC EARNINGS PER SHARE (EUROS)	**0.20**	**0.87**	**(0.67)**

23.2. Diluted earnings per share:

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to ordinary shareholders adjusted for the effect attributable to the dilutive potential ordinary shares by the weighted average number of ordinary shares outstanding in the year, adjusted by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares of the Company. For these purposes, the conversion is deemed to take place at the beginning of the year or on the date of issue of the potential ordinary shares if such shares had been issued during the reporting period.

Accordingly:

	31.12.09	31.12.08	CHANGE
NET PROFIT FOR THE YEAR (THOUSANDS OF EUROS)	48,442	211,279	(162,837)
NUMBER OF SHARES FOR CALCULATING DILUTED	242,802,131	243,539,091	(736,960)
EARNINGS PER SHARE (EUROS)	**0.20**	**0.87**	**(0.67)**

24. Related party transactions

24.1. Transactions with associates and shareholders

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. Transactions between the Group and its associates are disclosed below. Transactions between the Company and its subsidiaries and associates are disclosed in the Company's individual financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The Group's accounts payable to and receivable from related parties are as follows:

	31.12.2009		31.12.2008	
	RECEIVABLE	PAYABLES	RECEIVABLE	PAYABLES
PUBLIECI TELEVISIÓN, S.A.	-	-	172	-
APROK IMAGEN SL.	-	2	-	164
BIGBANG	19	1,616	-	-
COMERADISA	-	-	14	-
PRODUCCIONES MANDARINA, S.L.	1	1,397	318	2,280
LA FÁBRICA DE LA TELE, S.L.	127	4,621	24	2,123
ALBA ADRIÁTICA, S.L.	879	1,161	8	751
FUNDACIÓN TELECINCO	-	-	2	-
MEDIASET GROUP	465	1,149	163	1,977
VOCENTO GROUP	1	-	364	21,947
ENDEMOL GROUP	257	12,470	85	13,772
PEGASO TELEVISIÓN GROUP	838	-	88	-
TOTAL	**2,587**	**22,416**	**1,238**	**43,014**

The mezzanine and second lien loans are explained in Note 10.

The detail, by maturity, of the balances payable to all the related parties is as follows:

2009	BALANCE	MATURITIES		
		3 MONTHS	6 MONTHS	12 MONTHS
INVESTEE	1,863	1,863	-	-
MEDIASET GROUP	464	464	-	-
OTHER COMPANIES	260	260	-	-
TOTAL	**2,587**	**2,587**	**0**	**0**

2008	BALANCE	MATURITIES		
		3 MONTHS	6 MONTHS	12 MONTHS
INVESTEE	627	627	-	-
MEDIASET GROUP	163	163	-	-
OTHER COMPANIES	448	448	-	-
TOTAL	**1,238**	**1,238**	**0**	**0**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

Current payables to related parties by maturity are as follows:

2009	BALANCE	MATURITIES		
		3 MONTHS	6 MONTHS	12 MONTHS
INVESTEE	8,796	8,276	520	-
MEDIASET GROUP	1,150	1,150	-	-
OTHER COMPANIES	12,470	2,864	9,606	-
TOTAL	**22,416**	**12,290**	**10,126**	**0**

2008	SALDO	MATURITIES		
		3 MONTHS	6 MONTHS	12 MONTHS
INVESTEE	5,318	4,966	352	-
MEDIASET GROUP	1,977	1,977	-	-
OTHER COMPANIES	35,719	32,846	2,873	-
TOTAL	**43,014**	**39,789**	**3,225**	**0**

During the year, the Group companies performed the following transactions with related parties:

	SALES OF GOODS		PURCHASE OF GOODS		OTHER SALES		PURCHASE OF RIGHTS	
	2009	2008	2009	2008	2009	2008	2009	2008
PUBLIECI TELEVISIÓN, S.A.		1,203		-		-		-
APROK IMAGEN SL.		-	140	880		-		-
BIGBANG	16	-	3,562	-		-	120	-
PREMIERE MEGAPLEX		-		-		-		-
LA FÁBRICA DE LA TELE, S.L.	1,153	-	21,242	15,146		-		-
PRODUCC. MANDARINA, S.L.	108	75	7,295	14,642		-		-
ALBA ADRIÁTICA, S.L.	52	19	353	601		(136)	15,078	14,768
MEDIASET GROUP	1,350	356	1,363	2,015	2,458	4,453		451
VOCENTO GROUP	12	216	592	10,847	28	33		37,377
ENDEMOL GROUP	29	413	36,402	47,141		-		-
PEGASO GROUP	840	768		-		-		-
TOTAL	**3,560**	**3,050**	**70,949**	**91,272**	**2,486**	**4,350**	**15,198**	**52,596**

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No material provisions have been made for doubtful debts in relation to the amounts owed by related parties.

The detail of the financing terms between the Group and associates and shareholders as regards the established limits, balances drawn down and maturities is as follows:

Credit facilities

	CURRENT LIMIT	DRAWN DOWN (DR) CR	NON- CURRENT LIMIT	DRAWN DOWN (DR) CR	MATURITY
EXERCISE 2009					
ASSOCIATES OR SHAREHOLDERS	-	60,074	75,000	-	2012
EXERCISE 2008					
ASSOCIATES OR SHAREHOLDERS	-	58,790	75,000	-	2012

The balance drawn down at year end 2009 includes the participative loan granted by Mediaset Investment, S.R.L.A. (Note 16)

5 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

The interest rates applicable to these credit facilities, excluding those arranged as participating loans, were EURIBOR plus a market spread of 100 basis points in 2009.

Financing provided to associates consists primarily of credit facilities or commercial loans.

24.2. Remuneration of directors

The Company's Board members earned total remuneration of EUR 4,175 thousand and EUR 4,080 thousand in 2009 and 2008, respectively, in the form of salaries and other compensation in kind.

The Company has not granted the directors any advances or loans and it does not have any pension or other obligations to them.

In addition, in 2009 the Company's Board of Directors granted directors a total of 108,312 share options valued at EUR 38 thousand, which had not been exercised at 2009 year-end.

Each option granted carries the right to purchase one share of the Parent.

The exercise price of each option is EUR 6,29 (see Note 20).

At 31 December 2009, the most significant information on the share options granted by the Company to its directors is summarised as follows:

	NUMBER OF SHARE OPTIONS	EXERCISE PRICE (EUROS)	BEGINNING OF EXERCISE PERIOD	END OF EXERCISE PERIOD
TOTAL BOARD OF DIRECTORS				
OPTIONS GRANTED IN 2005	358,000	19.70	27/07/08	26/07/10
OPTIONS GRANTED IN 2006	433,250	18.57	26/07/09	25/07/11
OPTIONS GRANTED IN 2007	433,250	20.82	25/07/10	24/07/12
OPTIONS GRANTED IN 2008	216,625	8.21	30/07/11	29/07/13
OPTIONS GRANTED IN 2009	108,312	6.29	29/07/12	28/07/14

The number of options assigned in 2009 represent a cost of EUR 38 thousand. These options cannot be exercised since the granting conditions have not been verified.

Other disclosures on the Board of Directors

Information on equity investments held by directors in companies with similar activities and functions performed by these on their own behalf or on behalf of third parties.

In compliance with Article 127 ter. 4 of the Spanish Corporation Law, and regarding the parent company, we hereby state that Giuseppe Tringali, Paolo Vaisle, Giuliano Adreani, José Ramón Alvarez Rendueles, Pier Silvio Berlusconi, Fedele Confalonieri, Ángel Durández Adeva, Marco Giordani, Miguel Iraburo Elizondo, Alfredo Messina, Borja de Prado Eulate, Massimo Musolini, Helena Revoredo Delvecchio and Mario Rodríguez Valderas, members of the Board of Directors of GESTEVISION TELECINCO, S.A. as of December 31, 2009, have not owned and do not own shareholdings in the share capital of companies that have a corporate purpose identical, similar or complementary to the activity that constitutes GESTEVISION TELECINCO, S.A.'s corporate purpose.

D. Alejandro Echevarría Busquet:

SUBSIDIARY	ACTIVITY	OWNERSHIP	DUTIES
VOCENTO, S.A.	COMMUNICATION	0.00878 %	-
SOCIEDAD VASCONGADA DE PUBLICACIONES, S.A.	NEWSPAPER PUBLISHING	0.1072 %	BOARD MEMBER
DIARIO ABC, S.L.	NEWSPAPER PUBLISHING	0.0002 %	-

In accordance with the aforementioned text, the following is a schedule of the activities carried out by the Company's Board of Directors at December 31, 2009, either on their own or on others' behalf, in company's engaging in business activities that are identical, similar or complementary to the activity that constitutes the corporate purpose of GESTEVISION TELECINCO, S.A:

D. Alejandro Echevarría Busquet:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
DIARIO EL CORREO, S.A.	NEWSPAPER PUBLISHING	SELF-EMPLOYED	-	BOARD MEMBER
EDITORIAL CANTABRIA, S.A.	NEWSPAPER PUBLISHING	SELF-EMPLOYED	-	BOARD MEMBER
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	NEW AGENCY	SELF-EMPLOYED	-	CHAIRMAN
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	CHAIRMAN

D.Paolo Vasile

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
CANAL FACTORIA DE FICCIÓN, S.A.U..	PRODUCTION AND DISTRIBUTION OF AUDIOVISUAL PRODUCTS AND PROGRAMS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
PUBLIECI TELEVISIÓN, S.A.	DIRECT SELLING OF PRODUCTS AND SERVICES ON TV AND THROUGH OTHER CHANNELS	COMPANY EMPLOYEE	GESTEVISION TELECINCO, S.A.	BOARD MEMBER
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
AGENCIA DE TELEVISIÓN LATINOAMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	NEW AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
CONECTA 5 TELECINCO, S.A.U.	EXPLOITATION OF AUDIOVISUAL CONTENT ON THE INTERNET	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
GRUPO EDITORIAL TELE 5, S.A.U.	EXPLOITATION OF RIGHTS; PRODUCTION AND DISTRIBUTION OF PUBLICATIONS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
TELECINCO CINEMA, S.A.U.	TELEVISION BROADCASTING SERVICES AND INTERMEDIATION IN THE MARKETS FOR AUDIOVISUAL RIGHTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER

D. Giuliano Adreani:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
R.T.I. – RETI TELEVISIVE ITALIANE S.P.A.	TELEVISION OPERATOR	SELF-EMPLOYED	-	BOARD MEMBER
DIGITALIA 08 S.R.L.	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED		CHAIRMAN
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	BOARD MEMBER
PUBLITALIA 80 S.P.A.	ADVERTISING AGENCY	SELF-EMPLOYED	-	CHAIRMAN AND MANAGING DIRECTOR

D. Pier Silvio Berlusconi:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
R.T.I. – RETI TELEVISIVE ITALIANE S.P.A.	TELEVISION OPERATOR	SELF-EMPLOYED	-	CHAIRMAN/MANAGING DIRECTOR
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	BOARD MEMBER
PUBLITALIA 80 S.P.A.	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED	-	BOARD MEMBER

D. Fedele Confalonieri:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	SELF-EMPLOYED	-	BOARD MEMBER

D. Giuseppe Tringali:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
PUBLITALIA 80 S.P.A.	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED	-	BOARD MEMBER
PUBLIEUROPE LIMITED	SELLING OF ADVERTISING SPACE	SELF-EMPLOYED	-	BOARD MEMBER
ADVANCED MEDIA, S.A.U.	CARRYING OUT AND EXECUTING ADVERTISING PROJECTS	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	JOINT CEO
PUBLIECI TELEVISIÓN, S.A.	DIRECT SELLING OF PRODUCTS AND SERVICES ON TV AND THROUGH OTHER CHANNELS	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	CHAIRMAN
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	BOARD MEMBER
PUBLIMEDIA GESTIÓN, S.A.U.	CARRYING OUT AND EXECUTING ADVERTISING PROJECTS	COMPANY EMPLOYEE	PUBLIESPAÑA S.A.U.	JOINT CEO

D. Marco Giordani:

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
R.T.I. – RETI TELEVISIVE ITALIANE S.P.A.	TELEVISION OPERATOR	SELF-EMPLOYED	-	JOINT CEO

D.Massimo Musolino

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
CANAL FACTORIA DE FICCIÓN, S.A.U..	PRODUCTION AND DISTRIBUTION OF AUDIOVISUAL PRODUCTS AND PROGRAMS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN/MANAGING DIRECTOR
PUBLIECI TELEVISIÓN, S.A.	DIRECT SELLING OF PRODUCTS AND SERVICES ON TV AND THROUGH OTHER CHANNELS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
PUBLIESPAÑA, S.A.U	ADVERTISING AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
AGENCIA DE TELEVISIÓN LATINO-AMERICANA DE SERVICIOS Y NOTICIAS ESPAÑA, S.A.U.	NEW AGENCY	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
CONECTA 5 TELECINCO, S.A.U.	EXPLOITATION OF AUDIOVISUAL CONTENT ON THE INTERNET	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
GRUPO EDITORIAL TELE 5, S.A.U.	EXPLOITATION OF RIGHTS; PRO-DUCTION AND DISTRIBUTION OF PUBLICATIONS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	JOINT CEO
TELECINCO CINEMA, S.A.U.	TELEVISION BROADCASTING SER-VICES AND INTERMEDIATION IN THE MARKETS FOR AUDIOVISUAL RIGHTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	JOINT CEO
CORPORACIÓN DE MEDIOS RADIOFÓNIC-OS DIGITALES, S.A.	RADIO-AND TELEVISION-RELATED ACTIVITIES	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER
MEDIACINCO CARTERA, S.L.	FINANCIAL INVESTMENTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	CHAIRMAN
PREMIERE MEGAPLEX, S.A.	FILM DISTRIBUTION	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	BOARD MEMBER

D. Mario Rodríguez Valderas

NAME	ACTIVITY	ARRANGEMENT UNDER WHICH THE ACTIVITY IS PERFORMED	COMPANY THROUGH WHICH THE ACTIVITY IS CARRIED OUT	POSITION HELD OR FUNCTION DISCHARGED
CANAL FACTORIA DE FICCIÓN, S.A.U..	PRODUCTION AND DISTRIBUTION OF AUDIOVISUAL PRODUCTS AND PROGRAMS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	SECRETARY OF THE BOARD
GRUPO EDITORIAL TELE 5, S.A.U.	EXPLOITATION OF RIGHTS; PRO-DUCTION AND DISTRIBUTION OF PUBLICATIONS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	SECRETARY OF THE BOARD
MEDIACINCO CARTERA, S.L.	FINANCIAL INVESTMENTS	COMPANY EMPLOYEE	GESTEVISIÓN TELECINCO, S.A.	SECRETARY OF THE BOARD

In accordance with the above, we hereby state that José Ramón Álvarez Rendueles, Angel Durández Adeva, Miguel Iraburu Elizondo, Alfredo Messina, Borja de Prado Eulate, Helena Revoredo Delvecchio have not and do not carry out activities, either on their own or on others' behalf, in companies engaging in business activities that are identical, similar or complementary to the activity that constitutes GESTEVISIÓN TELECINCO, S.A.'s corporate purpose.

24.3. Compensation to key management personnel

Compensation paid to General Directors of the Company and individuals who discharge similar functions, excluding those who are also members of the Board of Directors, is summarized as follows:

NO OF PERSONS		TOTAL COMPENSATION (THOUSANDS OF EUROS)	
2009	2008	2009	2008
21	25	9,162	8,275

A list of the key management personnel is included in the accompanying management report.

The remuneration consists of a fixed amount and a variable amount. The variable remuneration is determined by applying a percentage to the fixed remuneration in each case, based on the extent to which certain annual targets are met.

In addition, there is an item of remuneration that is earned over more than one year the targets of which are not certain to be met; however, at December 31, 2009, the Company recognized a provision that represent its best estimate at that date based on a conservative forecast.

210,851 share options for an amount of €74 thousand were assigned to senior executives in 2009 and this amount is recognized under “Staff Costs”.

25. Significant events after the reporting date

After various meetings and negotiations, once its Board of Directors had expressly granted the corresponding approval, GESTEVISION TELECINCO, S.A. signed an agreement of terms and conditions (a Term Sheet or Agreement) with SOGECABLE, S.A. and its sole shareholder, PROMOTORA DE INFORMACIONES, S.A. (Prisa). The main aspects of this agreement are as follows:

- Through an exchange of shares Telecinco acquires all the share capital of a newly formed company, which includes the activity of "Cuatro" (SOGECABLE's open TV channel) in addition to a 22% ownership interest in Digital Plus.
- Prisa receives:
    - Newly issued Telecinco shares which, after the capital increase described below, will be equivalent to 18.3% of Telecinco's share capital. These shares are valued at approximately EUR 550 million based on the average quoted price during the 30 days prior to the signing of the agreement.
    - A cash payment of up to EUR 500 million.
- To finance the transaction and strengthen its financial position, Telecinco will carry out a capital increase of approximately EUR 500 million with pre-emptive subscription rights. Mediaset has acquired the commitment to subscribe all its allotted shares and the remaining portion of the capital increase is fully underwritten by a bank syndicate led by Mediobanca and J.P. Morgan (the banks acting as joint global coordinators and book runners), which will include BBVA and Banca Imi (acting as lead managers and book runners). The terms of the capital increase will be established when it is carried out.
- Prisa will have representation on Telecinco's Board of Directors in proportion to its ownership interest. Telecinco will likewise have representation on the Board of Directors of Digital Plus in line with its ownership interest in that company. In addition, the companies have agreed a series of matters related to their various businesses.
- The agreement is subject to the fulfilment of certain conditions, which include, inter alia, the verification of a legal, financial and tax review (due diligence confirmation), the negotiation and formalisation of the definitive documentation, the obtainment of the pertinent legal and competition authorisations, and the approval of the competent governing bodies at each company of the aforementioned transactions contained in the agreement.
- Moreover, after year end the Group has undertaken the commitment to acquire Endemol senior debt denominated in euros, dollars and pounds sterling with a discount in line with market conditions.

Madrid, 24 February 2010

2.8 MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

BUSINESS ENVIRONMENT

Any attempt to put the corporate situation into context is inextricably linked to analysis of the global economic recession. The severe consequences of the crisis tested the very foundations of the world's economies, with markets falling more than at virtually any time in history barring possibly the 1929 crash. Consumption and investment took a nosedive, while the financial sector turmoil seriously undermined the economic prospects of businesses and families across the globe.

Because of the global economic crisis, unemployment is the most lasting evidence of the economic recession and jobless numbers are likely to remain high in 2010, above all in Spain. Meanwhile, some economies, such as the US, expect unemployment rates to begin easing in the year's second half.

By contrast, other global economic indicators herald a tenuous recovery, mainly underpinned by divergent domestic forecasts in western nations. The IMF and OECD are starting to tout the economic rebound as a stable trend, but tempered by the sluggish performances of domestic economies and businesses that have yet to remedy their financial problems or prune their burgeoning debt levels.

In short, economic activity looks set to remain lacklustre, although the global economic outlook is now showing signs of improving: steady reduction in inflation and moderate rebound in economic activity, jumpstarted by government stimulus packages and intervention in financial markets.

Like the year before, but probably more so given the scale of the slowdown, 2009 was marked by economic recession and the now commonplace declines in consumption and investment.

Given the close relationship between consumption and advertising spend, it was easy to predict that the audiovisual industry would suffer severely during the recession. To be sure, investment in TV advertising continues to plunge, falling an estimated 23.2% in 2009.

As a result, Telecinco was faced with the same challenge as the year before; i.e. the need to tailor its business model to objective market conditions so that it can remain the leading private network.

In this respect, Telecinco should be able to cope, thanks to a business model predicated on efficient, flexible and innovative management of its advertising share and a programming that includes classic programming, with solid earnings, but is constantly adapting to other formats demanded by its audience.

The steady rollout of DTT (digital terrestrial television) has led to a more fragmented TV market, bringing a host of new competitors to the industry. In this setting, it Telecinco wants to remain among the leaders, its needs to react to the new paradigm by diversifying.

Spain

Bank of Spain reports indicate that the Spanish economy continued to contract sharply in 2009, with the recession hitting its peak in the year's first quarter. By the year-end, GDP was still falling, but not as fast. The numbers paint a picture where recovery would be tantamount to a slight improvement in measured growth rates (in terms of GDP).

Domestic demand, undermined by the fall in business and household consumption, is holding up partly thanks to public administrations and some stimulus measure, e.g. direct aid for automobile purchases.

On the supply side, the drop in consumption had a ripple effect across all productive sectors, especially industry and construction. All this triggered job losses, especially in the early months of the year.

The Spanish monetary authority says that the global economic and financial situation has improved over the last few quarters, but that some areas and countries are rebounding faster than others are. Specifically, forecasts suggest that the economy will fare better than in 2009, but that growth will not top 2% until well into 2011.

Turning to the TV industry, the government has adopted far-reaching measures, such as the elimination of commercial advertising on RTVE as a source of financing, and the possibility of M&A between TV networks. Advertising sales prices have fallen over the last few years, but with RTVE no longer airing commercials, Telecinco possibly has a chance to raise its prices. In fact, prices have begun inching back up since this legislation was enacted. The second government initiative, within the framework of Law 7/2009 on urgent telecommunications measures, was to allow alliances so networks could compete efficiently in the new TV environment.

In short, the global and Spanish economic backdrop, coupled with new legislation makes for a particularly complicated and competitive environment in the communications industry in which Telecinco operates.

The Spanish advertising market

Although final figures are still out, TV advertising revenue fell an estimated 23% in 2009. Despite the magnitude of the fall, it marks an improvement from the nearly 30% year-on-year decline seen in the first nine months of the year.

Broad media industry trends show far larger declines in investment in conventional than unconventional media. In conventional media, TV networks delivered worse advertising investment numbers than newspapers; advertising spend in newspapers not only fell slower, but improved in percentage terms from 2008. Internet was the only unconventional media that maintained advertising revenue, while readings were terrible for investment in other media such as magazines and cinema.

In this setting, fragmentation has been a structural feature of the TV market in recent years. This has serious implications on the fragmentation of the advertising market, as broadcasters must decide where to invest. On top of the fragmentation of advertising spend between conventional and unconventional media, the arrival of new digital channels has led to a more scattered viewer audience.

The elimination of advertising on public networks as of 1 January 2010 provided Telecinco, as Spain's leading private network, a strategic opportunity to raise its advertising sales prices and boost its advertising revenue.

TELECINCO: CURRENT SITUATION AND OUTLOOK

Since the advent of DTT, fragmentation has been a key driver of the new TV media makeup. That said, the analogue blackout, which started on 30 June 2009, alongside the start of the digital era have led to a much broader TV offering, something which viewers certainly appreciate.

DTT now accounts for over half the minutes of viewing. Telecinco leads with way, with a 13.7% share, ahead of all the other public and private networks in Spain. Telecinco began broadcasting in digital in August 2009, achieving 74.7% penetration of Spanish households. Its strategy has made it leader in the multichannel and commercial environment. Looking at the ratios achieved in January 2010, Telecinco looks poised to be the leader once again this year.

In traditional TV, Telecinco is still the most watched private network, with a 15.1% share. By audience group, Telecinco is the channel women and "young, independent viewers" watch most. By region, Telecinco is the number one channel in Catalonia, the Canary Islands and the Basque Country. By time slot, it tops the ranks in late night viewing.

Telecinco is the only one of the three main free-to-air networks to increase its audience share in 2009, posting a 2.6% increase between the first and last quarters of the year.

Amid the fragmented audiovisual industry, a new legislative initiative has paved the way for mergers among TV networks. A case in point is the framework agreement entered into between Telecinco and Prisa. According to the terms of this agreement, Telecinco will acquire, through a share swap, all the shares of a company that will be set up to oversee the business of Cuatro (Sogecable, S.A.'s free-to-air TV broadcaster) in addition to a 22% stake in Digital Plus. In exchange, Prisa will receive EUR 500 million in cash and newly issued Telecinco shares which, after the capital increase described below, will represent an 18.3% stake in Telecinco. This agreement will boost Telecinco's share of the TV advertising market to 45%. Before this agreement can be executed, a series of milestones must be achieved; e.g. completion of confirmatory due diligence, signing of the final documentation and approval from the anti-trust authorities.

Telecinco also has the advantage of a sustainable business model. While the economic turmoil and the crisis in advertising revenue have been much harsher on some companies, Telecinco's solid business model, underpinned by efficient cost control, has enabled the company to stay in the black despite the fall in consumption and plunge in media advertising spend.

The tenuous signs of global economic recovery -sooner or later this should feed through to Spain, but it is anyone's guess as to when- the decision by RTVE not to broadcast commercials, the resilience of TV consumption and Telecinco's leadership in both audience and advertising sales prices all bode well for Telecinco to increase revenue and margins. However, much will depend on whether the Spanish economy definitely recovers.

Telecinco's main financial indicators in 2009 indicate how despite the adverse economic environment in which the network carried out its business, it was still able to present an excellent set of earnings at group level:

- Operating income for the Group totalled EUR 656.2 million. This was 33% lower than in 2008, mainly because of the plunge in advertising spend caused by the dire economic situation and increased audience fragmentation, yet Telecinco was once again the leader in TV advertising in Spain, with a share of over 26% of the total.
- Operating expenses amounted to EUR 533.5 million, improving 10.3% from the year before. Stripping out the reversal of provisions set up in the year, costs were 4.3% lower, reflecting the Group's customary ability to clamp down on expenditure even in a fiercely competitive market.
- Profit from operations amounted to EUR 122.8 million, which was equally noteworthy considering the circumstances surrounding the market in the year, leaving an operating margin of 18.7%. Net profit attributable to shareholders of the parent came to EUR 48.4 million.

Investment in 2009

In 2009, Telecinco forged ahead with its policy of investing in audiovisual broadcasting rights, which has proven so successful in recent years, selecting carefully the types of content in order to maintain audience figures in the future and provide the most fertile ground for the advertising business. The Company placed special emphasis once again on investment in Spanish fiction series.

Worth highlighting were the activities undertaken by Telecinco Cinema, the company charged with film production under the legal requirement of TV concessionaires to earmark 5% of operating revenue to Spanish and European film production.

Telecinco views this legal requirement, which will remain in place with the new audiovisual law, as a commitment to develop Spanish cinema. In line with this commitment, the Company produced pictures like Alejandro Amenábar's "Ágora," the Spanish box office hit of the year, with EUR 21 million in ticket sales. Other noteworthy films produced by Telecinco include "Celda 211," with gross ticket sales of over EUR 12 million, and "Spanish Movie," with over EUR 7.5 million. In all, new films by Telecinco represented 39% of all Spanish films watched by moviegoers in Spain in 2009. As for awards, "Celda 211" and "Agora" won 15 of the 28 Goya film awards. They also participated and garnered recognition in leading international film festivals, such as Cannes, Venice and Toronto.

In addition to these hits, Telecinco Cinema produced films in 2009 that will be shown in 2010, such as: "El Mal Ajeno", featuring Eduardo Noriega and Belén Rueda, selected to participate in the Berlin film festival; "Verbo" starring Miguel Angel Silvestre; or "Rabia," produced by Guillermo del Toro and chosen to participate in a number of film festivals around the world, including Tokyo (where it won a special jury prize), Havana, Toronto, Hong Kong and Malaga.

Looking ahead to 2010, Telecinco has a number of production projects of varying size and importance in the pipeline. Other productions include the next big budget film by Juan Antonio Bayona, director of blockbuster "El Orfanato" (also produced by Telecinco), which will feature a leading international cast. Projects currently in the production stage include "No habrá paz para los malvados," directed by Enrique Urbizu and starring José Coronado; "Agnosia," directed by Eugenio Mira and starring Eduardo Noriega; and "Lo mejor de Eva," directed by Mariano Barroso and starring Miguel Angel Silvestre.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

Good practice in corporate governance means establishing rules, principles and incentives at companies that help safeguard the interests of the company and its shareholders, and guarantee greater transparency in management.

The main measures adopted by Telecinco in the field of corporate governance since 2006 are as follows:

Amendments of the rules governing the organisation and operation of the main management bodies. Specifically, amendments have been made to article 9 of the Company's bylaws, four articles in its General Shareholders' Meeting regulations and 18 articles in the Regulations of the Board of Directors. In addition, the Company drafted an Internal Code of Conduct for Gestevisión Telecinco, S.A and its Group of Companies governing their activities on the stock markets.

Revision of the composition of the Board of Directors and the board committees to increase the percentage of independent directors. Meanwhile, the Audit and Compliance Committee and the Appointments and Remuneration Committee are chaired by independent directors.

Increase in the number of women directors, reflecting the network's commitment to gender equality.

Continued detailed information on remuneration paid to directors in the Company's annual financial statements, as well as in the Annual Corporate Governance Report and the Report on the Directors' Remuneration Policy.

Verification of the Corporate Governance Report by an independent audit (PricewaterhouseCoopers).

The Company's efforts in 2009 were acknowledged by Observatorio de Responsabilidad Social Corporativa, a Spanish corporate social responsibility organisation, which rated Telecinco top among IBEX-35 companies in a study of corporate governance compliance. The network was rated highly for its efforts in transparency and the degree of compliance with the Unified Code Recommendations.

Telecinco is aware of the social impact of its actions. This awareness is all the more important at Telecinco as a mass media, prompting the network to spearhead a variety of initiatives, such as the "12 meses, 12 causas" (12 months, 12 causes) project to make the network's viewers more aware of a series of issues. The program entails a monthly spot and a web platform through the www.12meses12causas.com webpage, which encourages community interaction and awareness of younger people.

Internally, Telecinco also remains firmly committed to the training and career development of its employees.

RESEARCH AND DEVELOPMENT

Telecinco's biggest investments go to the current and future content broadcast by the Group. Telecinco does not have a specific R&D department, although innovation is still a crucial area of future development.

EVENTS AFTER THE REPORTING PERIOD

The main events occurring between the end of the reporting period and the date of authorisation for issue of the financial statements are those discussed in the related Note to the financial statements.

TREASURY SHARES

In 2009, pursuant to the authorisation granted at the Annual General Meeting, the Company acquired treasury shares to cover the share option plan still in effect for Group directors and key management.

During the year, the Company acquired a total of 445,374 shares representing 0.18% of share capital for a nominal amount of EUR 2.9 million.

At year-end, the Company held 3,552,287 shares with a nominal value of EUR 1.7 million, representing 1.44% of share capital.

HEDGING

The Company arranges foreign exchange hedges in connection with transactions (primarily the acquisition of external production rights) denominated in foreign currency. These hedges are designed to prevent exchange-rate fluctuations from impacting the income statement via the outstanding amounts payable on these transactions. Specifically, the Company buys foreign currency forward for the amounts payable so as to match the forecast payment dates. These hedges are arranged when the Company recognises the corresponding rights on the balance sheet.

CAPITAL STRUCTURE

The Company's share capital totals EUR 123,320,928, made up of 246,641,856 shares of the same class represented by book entries and with a par value of EUR 0.50 each.

The Company's shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges. The ISIN code is ES0152503035.

Gestevisión Telecinco, SA is a member of the IBEX 35 index since 3 January 2005.

RESTRICTIONS ON THE TRANSFER OF SECURITIES

There are no restrictions on the transfer of the shares except as provided in article 21 of Spain's Private Television Law, 10/1988, of 3 May, pursuant to which:

1. Any individuals or legal entities intending to directly or indirectly acquire a significant ownership interest in the share capital of a concession holder shall give prior notification to the Ministry of Infrastructure and Development, indicating the percentage of the aforementioned ownership interest, the terms and conditions of the acquisition and the deadline for the transaction. A significant ownership interest in a concession holder of an essential television service shall be deemed to be a direct or indirect holding of at least five per cent of the share capital or of the voting rights attaching to the entity's shares.
2. The Ministry of Infrastructure and Development shall also be notified, in accordance with paragraph 1, of the intention to directly or indirectly increase the ownership interest so that the percentage ownership of the share capital or voting rights is equal to or exceeds any of the following thresholds: 5, 10, 15, 20, 25, 30, 35, 40 or 45 per cent.
3. The Ministry of Infrastructure and Development shall have three months from the date of entry of the related notification in any of the Department's registers to notify the acceptance or rejection of the intended acquisition. Acquisitions may be ruled out based on the lack of transparency of the structure of the group to which the acquirer may ultimately belong or on the existence of relations between the person or entity that intends to acquire the ownership interest and another concession holder of an essential television service that may breach the principle of non-concentration of media that underpins this Law.
4. The acquisition must be completed within a month of the aforementioned acceptance.
5. The provisions of this article shall apply without prejudice to the regulations governing significant ownership interests established in Securities Market Law 24/1988, of 28 July.
6. After the acquisition has been closed subject to the prior notification procedure provided for herein, the acquirer shall inform the Ministry of Infrastructure and Development, which shall file it in the Special Register of Concession Holders. In order for the registration to be completed, the seller shall also notify the Ministry of Infrastructure and Development of all transfers of shares by the concession holder which may result in a reduction of the ownership percentages below the thresholds established in paragraph 2 above.

Notifications of acquisitions or transfers in accordance herewith shall be made within a month of the related event.

SIGNIFICANT SHAREHOLDINGS

In so far as Telecinco's shares are represented via the book entry system, the shareholder register is managed by a third party entity, so that it is not possible to provide the Company's ownership structure in greater detail than disclosed legally-prescribed significant interests, which at the date of authorising this report for issuance, were as follows:

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

NAME	% DIRECT SHAREHOLDING	% INDIRECT SHAREHOLDING	% OF TOTAL
BERLUSCONI ,SILVIO	0	24.430	24.430
MEDIASET INVESTIMENTI S.P.A.	50.100	0.000	50.100
TWEEDY BROWNE COMPANY LLC	0.000	5.291	5.291
TWEEDY BROWNE GLOBAL VALUE FUND	3.150	0.000	3.150
HARRIS ASSOCIATES L.P.	0.000	5.159	5.159

RESTRICTIONS ON VOTING RIGHTS

There are no legal or bylaw stipulated restrictions on exercising voting rights. Each share carries one vote.

SHAREHOLDER AGREEMENTS

There are no shareholder agreements currently in force.

RULES GOVERNING THE APPOINTMENT AND REPLACEMENT OF DIRECTORS AND THE AMENDMENT OF THE COMPANY´S BYLAWS

A. Appointment and removal of directors.

Article 41 of the Company bylaws:

1. Directors shall be appointed pursuant to a resolution of the shareholders at the General Meeting, adopted in accordance with the requirements of article 102 of the Spanish Corporation Law.
2. Notwithstanding the foregoing, the designation of directors through the proportional system referred to in article 137 of the Spanish Corporation Law is duly safeguarded.
3. In the event of a vacancy during the term for which the directors were appointed, the Board may co-opt a shareholder to occupy the position until the earliest General Meeting.

Article 54 of the Company bylaws:

1. Directors shall be appointed for a period of five years and may be re-elected for one or more subsequent terms of equal length. The appointment shall lapse at the end of the term once the subsequent General Meeting has been held or at the end of the legal term established for calling the Annual General Meeting.
2. The appointment of directors designated by cooptation shall be deemed to have been made and the directors shall exercise their functions up to and including the date of the next General Meeting, without prejudice to the shareholders' powers of ratification at the General Meeting.
3. Independent directors may exercise their functions for a maximum period of twelve (12) years and may not be re-elected after such period except subject to a favourable report by the Appointments and Remuneration Committee.

Article 55 - Removal of directors

1. Directors shall cease to hold office when so determined at the General Meeting, when they notify the Company of their resignation or decision to stand down or when the term for which they were appointed elapses. In the latter case, the resignation shall be effective from the date of the earliest General Meeting.
2. Directors shall tender their resignation to the Board of Directors and the Board shall accept their resignation if deemed appropriate in the following situations: (a) when they reach the age of 70; (b) when they retire from the executive positions to which their appointment as directors was associated; (c) when they are involved in any applicable situations of incompatibility or prohibition; (d) when they have been seriously reprimanded by the Appointments and Remuneration Committee for having infringed their duties as directors; and (e) when their continuity as directors jeopardises the Company's interests or adversely affects its prestige and reputation or when the reasons for which they were appointed cease to exist (e.g. when proprietary directors dispose of their ownership interest in the company).
3. Directors who stand down from the Board prior to the end of their mandate must submit a letter to all the members of the Board explaining the reasons for vacating office. The Company shall also notify the Spanish National Securities Market Commission (CNMV) of the resignation in a significant event filing and explain the reasons in the annual Corporate Governance Report.

B. Amendments to the Company's bylaws.

Article 34.- Adoption of resolutions

Resolutions shall be adopted at Annual General Meetings or at Extraordinary General Meetings with the majorities required under the Spanish Corporation Law. Every voting share present or duly represented at the General Meeting shall carry one vote.

The majority required to approve resolutions shall be one half plus one of the voting shares present or duly represented at the General Meeting, except for the instances stipulating larger majorities, provided for in Law or these bylaws.

POWERS OF DIRECTORS AND, SPECIFICALLY, POWERS TO ISSUE OR BUY BACK SHARES

These powers are regulated firstly in the Company's bylaws and secondly in the internal code of conduct.

A. Article 37 of the bylaws regulates management and supervisory powers as follows:

1. Except for matters reserved solely to General Meeting, the Board of Directors is the Company's highest decision-making body.

2. The Board of Directors has all the powers required to manage the Company. However, the management of the Company's ordinary business shall generally be entrusted to the steering committees and to the management team and the Board of Directors shall focus on establishing the Company's general strategy and exercising general supervisory functions. In any case, decisions on the following matters are the exclusive reserve of the Board of Directors and may not be delegated:Formulación de las cuentas anuales, del informe de gestión y de la propuesta de aplicación del resultado, así como las cuentas y el informe de gestión consolidados.

a) Authorisation for issue of the financial statements, management report and proposed distribution of profit and the consolidated financial statements and Group management report.

b) Appointment of directors by co-optation and proposals to the General Meeting for the appointment, ratification, re-election or removal of directors.

c) Designation and re-election of internal positions on the Board of Directors and members of committees.

d) Establishment of the remuneration of the members of the Board of Directors, to be proposed by the Appointments and Remuneration Committee.

e) Payment of interim dividends.

f) Announcements relating to any takeover bids launched for the securities issued by the Company.

g) Approval and amendment of the Board of Directors' Regulations governing internal organisation and functions.

h) Authorisation for issuance of the annual Corporate Governance Report.

i) Exercise of the powers delegated by the shareholders in general meeting when powers of substitution have not been established and the performance of any duties entrusted by the shareholders in general meeting.

j) Conclusion of any agreement or establishment of any legal relationship between the Company and any shareholders (or companies belonging to the same group as the shareholder) with ownership interests of over five per cent and of an amount in excess of EUR 13,000,000.

k) Conclusion of any agreement or establishment of any legal relationship between the Company and any third party valued at over EUR 80,000,000.

l) Approval of annual budgets and, if applicable, strategic plans.

m) Oversight of investing and financing policy.

n) Oversight of the shareholder structure of the Telecinco Group.

o) Approval of corporate governance policy.

p) Oversight of corporate social responsibility policy.

q) Approval of the remuneration policy for executive directors for their executive functions and the main terms that their contracts must fulfil.

r) Performance evaluation of the Company's executive directors.

s) Monitoring, following a prior report of the Audit and Compliance Committee, of the risk control and management policy and the internal information and control systems.

t) Approval of Company policy on treasury shares.

u) Staying abreast of the removal and appointment of senior executives and their contract terms.

v) Approval at the proposal of the Audit and Compliance Committee, of the financial information that the Company must publish periodically.

w) Approval of the creation or acquisition of ownership interests in special-purpose entities or companies domiciled in countries or territories considered to be tax havens and any transactions or operations of a similar nature which, due to the complexity thereof, may adversely affect the Group's transparency.

x) Authorisation, following a favourable report of the Audit and Compliance Committee, of the related-party transactions that Telecinco may perform with directors or persons related to the directors or to significant shareholders, except for those which fulfil the following conditions: (i) they are applied en masse to a group of customers and in accordance with standard terms and conditions, (ii) they are performed at prices established in general terms by the supplier of the service or on an arm's length basis, (iii) the related amount does not exceed 1% of Telecinco's annual revenue. The directors affected by related-party transactions which, due to the nature thereof, are subject to vote by the Board of Directors shall not attend the meeting and may not vote or delegate their vote.

y) Any other matters that the Board of Directors Regulations reserve for handling by the Board in full.

The powers reserved for the Board of Directors, except those that legally or statutorily cannot be delegated, are vested in the Executive Committee and the two chief executive officers, Paolo Vasile and Giuseppe Tringali.

B. Section 9 of the in-house Code of Conduct of Gestevisión Telecinco, S.A. and its Group governing its dealings in the securities markets sets out the rules applicable to transactions in treasury shares, specifically providing the following:

9.1. Definition of treasury share transactions falling under the remit of the securities market code of conduct

Transactions with treasury shares shall be deemed to be those engaged in with shares issued by Telecinco Group companies and derivative instruments whose underlying is the aforementioned shares.

These transactions may be undertaken:

a) Directly by the Company or by other Telecinco Group companies.

b) Indirectly, through third parties with an explicit or implicit mandate.

c) By third parties without a mandate but acting to the same end.

9.2. Policy on treasury shares

Within the scope of the authorisation given at the General Meeting, the Company's Board of Directors shall be responsible for drawing up specific plans for the acquisition or disposal of treasury shares.

9.3. General principles guiding trading in treasury shares

Trading in treasury shares shall conform to the following principles:

9.3.1 Compliance with regulations

All Affected Persons are obliged to know and comply with the applicable internal regulations and procedures.

9.3.2 Purpose

The overriding objective of trading in treasury shares is to provide investors with the adequate market liquidity and depth for its securities and to minimise any possible temporary imbalances arising between market demand and supply. Under no circumstances shall trading be engaged in with a view to intervening in the free formation of prices.

9.3.3. Transparency

Transparency in dealings with the stock exchange supervisory and regulatory bodies in connection with treasury share transactions shall be monitored.

9.3.4. Insider information

Under no circumstances may persons who have had access to insider information on the related securities and instruments trade in treasury shares.

9.3.5. Neutrality in price formation

Intervention shall be neutral and under no circumstances may a dominant position be held in the market

9.3.6. Brokerage

The Telecinco Group companies shall channel all trading in Company shares through a limited number of market members. Prior to any trading the Company shall inform the CNMV in a confidential manner of the designated member and also of any replacement thereof. In the event that a framework agreement is executed with any market member governing treasury share dealing, a confidential copy thereof shall be furnished to the CNMV and to the stock exchange governing bodies.

9.3.7. Counterparty

The Telecinco Group companies shall refrain from buying or selling Company shares where the counterparty is any of the following persons or entities: (i) Telecinco Group companies, (ii) the directors thereof, (iii) their significant shareholders, or (iv) interposed persons of any of the above. Similarly, the Telecinco Group companies may not simultaneously hold purchase and sale orders for Company shares.

9.3.8. Restrictions

Trading in Company shares shall not be engaged in during processes related to public offerings, takeover bids, mergers or other similar corporate operations unless expressly provided for in the prospectus for the transaction in question. The Company shall also refrain from trading in treasury shares during the closed periods established in article 4.3.4 of the Code of Conduct.

9.3.9. Amendment

In the event of the urgent need to protect the interests of the Telecinco Group and its shareholders, the chief executive officer or the director of regulatory compliance may agree to temporarily amend or suspend the application of the foregoing regulations, of which the Board of Directors and the CNMV shall be informed.

9.4. Stock option plans

Notwithstanding the foregoing, the rules established in articles 9.1 to 9.3 of the Code shall not apply with respect to the acquisition of treasury shares to be subsequently granted to the beneficiaries of the Company's stock option plans approved by the Board of Directors or to the other trading in treasury shares entered into by the Company within the framework of a share buyback program. The aforementioned transactions shall be executed taking into account the particular characteristics thereof, the manner and the specific features established by the Board of Directors when approving the plans, which shall comply with the conditions established in the regulations implementing article 81.4 of the Securities Market Law.

MANAGEMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 Thousands of euros

9.5 Designation and functions of the department responsible for the management of treasury shares

The Management Control Department shall be responsible for managing treasury shares.

9.5.1. Special duty of confidentiality

The persons that form part of the Management Control Department assume special confidentiality commitments with respect to treasury share strategy and trading.

9.5.2. Duties

The Department shall be responsible for:

a) Managing the treasury shares in accordance with the general principles established in the Code of Conduct and those determined by the Telecinco Group's managing bodies.

b) Overseeing the performance of the Telecinco's shares and informing the director of regulatory compliance of any significant changes in the share price which cannot reasonably be attributed to market movements.

c) Keeping a record of all treasury share trades ordered and executed for consultation by the director of regulatory compliance, the Board of Directors or any other persons designated by the Board.

d) Establishing relationships with any supervisory bodies as necessary to correctly comply with the provisions of this Code.

e) Preparing a report on the Department's activities quarterly or whenever so required.

f) Notifying the director of regulatory compliance of any significant incident arising from the management of the treasury shares.

SIGNIFICANT AGREEMENTS THAT WOULD COME INTO FORCE, BE AMENDED OR EXPIRE IN THE EVENT OF A CHANGE OF CONTROL AT THE COMPANY

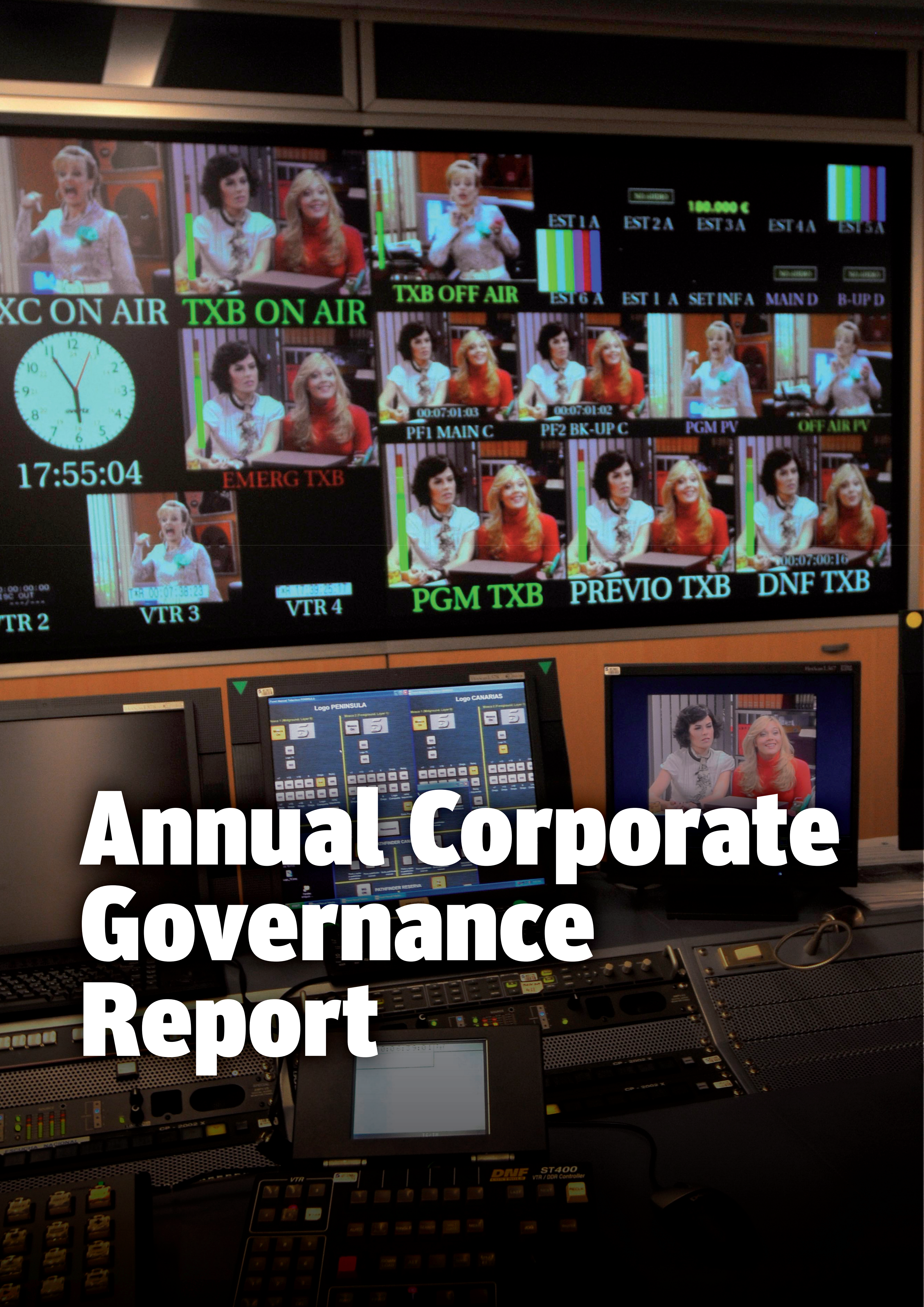
There are no significant agreements subject to a change in control at the Company.

AGREEMENTS BETWEEN THE COMPANY AND ITS DIRECTORS AND MANAGERS THAT PROVIDE FOR SPECIAL INDEMNITIES

The following table itemises the only instances of special indemnification schemes outstanding between the Company and its directors and managers.

POSITION	GUARANTEE OR GOLDEN PARACHUTE CLAUSE
GENERAL MANAGER	TERMINATION OF CONTRACT BY THE COMPANY (EXCEPT FOR JUST CAUSE): (IN REPLACEMENT OF LEGALLY PRESCRIBED SEVERANCE, UNLESS THE LATTER IS HIGHER) TERMINATION BETWEEN 24/04/02 AND 31/12/07: 24 MONTHS' SALARY TERMINATION BETWEEN 2008 AND 2011: 18 MONTHS' SALARY TERMINATION THEREAFTER: 12 MONTHS' SALARY
GENERAL MANAGER	SEVERANCE SCHEME: A) VOLUNTARY REDUNDANCY: ACCRUAL PER ANNUM: FIXED ANNUAL SALARY+ANNUAL BONUS/13.5, SO THAT TOTAL COMPENSATION IS EQUIVALENT TO THE TOTAL YEARS WORKED. B) JUSTIFIED OR UNJUSTIFIED DISMISSAL: LEGALLY PRESCRIBED SEVERANCE + SEVERANCE SET OUT IN A) ABOVE
DIVISION MANAGER	TERMINATION OF CONTRACT BY THE COMPANY (EXCEPT IN CASE OF JUST CAUSE): AN INDEMNITY OF ONE YEAR OF GROSS FIXED SALARY PLUS LEGALLY PRESCRIBED SEVERANCE.
MANAGER	TERMINATION OF CONTRACT FOR REASON ATTRIBUTABLE TO THE COMPANY (EXCEPT IN CASE OF JUST CAUSE): 18 MONTHS OF FIXED SALARY (INCLUDING LEGALLY PRESCRIBED SEVERANCE).

Annual Corporate Governance Report



Index

3.1. Audit Report

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers Auditores, S.L.
Paseo de la Castellana, 43
28046 Madrid
España
Tel.: +34 915 684 400
+34 902 021 111
Fax: +34 913 083 566
www.pwc.com/es

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

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

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

1. We have carried out the review of the adaptation of the content of the 2009 Corporate Governance Report of Gestevisión Telecinco, S.A. to the recommendations of the Special Working Group's report on corporate governance in listed companies (Unified Code on Corporate Governance) dated 19 May 2006, and its compliance with the minimum content of the annual corporate governance report laid down by Circular 4/2007 (27 December 2007) of the National Securities Market Commission.

2. The preparation of the Corporate Governance Report and its content are the responsibility of the Board of Directors of Gestevisión Telecinco, S.A., which is also responsible for the design, implementation and maintenance of the procedures through which information is obtained. Our responsibility is to issue an independent report based on the procedures applied in our review.

3. We have carried out our review work in accordance with ISAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC)**,** with respect to limited assurance work. Our review work has consisted of

   - Reading of legal documentation, minutes of the General Shareholders' Meetings and Board of Directors' meetings, annual accounts and internal and external communications.

   - Conducting interviews with the personnel of Gestevisión Telecinco, S.A. including members of management and other bodies responsible for the different areas of corporate governance addressed by this Report.

   - Analysis of the procedures used to compile and validate the data and information presented in the Corporate Governance Report.

   - Analysis of the adaptation of the content of the Corporate Governance Report to the recommendations of the Unified Code on Corporate Governance and Circular 4/2007 (27 December 2007) of the National Securities Market Commission .

   - Verification through review tests, based on sampling, of the quantitative information included in the Corporate Governance Report and its appropriate compilation using the data furnished by the Management of Gestevisión Telecinco, S.A.

4. The scope of a review is substantially less than that of reasonable assurance work. Therefore the assurance provided is also less. This report may in no event be understood as an audit report.

5. For those recommendations of the Unified Code that have not been implemented by the company, the Directors of Gestevisión Telecinco, S.A. offer the explanations that they consider appropriate (see Headings F and G of the attached report). Due to its nature, in such cases our work has consisted only of verifying that the assertions contained in the Report do not contradict the evidence obtained from the procedures described in paragraph 3. It is beyond the scope of this verification report to express value judgements on the reasonableness of such explanations.

6. We have carried out our work in accordance with the rules on independence required by the Code of Ethics of the International Federation of Accountants (IFAC).

7. As a result of our work, nothing has come to light that could lead us to consider that the accompanying 2009 Corporate Governance Report of Gestevisión Telecinco, S.A. contains major errors or has not been prepared in all significant respects, in accordance with Circular 4/2007 (27 December) of the National Securities Market Commission and, except as indicated in paragraph 5 above, in accordance with the recommendations of the Unified Code on Corporate Governance.

PricewaterhouseCoopers Auditores, S.L.

Antonio Vázquez
Partner

24 February 2010

CLICK HERE TO DOWNLOAD THE ANNUAL CORPORATE GOVERNANCE REPORT

If you have no Internet connection, you can find the file in the root directory of the USB stick, ("Informe de Gobierno Corporativo.pdf")