

**ANNUAL
CORPORATE
GOVERNANCE
REPORT
2005**

A. OWNERSHIP STRUCTURE

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

Date last modified	a (€)	Number of shares
9 March 2005	166,668,000.00	222,224,000

If there are different classes of shares, indicate them on the following table:

Class	Number of shares	Unit par value

A.2. List direct and indirect owners of significant holdings and of the amount owned at year-end, excluding directors:

Name or corporate name of shareholders	Number of direct shares	Number of indirect shares (*)	Total % of share capital
BANCO SANTANDER CENTRAL HISPANO, S.A.	1,149,806	21,096,712	10.011
GRUPO PLANETA- DE AGOSTINI, S.L. (FORMERLY KORT GEDING, S.L.)	87,728,496	0	39.478
RTL GROUP COMMUNICATION, S.L.U.	38,372,340	0	17.267

(*) through:

Name or corporate name of the direct shareholder	Number of direct shares	% of share capital
MACAME, S.A.	21,096,712	9.493
TOTAL	21,096,712	

Indicate the most significant movements in the shareholder structure occurring during the year:

Name or corporate name of the shareholder	Date of the transaction	Description of the transaction
CHASE NOMINESS, LTD	21 September 2005	Reduced to below 5% of the share capital
CHASE NOMINESS, LTD	11 November 2005	Increased to above 5% of the share capital
CHASE NOMINESS, LTD	1 September 2005	Reduced to below 5% of the share capital
CHASE NOMINESS, LTD	2 September 2005	Increased to above 5% of the share capital
FMR CORP	31 May 2005	Increased to above 5% of the share capital
FMR CORP	2 June 2005	Reduced to below 5% of the share capital
FMR CORP	10 March 2005	Increased to above 5% of the share capital
FMR CORP	15 March 2005	Reduced to below 5% of the share capital
GRUPO PLANETA- DE AGOSTINI, S.L. (FORMERLY KORT GEDING, S.L.)	27 September 2005	Increased to above 35% of the share capital
STATE STREET BANK AND TRUST CO	7 March 2005	Increased to above 5% of the share capital
STATE STREET BANK AND TRUST CO	15 March 2005	Reduced to below 5% of the share capital

A.3. Complete the following tables on members of the company's Board of Directors who own shares in the company:

Name or corporate name of director	Date first appointed	Date last appointed	Number of direct shares	Number of indirect shares (*)	Total % of share capital
JOSÉ MANUEL LARA BOSCH	16 June 2003	16 June 2003	0	632	0.000
JOSÉ MIGUEL ABAD SILVESTRE	23 November 2004	23 November 2004	428	0	0.000
NICOLAS ABEL BELLET DE TAVERNOST	29 October 2003	29 October 2003	80	0	0.000
JOAN DAVID GRIMÀ TERRÉ	9 March 1994	24 June 2002	4,000	0	0.002
ELMAR HEGGEN	21 December 2005	21 December 2005	1	0	0.000
JOSÉ LUIS LÓPEZ DE GARALLO GALLARDO	29 October 2003	29 October 2003	120	0	0.000
PEDRO ANTONIO MARTÍN MARÍN	29 August 2003	29 August 2003	1,016	0	0.000
PEDRO RAMÓN Y CAJAL AGÜERAS	29 August 2003	29 August 2003	40	0	0.000

(*) through:

Name or corporate name of the direct shareholder	Number of direct shares
LABOGAR, S.A.	632
TOTAL	632

Total % of the share capital owned by the Board of Directors	0.002
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Complete the following tables on members of the company’s Board of Directors who own rights over company shares:

Name or corporate name of the director	Number of direct stock options	Number of indirect stock options	Number of equivalent shares	Total % of the share capital

A.4. Indicate, if appropriate, relationships of a family, commercial, contractual or corporate nature existing between the owners of significant ownership interests, to the extent they are known by the company, unless they are of little significance or derive from the ordinary course of business or trade:

Related names or corporate names	Type of relationship	Brief description

A.5. Indicate, if appropriate, relationships of a family, commercial, contractual or corporate nature existing between the owners of significant ownership interests and the company, unless they are of little significance or derive from the ordinary course of business or trade:

Related names or corporate names	Type of relationship	Brief description

A.6. Indicate any side agreements executed between shareholders which have been reported to the company

Parties to the side agreement	% of share capital involved	Brief description of the agreement
KORT GEDING, S.L. (NOW KNOWN AS GRUPO PLANETA- DE AGOSTINI, S.L.) BANCO SANTANDER CENTRAL HISPANO, S.A.	49.489	SHAREHOLDER STABILITY, RIGHT OF FIRST REFUSAL OVER SHARES OWNED BY BANCO SANTANDER CENTRAL HISPANO, TAG-ALONG RIGHT FOR THE BANK IF KORT GEDING WERE TO SELL AT LEAST 5% OF THE CAPITAL AND COMPOSITION AND ATTRIBUTIONS OF THE MANAGING BODIES
KORT GEDING, S.L. (NOW KNOWN AS GRUPO PLANETA- DE AGOSTINI, S.L.) BANCO SANTANDER CENTRAL HISPANO, S.A.	56.745	SHAREHOLDER STABILITY AND RECIPROCAL RIGHTS OF FIRST REFUSAL OVER THEIR SHARES, UNDERTAKING TO ALLOW A THIRD PARTY NOT TO CONTROL OR TO CONTROL A3TV, AGREEMENTS ON COMPANY MANAGEMENT AND VARIABLE COMPENSATION AND MANAGER LOYALTY PLAN

Indicate, if appropriate, the arrangements between company shareholders which are known to the company:

Parties to the arrangement	% of share capital involved	Brief description of the arrangement
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Expressly indicate any modification or rupture of the foregoing side agreements or arrangements that took place during the year.

On 25 May 2005, by serving service notice of two relevant events (National Securities Market Commission Registry number 58217 and 58218), notice was also served of the agreement executed on the same date by the shareholders of Kort Geding, S.L., Grupo Planeta- De Agostini, S.L. and DeA Multicom, S.L. for the merger by absorption of Grupo Planeta- De Agostini, S.L. and DEA Multicom, S.L. by Kort Geding, S.L., which then changed its corporate name to "Grupo Planeta de Agostini, S.L.". Following the merger, the distribution of the capital of the post-merger company, which is the direct holder of the shares in A3TV, was as follows: Planeta Corporación, S.R.L., 50% and De Agostini, S.p.A., another 50% (the latter through De Agostini International, B.V., which owns 11.21%, and De Agostini Invest, S.A., which owns 38.79%). However, for the purposes of the Notice of Significant Ownership Interests in Listed Companies, the indirect ownership interest in A3TV is attributed to Planeta Corporación, S.R.L. on the terms set forth in the aforesaid relevant events.

On 20 December 2005 De Agostini Communications, S.A. served notice of another relevant event (National Securities Market Commission Registry number 62818), i.e., that De Agostini Invest, S.A. had been spun off and dissolved and that, as a result, the shares of Grupo Planeta- De Agostini, S.L. formerly owned by De Agostini Invest, S.A. had been allotted to the Luxembourg company De Agostini Communication, S.A., as were the rights and obligations carried by those shares, such as the side agreement dated 25 May 2005 mentioned above.

A.7. Indicate whether there is any individual or legal entity who exercises or may exercise control over the company pursuant to Article 4 of the Securities Market Law:

Name or corporate name

Comments

A.8. Complete the following tables on the company's treasury stock:

At year-end:

Number of direct shares	Number of indirect share (*)	Total % of the share capital
3,703,817	0	1.667

(*) through:

Name or corporate name of the direct shareholder

Number of direct shares:

TOTAL

List significant variations, within the meaning of Royal Decree 377/1991, made during the year:

Date	Number of direct shares	Number of indirect shares	Total % of share capital
19 January 2005	300,000	0	0.135

Gains/Losses for the year obtained from transactions with treasury shares

(in thousands of euros)	0
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A.9. Detail conditions and term(s) of the mandate(s) of the Annual General Meeting to the Board of Directors for engaging in the acquisitions or transfers of treasury stock described in Section A.8.

This authorisation was granted by the Annual General Meeting on 9 March 2005.

CONDITIONS

- 1) The par value of the shares acquired, together with those already owned by A3TV and its subsidiaries, must not exceed 5% of the share capital.
- 2) A restricted reserve equivalent to the amount of treasury shares computed in the assets must be able to be recorded to liabilities on the balance sheet. This reserve must be maintained for as long as the shares are not disposed of or redeemed.
- 3) The shares acquired must be fully paid in.
- 4) The acquisition price must be no less than par value and no higher than 5% more than the price of the treasury shares acquired on an official secondary market during the month prior to the purchase; acquisitions must also comply with the rules and customs of securities markets.

It is expressly authorised that shares acquired by the company or its subsidiaries under this mandate may be awarded, in whole or in part, to managers or directors of A3TV or of its Group companies, by application of the three-year variable compensation and manager loyalty plan of the Antena 3 Group, approved by the Annual General Meeting held on 12 May 2004, expressly stating the purpose of this mandate for the purposes of Article 75.1 of the Spanish Corporations Law.

The Board of Directors is empowered on the broadest terms to use the mandate and to enforce and perform it in full, and may delegate these powers to the standing committee, the managing director or any other person expressly empowered by the Board for such purpose, with such scope as the Board deems appropriate.

TERM

18 months as from the holding of the Annual Shareholders Meeting, which took place on 9 March 2005, at which time the mandate granted to the Board of Directors at the aforesaid Annual General Meeting held on 12 May 2004 was rendered null and void.

A.10. Indicate, if appropriate, the statutory and bylaw restrictions on the exercise of voting rights, as well as the statutory restrictions on the acquisition or transfer of ownership interests in the share capital:

There are no statutory or bylaw restrictions on the exercise of voting rights carried by the company's shares, nor are there statutory or bylaw restrictions on the acquisition or transfer of ownership interests in the share capital, other than the special provisions stipulated in the Private Television Law.

B. COMPANY MANAGEMENT STRUCTURE

B.1. Board of Directors

B.1.1. Detail the maximum and minimum number of Directors stipulated in the bylaws:

Maximum number of Directors	15
Minimum number of Directors	5

B.1.2. Complete el siguiente cuadro con los miembros del consejo:

Name or corporate name of the Director	Representative	Office held on the Board	Date first appointed	Date last appointed	Election procedure
JOSÉ MANUEL LARA BOSCH		CHAIRMAN	16 JUN 2003	16 JUN 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
MAURIZIO CARLOTTI	MANAGING DIRECTOR		16 JUN 2003	16 JUN 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
JOSÉ MIGUEL ABAD SILVESTRE		MEMBER	23 NOV 2004	23 NOV 2004	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
NICOLAS ABEL BELLET DE TAVERNOST		MEMBER	29 OCT 2003	29 OCT 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
JOSÉ CREUHERAS MARGENAT		MEMBER	16 JUN 2003	16 JUN 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
JOSÉ LUIS DÍAZ FERNÁNDEZ		MEMBER	9 FEB 1998	24 APR 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
MARCO DRAGO		MEMBER	16 JUN 2003	16 JUN 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
JOAN DAVID GRIMÀ TERRÉ		MEMBER	9 MAR 1994	24 JUN 2002	SHAREHOLDERS' MEETING
ELMAR HEGGEN		MEMBER	21 DEC 2005	21 DEC 2005	COOPTATION PENDING RATIFICATION
JOSÉ LUIS LÓPEZ DE GARALLO GALLARDO		MEMBER	29 OCT 2003	29 OCT 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
PEDRO ANTONIO MARTÍN MARÍN		MEMBER	29 AUG 2003	29 AUG 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
PEDRO RAMÓN Y CAJAL AGÜERAS		MEMBER	29 AUG 2003	29 AUG 2003	COOPTATION RATIFIED BY ANNUAL GENERAL MEETING
Total number of Directors					12

Indicate the resignations from the Board of Directors that took place during the period:

Name or corporate name of the director	Date of resignation
THOMAS RABE	21 December 2005

B.1.3. Complete the following tables on the Board members and their status:

EXECUTIVE DIRECTORS

Name or corporate name of the director	Committee that proposed his appointment	Position on the company's organisational chart
JOSÉ MANUEL LARA BOSCH		CHAIRMAN
MAURIZIO CARLOTTI		MANAGING DIRECTOR

NONEXECUTIVE SIGNIFICANT-SHAREHOLDER APPOINTED DIRECTORS

Name or corporate name of the director	Committee that proposed appointment	Name or corporate name of the significant shareholder he represents or who proposed his appointment
JOSÉ MIGUEL ABAD SILVESTRE		GRUPO PLANETA- DE AGOSTINI, S.L. (FORMERLY KORT GEDING, S.L.)
NICOLAS ABEL BELLET DE TAVERNOST		RTL GROUP COMMUNICATION, S.L.U.
JOSÉ CREUHERAS MARGENAT		GRUPO PLANETA- DE AGOSTINI, S.L. (FORMERLY KORT GEDING, S.L.)
JOSÉ LUIS DÍAZ FERNÁNDEZ		BANCO SANTANDER CENTRAL HISPANO, S.A.
MARCO DRAGO		GRUPO PLANETA- DE AGOSTINI, S.L. (FORMERLY KORT GEDING, S.L.)
JOAN DAVID GRIMÀ TERRÉ		BANCO SANTANDER CENTRAL HISPANO, S.A.
ELMAR HEGGEN	APPOINTMENT AND COMPENSATION COMMITTEE	RTL GROUP COMMUNICATION, S.L.U.

NONEXECUTIVE INDEPENDENT DIRECTORS

Name or corporate name of the director	Committee that proposed his appointment	Profile
JOSÉ LUIS LÓPEZ DE GARALLO GALLARDO	APPOINTMENT AND COMPENSATION COMMITTEE	NOTARY OF THE MADRID ASSOCIATION OF NOTARIES. HE WAS A BOARD MEMBER OF THE BILBAO STOCK EXCHANGE GOVERNING COMPANY AND A BOARD MEMBER AND DIRECTOR OF THE STOCK EXCHANGE BROKER DEALER OF THE BANCO CENTRAL AND OF THE BANCO CENTRAL HISPANO. FROM 1996 THROUGH 2000 HE WAS DIRECTOR OF THE CABINET OF THE SECRETARY OF STATE FOR PARLIAMENTARY AFFAIRS
PEDRO ANTONIO MARTÍN MARÍN		PRACTICING LAWYER. HE WAS SECRETARY OF STATE FOR COMMUNICATION AND CURRENTLY IS CHAIRMAN OF MADRID DEPORTES Y ESPECTÁCULOS, S.A.
PEDRO RAMÓN Y CAJAL AGÜERAS		PARTNER OF THE "RAMÓN Y CAJAL ABOGADOS" LAW FIRM, GOVERNMENT LAWYER, MEMBER OF THE MANAGING BODIES OF INDRA SYSTEMS, S.A., HISPASAT, S.A. AND RENTA 4, S.A.

OTHER INDEPENDENT DIRECTORS

Name or corporate name of the director	Committee that proposed his appointment
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Detail the reasons for which they cannot be regarded as significant-shareholder appointed directors or independent directors:

Indicate any variations which were produced during the period in the type of each director:

Name or corporate name of the director	Date of the change	Former status	Current status
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B.1.4. Indicate whether the classification of directors made in the preceding point is in line with the distribution provided for in the Board Regulations:

Yes

B.1.5. Indicate the powers delegated to the managing director(s):

Name or corporate name of the director	Brief description
MAURIZIO CARLOTTI	ALL DELEGABLE POWERS OF THE BOARD OF DIRECTORS

B.1.6. Identify any Board members who hold the office of director or executive at other companies which form part of the listed company's group:

Name or corporate name of the director	Corporate name of the group entity	Office
MAURIZIO CALOTTI	PUBLICIDAD 3, S.A.U.	DIRECTOR EMPOWERED TO ACT SEVERALLY
MAURIZIO CALOTTI	ATRES ADVERTISING, S.L.U.	REPRESENTATIVE OF THE SOLE DIRECTOR, A3TV, THROUGH 10 JUNE 2005

B.1.7. Detail any directors of your company who are members of the Board of Directors of other companies listed on official securities markets in Spain other than those of your group, which have been reported to the company:

Name or corporate name of the director	Listed entity	Office
JOSÉ MANUEL LARA BOSCH	BANCO SABADELL S.A.	BOARD MEMBER
JOSÉ MANUEL LARA BOSCH	COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.	BOARD MEMBER
JOAN DAVID GRIMÀ TERRÉ	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	BOARD MEMBER
PEDRO RAMÓN Y CAJAL AGÜERAS	INDRA SISTEMAS, S.A.	BOARD MEMBER

B.1.8. Complete the following tables on the aggregate Directors' compensation paid during the year:

A) At the company covered in this report:

Compensation item	Data in thousands of euros
Fixed compensation	907
Variable compensation	0
Allowances	912
Attendance fees per the bylaws	0
Stock options and/or other financial instruments	0
Other	0
TOTAL	1,819

Other benefits	Data in thousands of euros
Advances	0
Loans granted	0
Pension funds and plans: Contributions	0
Pension funds and plans: Contractual obligations	0
Life insurance premiums	0
Guarantees provided by the company in favour of directors	0

B) Compensation for membership of company directors on other Boards of Directors and/or on the senior management team of group companies:

Compensation item	Data in thousands of euros
Fixed compensation	0
Variable compensation	0
Allowances	0
Attendance fees per the bylaws	0
Stock options and/or other financial instruments	0
Other	0
TOTAL	0

Other benefits	Data in thousands of euros
Advances	0
Loans granted	0
Pension funds and plans: Contributions	0
Pension funds and plans: Contractual obligations	0
Life insurance premiums	0
Guarantees provided by the company in favour of directors	0

C) Total compensation by type of director:

Type of director	Per company	Per group
Executive directors	1,134	0
Nonexecutive significant-shareholder appointed directors	532	0
Nonexecutive independent directors	153	0
Other nonexecutive directors	0	0
TOTAL	1,819	0

D) Profit attributable to the Parent:

Total directors' compensation (in thousands of euros)	1,819
Total directors' compensation attributed to the Parent (expressed in %)	0.810

B.1.9. Identify members of the senior management team who are not also executive directors and indicate the total compensation paid to them during the year:

Name or corporate name	Office
IGNACIO AYUSO CANALS	SECRETARY-GENERAL THROUGH DECEMBER 2005
GLORIA FERNÁNDEZ LOMANA	INFORMATION SERVICES MANAGER
LUIS GAYO DEL POZO	SECRETARY-GENERAL SINCE DECEMBER 2005
SILVIO JOSÉ GONZÁLEZ MORENO	GENERAL MANAGER
ANTONIO CARLOS MANSO MARCOS	FINANCIAL MANAGER
EDUARDO OLANO CODESIDO	ADVERTISING DIVISION MANAGER
CARMEN RODRÍGUEZ MARTÍN	CENTRAL LEGAL ADVISORY SERVICES MANAGER
GIORGIO SBAMPATO	DEVELOPMENT AND NEW PROJECTS DIVISION MANAGER
ÁNGELES YAGÜE BARRERO	CONTENTS MANAGER

Total senior management compensation (in thousands of euros)	2,391
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B.1.10. Indicate on the whole whether there are guarantee or golden parachute clauses for cases of dismissal or changes in control in favour of members of the senior management team, including executive directors of the company or of its group. Indicate whether these contracts are to be reported and/or approved by the bodies of the company or of its group:

Number of beneficiaries	2
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	Board of Directors	Annual General Meeting
Body authorising the clauses	X	

	YES	NO
Is the Annual General Meeting informed of the clauses?		X

B.1.11. Explain the process for stipulating Directors' compensation and indicate the relevant clauses of the bylaws in this connection.

Article 34 of the bylaws provides that Directors' compensation shall consist of attendance fees for attending Board meetings, the amount of which shall be stipulated by the Annual General Meeting each year or for as many years as is specified by the Annual General Meeting. Attendance fees may vary according to director.

The same criteria shall apply to the compensation of Directors who are members of the various Board committees.

The Article adds that the compensation summarised above is compatible with other items of professional compensation or salary income obtained by Directors for any executive or advisory functions they may perform for the company.

The Special Annual General Meeting held on 29 August 2003 resolved that the gross attendance fee for attending Board meetings was EUR 3,000 per attendee per meeting and EUR 3,600 for the Executive Committee. The same attendance fee of EUR 3,000 is applied to the other two committees, i.e., the Audit and Control Committee and the Appointments and Compensation Committee.

The Annual General Meeting held on 12 May 2004 adopted the following resolution:

The economic benefits that may be received from the Company by its Directors, for any item, shall have the following limits:

1. The sum of:

a) the attendance fees received by Directors throughout each year, pursuant to Article 34.1 of the bylaws and resolved at any given time by the Annual General Meeting, plus

b) the amounts received for professional, commercial or employment relationships which, pursuant to Article 34.2 of the bylaws, are payable to Board members, whether or not they have been delegated powers and by virtue of any functions they perform at the Company (whether general management, other executive, advisory or consulting functions or the provision of any other service, but other than those of collective supervision and decision specific to their status of Director) cannot exceed, in the aggregate for all Directors and throughout each year, THREE MILLION EUROS (EUR 3,000,000).

In the exceptional case that the number of Board meetings or Committee meetings to be held in a single year, plus those items indicated in section 1.b) above, were to total the maximum amount indicated, the remaining Board or Committee meetings held in that same year will not entitle the Directors to receive any attendance fee.

2. Should the contracts regulating the relationships referred to under Section 1.b) above contain clauses or covenants which, in the event of early or unilateral termination by the Company, obliged the Company to pay the other party severance pay or indemnities quantified in the contract itself, the total amount of such severance pay or indemnity cannot exceed, for all such contracts in force at any given time, THREE MILLION EUROS (EUR 3,000,000). Any eventual payment thereof shall not be computable for the purposes of the limit set in section 1 above.

3. Any benefits payable under incentive or variable compensation plans expressly approved by resolution of the Annual General Meeting shall be excluded from the scope of this agreement.

B.1.12. Identify any Board members who are also members of the Board of Directors of companies holding significant ownership interests in the listed company and/or in entities in its group:

Name or corporate name of the director	Name or corporate name of the significant shareholder	Office
JOSÉ MANUEL LARA BOSCH	GRUPO PLANETA- DE AGOSTINI, S.L.	CHAIRMAN OF THE BOARD OF DIRECTORS
JOSÉ MIGUEL ABAD SILVESTRE	GRUPO PLANETA- DE AGOSTINI, S.L.	DIRECTOR AND GENERAL MANAGER
NICOLAS ABEL BELLET DE TAVERNOST	RTL GROUP COMMUNICATION, S.L.U.	MEMBER OF THE OPERATIONS MANAGEMENT COMMITTEE (RTL GROUP LUXEMBOURG)
JOSÉ CREUHERAS MARGENAT	GRUPO PLANETA- DE AGOSTINI, S.L.	DIRECTOR
JOSÉ LUIS DÍAZ FERNÁNDEZ	BANCO SANTANDER CENTRAL HISPANO, S.A.	DIRECTOR OF BANCO BANIF, S.A. (BSCH GROUP)
MARCO DRAGO	GRUPO PLANETA- DE AGOSTINI, S.L.	DEPUTY CHAIRMAN OF THE BOARD OF DIRECTORS
JOAN DAVID GRIMÀ TERRÉ	BANCO SANTANDER CENTRAL HISPANO, S.A.	GENERAL MANAGER
ELMAR HEGGEN	RTL GROUP COMMUNICATION, S.L.U.	EXECUTIVE DEPUTY CHAIRMAN OF REGIONAL OPERATIONS AND DEVELOPMENT (RTL GROUP LUXEMBOURG)

Detail any significant relationships, other than those set forth in the preceding section, of Board members which link them to significant shareholders and/or entities in their group:

Name or corporate name of the director	Name or corporate name of the significant shareholder	Description of the relationship

B.1.13. Indicate any amendments made to the Board Regulations during the year.

B.1.14. Indicate the procedures for appointing, reelecting, appraising and removing Directors. Detail the competent bodies, the steps to be taken and the criteria to be employed in each procedure.

Directors must be appointed and removed by the Annual General Meeting, save in the case of vacancies covered by cooptation, which shall be the responsibility of the Board of Directors.

Proposals for the appointment of directors submitted by the Board of Directors to the Annual General Meeting for consideration and resolutions of appointment adopted by the Board by virtue of the powers of cooptation attributed to it by law must comply with the provisions of the Board Regulations and must be preceded by the relevant non-binding report by the Appointments and Compensation Committee. However, when the Board does not follow the proposal of the Committee, it must have sufficient support for its decision, leaving record of its reasons in the minutes.

Those who are to be elected as nonexecutive directors must be persons of recognised solvency, competence and experience, who are willing to dedicate a sufficient amount of their time and capacity to the Company. The foregoing must be complied with even more strictly with respect to those who are to be elected to the office of independent director.

To cover the office of independent director, the Board of Directors cannot propose or designate persons who currently have or have had over the preceding three years a stable relationship of some importance with Company management or are related by family, professional or commercial ties to any of the executive directors or to other senior managers of the Company. Neither can the persons designated have a stable relationship with the significant-shareholder appointed directors or with the entities or groups of companies represented by them.

In particular, the following persons may not be proposed or designated as independent directors:

1. persons who currently hold or have held over the preceding two years high level executive posts at the Company or at any of the Company's subsidiaries, or persons who currently hold high level executive posts at entities or groups which own significant ownership interests in the Company's capital;
2. persons who, directly or indirectly over the preceding two years, have made or received payments to or from the Company or any of its subsidiaries, or persons who are currently making or receiving payments to or from entities or groups who own significant ownership interests in the Company's capital, which could jeopardise their independence;
3. persons who currently have or have had other relationships with the Company or with any of its subsidiaries, or with entities or groups who own significant ownership interests in the Company's capital, which, in the opinion of the Appointments and Compensation Committee, could be detrimental to their independence;
4. family members (to the fourth degree of kinship) of whomever currently is or has been over the preceding two years an executive director or senior manager of the Company.

Reelection of Directors

Proposals for the reelection of Directors which the Board of Directors decides to submit to the Annual General Meeting shall be subject to a formal preparation process which must necessarily include a non-binding report issued by the Appointments and Compensation Committee evaluating each proposed Director in terms of his quality of work and dedication during his term of office.

B.1.15. Indicate the cases in which directors are obliged to resign.

Directors must make their office available to the Board of Directors and formalise their resignation in the following cases:

1. where they cease to hold the executive offices which gave rise to their appointment as director or where the reasons for which they were appointed cease to exist;
2. where they are subject to any of the statutory conflicts of interest or prohibitions;
3. where they are severely reprimanded by the Appointments and Compensation Committee or by the Audit and Control Committee for being in breach of any of their obligations as directors.

Other than in the foregoing cases, the Board may not propose the removal of nonexecutive significant-shareholder appointed directors prior to the end of the term for which they were appointed, unless there are exceptional and justified grounds for doing so, which should be approved by the Board following a non-binding report by the Appointment and Compensation Committee.

B.1.16. Explain whether the office of chief executive of the Company falls to the Chairman of the Board. If so, indicate the measures taken to limit the risks of the accumulation of powers in the hands of one person:

	YES	NO
		X

Measures taken to limit risks

B.1.17. Are qualified majorities required for any type of decision?

	YES	NO
	X	

Indicate how resolutions are adopted by the Board of Directors, stating at least the minimum quorum of attendance and the type of majorities for adopting resolutions:

Adoption of resolutions		
Description of the resolution	Quorum	Type of majority
ORDINARY RESOLUTIONS	ONE HALF PLUS ONE OF THE BOARD MEMBERS ATTENDING IN PERSON OR BY PROXY; IF THERE IS AN UNEVEN NUMBER OF DIRECTORS, THE NUMBER OF DIRECTORS OR PROXIES IN ATTENDANCE MUST BE GREATER THAN THE NUMBER OF THOSE NOT ATTENDING	ORDINARY

B.1.18. Explain whether there are specific requirements, other than those relating to directors, for being appointed Chairman.

	YES	NO
		X

Description of requirements

B.1.19. Indicate whether the Chairman has a casting vote:

	YES	NO
		X

Matters for which a casting vote exists

B.1.20. Indicate whether the bylaws or the Board Regulations stipulate a limit on the age of directors:

	YES	NO
		X

Limit on the age of the Chairman

Limit on the age of the Managing Director

Limit on the age of directors

B.1.21. Indicate whether the bylaws or the Board Regulations stipulate a limited term of office for independent directors:

	YES	NO
		X
Maximum number of years		0

B.1.22. Indicate whether there are formal procedures for delegating votes to the Board of Directors. If so, give a brief description.

Proxies may be conferred by letter or by any other means capable of ensuring the certainty and validity of the proxy in the opinion of the Chairman. If possible the proxy letter must include the relevant instructions.

B.1.23. Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if appropriate, the times the Board met without the attendance of the Chairman:

Number of Board meetings	12
Number of Board meetings held without the attendance of the Chairman	0

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

Number of Executive or Standing Committee meetings	21
Number of Audit Committee meetings	6
Number of Appointments and Compensation Committee meetings	3
Number of Strategy and Investments Committee meetings	0
Number of committee meetings	0

B.1.24. Indicate whether the individual and consolidated financial statements submitted to the approval of the Board are previously certified:

	YES	NO
		X

Identify the person(s), if any, who certified the company's individual and consolidated financial statements for their preparation by the Board:

Name	Office

B.1.25. Explain any mechanisms established by the Board of Directors for preventing the individual and consolidated financial statements prepared by it from being submitted to the Annual General Meeting with qualifications in the auditor's report.

The financial statements, breakdowns of financial statements and additional information included in the individual and consolidated financial statements are prepared by the company's financial management, which submits them to the auditors for review according to a working plan that includes the participation of the in-house auditors. All of the foregoing is reported to the Audit and Control Committee, which supervises and coordinates the entire process of preparing the financial information and the related checks.

The external auditor performs its work with cooperation from the financial management and in-house auditors. Reviews are performed in various stages throughout the year with a view to anticipating the need for information and completing the various tests performed by the auditors according to the aforesaid plan by the closing and preparation deadlines.

Both in-house auditors and external auditors report to the Audit and Control Committee on the performance and progress of their plan, as well as on the various conclusions obtained throughout the year. This enables them to anticipate the resolution of aspects which might have an impact on the auditor's report and thus avoid possible qualifications.

Prior to their preparation, the financial statements are submitted to a review by the Audit and Control Committee which, in turn, proposes the final contents thereof to the Board of Directors for their preparation.

B.1.26. Detail the measures taken to ensure that the information given to securities markets is transmitted fairly and symmetrically.

The Secretary of the Board of Directors (Secretary and Deputy Secretary) evaluates, in the light of significant circumstances, decisions, events or transactions, the need to serve notices of events on the market in line with the demands and requirements of current legislation in this connection. Such notices are always served through the channels and by the deadlines set forth in such legislation.

Information on quarterly and six-monthly results is reported to the Audit and Control Committee before it is made public. This information and its attached notes and explanations regarding the evolution of the most significant financial magnitudes are submitted by the financial management to the Committee for review and approval. At some of the meetings where this information is presented, the external auditor has given its opinion on the correct treatment and recording of the transactions carried out in the related quarter which could, in the Committee's opinion, be significant due to their reflection in the financial information.

With a view to improving information quality and access, not only the information reported to the National Securities Market Commission but also other financial, management and business information of use to investors is made available on the company's website.

The Investor Relations Area is in charge of liaising with national and international markets, explaining and informing those markets of significant data relating to its strategy, organisation, transactions and businesses which is necessary for the formation of expectations regarding future performance, thus contributing to the suitable formation and setting of prices for the securities issued by the company.

In 2005 a major effort was made to promote a policy of transparency in communication and information targeted at investors and analysts. It included, inter alia, numerous presentations, audio-conferences with analysts, "roadshows" on the main financial markets and the holding of "Analyst Day", where the managers of the Company's main areas presented their operations and the performance of their areas.

B.1.27. Is the secretary of the Board a director?:

	YES	NO
		X

B.1.28. Indicate any mechanisms established by the Company to maintain the independence of the auditors, financial analysts, investment banks and classification agencies.

The Audit and Control Committee is responsible for evaluating the auditing services and for ensuring the independence of the auditors. In this connection, Article 35 of the bylaws stipulates that one of the duties of the Audit and Control Committee is to receive information from the auditors regarding issues which could jeopardise their independence and any other issue relating to the performance of the audit, and to receive information and exchange with the auditors any other communications provided for in the audit legislation and the technical auditing rules.

The "Internal Rules of Conduct on Issues relating to Securities Markets" describe, inter alia, the actions to be taken in each case to ensure the independence of investment banks and financial analysts, as well as by the company personnel subject to those Rules in relation to personal or confidential transactions which could have an impact on the value of the Group on the markets.

The following additional mechanisms have also been established with a view to guaranteeing efficiency and transparency in relations with market agents:

- All information deemed significant is reported simultaneously to the market through the publication of the pertinent relevant event. In this connection, 26 Relevant Events were published in 2005.
- Information furnished to the markets is subject to a suitable level of in-house review and quality control.
- In information furnished at meetings with analysts and investors, the pertinent clauses are explicitly stated so as to safeguard the significant information and the position of the company in relation to decisions which could be adopted by market agents on the basis of such information.

B.1.29. Indicate whether the auditing firm does work for the company and/or its group other than auditing work and, in such case, state the amount of the fees received for that work and the percentage it represents over the fees billed to the company and/or its group.

	YES	NO
	X	

	Company	Group	Total
Amount of work other than auditing work (thousands of euros)	56	17	73
Amount of work other than auditing work / total amount billed by the auditing firm (%)	17.000	5.000	22.000

B.1.30. Indicate the number of years that the current auditing firm has uninterruptedly been auditing the financial statements of the company and/or its group. Also indicate the percentage represented by the number of years audited by the current auditing firm over the total number of years in which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	9	9
	Company	Group
Number of years audited by the current auditing firm / number of years the company has been audited (%)	56.000	56.000

B.1.31. Indicate the holdings reported to the Company which are owned by Company directors in the capital of entities engaging in a type of activity which is the same as, or similar or supplementary to, that of the corporate purpose both of the Company and of its group. Also indicate the offices they hold or duties they discharge at those companies:

Name or corporate name of the director	Name of the company in which the holding is owned	Holding %	Office or duties

B.1.32. Indicate whether there is a procedure which may be used by directors to obtain external counselling and, if so, give a brief description:

	YES	NO
		X

Describe the procedure

B.1.33. Indicate whether there is a procedure which may be used by directors to obtain the information necessary for preparing meetings of the managing bodies in a timely manner and, if so, give a brief description:

	YES	NO
		X

Describe the procedure

B.1.34. Indicate whether liability insurance has been taken out in favour of company directors.

	YES	NO
	X	

B.2. Committees of the Board of Directors

B.2.1. List the managing bodies:

Name of the managing body	Number of members	Duties
STANDING COMMITTEE	5	SEE POINT B.2.3. SECTION I)
AUDIT AND CONTROL COMMITTEE	5	SEE POINT B.2.3. SECTION II)
APPOINTMENTS AND COMPENSATION COMMITTEE	5	SEE POINT B.2.3. SECTION III)

B.2.2. Detail all the committees of the Board of Directors and their members:

EXECUTIVE OR STANDING COMMITTEE

Name	Office
JOSÉ MANUEL LARA BOSCH	CHAIRMAN
MAURIZIO CARLOTTI	MEMBER
NICOLAS ABEL BELLET DE TAVERNOST	MEMBER
MARCO DRAGO	MEMBER
JOAN DAVID GRIMÀ TERRÉ	MEMBER
PABLO BIEGER MORALES	NON-MEMBER SECRETARY
CARMEN RODRÍGUEZ MARTÍN	NON-MEMBER SECRETARY

AUDIT COMMITTEE

Name	Office
JOSÉ MIGUEL ABAD SILVESTRE	MEMBER
JOAN DAVID GRIMÀ TERRÉ	MEMBER
ELMAR HEGGEN	MEMBER
JOSÉ LUIS LÓPEZ DE GARALLO GALLARDO	MEMBER
PEDRO RAMÓN Y CAJAL AGÜERAS	MEMBER
CARMEN RODRÍGUEZ MARTÍN	NON-MEMBER SECRETARY

APPOINTMENTS AND COMPENSATION COMMITTEE

Name	Office
JOAN DAVID GRIMÀ TERRÉ	CHAIRMAN
JOSÉ MIGUEL ABAD SILVESTRE	MEMBER
NICOLAS ABEL BELLET DE TAVERNOST	MEMBER
JOSÉ CREUHERAS MARGENAT	MEMBER
PEDRO ANTONIO MARTÍN MARÍN	MEMBER
CARMEN RODRÍGUEZ MARTÍN	NON-MEMBER SECRETARY

STRATEGY AND INVESTMENTS COMMITTEE

Name

Office

B.2.3. Give a brief description of the rules governing the organisation and functioning of, as well as the responsibilities attributed to, each of the Board's committees.

I) STANDING COMMITTEE

The Standing Committee exercises any powers delegated to it by the Board of Directors with the affirmative vote of two thirds of the directors.

It is made up of between 3 and 9 members which shall in all cases include the Chairman of the Board and the Managing Director.

The Chairman and Secretary of the Board shall act as the Standing Committee Chairman and Secretary unless otherwise decided by the Board.

The Committee meets once a month, or whenever the interest of the Company so requires.

Its resolutions are adopted by the majority of its members and the Chairman has the casting vote in the event of a tie.

The appointment and removal of members of this Committee requires the affirmative vote of at least two thirds of the directors.

II) AUDIT AND CONTROL COMMITTEE

The Audit and Control Committee is made up of not less than three and not more than five directors.

Its Chairman is elected for a maximum term of four years and may be reelected once, after one year has elapsed since the end of his term.

The Board Secretary or one of the Board Deputy Secretaries shall act as the Secretary of the Audit and Control Committee.

It meets once a quarter or whenever three of its members, the Standing Committee or the Managing Director so request.

For a meeting to be validly convened the number of directors attending in person or by proxy must be larger than the number of directors not attending.

Resolutions are adopted by majority vote and the Chairman has the casting vote.

Its duties are:

1. to report to the Annual General Meeting on the issues under its authority;
2. to propose to the Annual General Meeting everything relating to the designation of auditors and their contracting terms;
3. to supervise the in-house auditing services;
4. to know the processes relating to financial information and internal control systems;
5. to maintain the relationship with the auditors;
6. to obtain from the Managing Director the necessary information for the optimum performance of its duties.

III) APPOINTMENTS AND COMPENSATION COMMITTEE

The Appointments and Compensation Committee is made up of not less than three and not more than 5 directors, in line with the proportions of the Board. Its Chairman is designated for a maximum of four years and may only be reelected once, after one year has elapsed since the end of his term. The Board Secretary or one of the Board Deputy Secretaries shall act as the Secretary of the Appointments and Compensation Committee.

The Committee meets once a quarter or whenever three of its members, the Standing Committee or the Managing Director so request.

For a meeting to be validly convened the number of directors attending in person or by proxy must be larger than the number of directors not attending.

Resolutions are adopted by a majority vote and the Chairman has the casting vote.

Its duties are:

1. to formulate and report on the guidelines to be followed for the composition of the Board;
2. to issue a previous report on members of the Board and of the Committees;
3. to propose the form and amount of directors' compensation, whether for holding the office of director or for the discharge of other duties;
4. to report on the rules governing the corporate bodies and very especially on the Board and the Annual General Meeting Regulations;
5. to ensure that the directors perform their obligations;
6. to know and report to the Board on appointments and compensation of senior managers of the company;
7. to know and report to the Board on the appointments and compensation of senior managers;
8. to propose to the Board the basic conditions for hiring senior managers and to ensure compliance therewith;
9. to propose to the Board the variable compensation policy for the performance of objectives;
10. to obtain from the Managing Director the information deemed necessary for the performance of its duties;
11. to prepare and keep a record of the status of the directors and senior managers of the company and of its group;
12. to report on compliance with the Board Regulations in matters under its specific authority.

B.2.4. Indicate any advisory, consulting and, if appropriate, delegation powers held by each of the Committees:

Committee name	Brief description
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B.2.5. Indicate the existence of Regulations governing the Committees of the Board of Directors, the place where they are available for consultation and any amendments made during the year. In turn, indicate whether any annual report on the activities of each Committee was prepared on a voluntary basis.

B.2.6. If there is an Executive Committee, explain the degree of delegation and autonomy available to it when carrying out its functions, for adopting resolutions on the direction and management of the Company.

Formally this Committee has been delegated all legally delegable powers of the Board of Directors. In general practice, the Standing Committee does not adopt resolutions by itself, but rather submits its proposals of the Board of Directors.

B.2.7. Indicate whether the composition of the Executive Committee reflects the membership on the Board of the various directors in accordance with their status.

	YES	NO
	X	

If no, explain the composition of the Executive Committee

B.2.8. If there is an Appointments Committee, indicate whether all its members are nonexecutive directors:

	YES	NO
	X	

C. RELATED-PARTY TRANSACTIONS

C.1. Detail significant transactions which entail a transfer of resources or obligations between the company or entities in its group and the company's significant shareholders:

Name or corporate name of the significant shareholder	Name or corporate name of the company or entity in its group	Nature of the relationship	Type of transaction	Amount (Thousands of Euros)
RTL GROUP COMMUNICATION, S.L.U.	SPORTFIVE GMBH	Contractual	Receipt of services	8,515
GRUPO PLANETA-DE AGOSTINI, S.L.	UNIÓN IBÉRICA DE RADIO, S.L.	Contractual	Receipt of services	4,111
RTL GROUP COMMUNICATION, S.L.U.	GRUNDY PRODUCCIONES, S.A.	Contractual	Receipt of services	2,712
RTL GROUP COMMUNICATION, S.L.U.	M6 DROITS AUDIOVISUELS	Contractual	Receipt of services	2,500
RTL GROUP COMMUNICATION, S.L.U.	GRUNDY PRODUCCIONES, S.A.	Contractual	Receipt of services	2,262
GRUPO PLANETA-DE AGOSTINI, S.L.	DEAPLANETA PRODUCCIONES CINEMATOGRAFICAS, S.L.	Contractual	Receipt of services	700
GRUPO PLANETA-DE AGOSTINI, S.L.	PRODIGIUS AUDIOVISUAL, S.A.	Contractual	Receipt of services	950
GRUPO PLANETA-DE AGOSTINI, S.L.	PRODIGIUS AUDIOVISUAL, S.A.	Contractual	Receipt of services	657
GRUPO PLANETA-DE AGOSTINI, S.L.	RKOR RADIO, S.L.	Contractual	Receipt of services	861
GRUPO PLANETA-DE AGOSTINI, S.L.	PLANETA JUNIOR, S.L.	Contractual	Receipt of services	221
BANCO SANTANDER CENTRAL HISPANO, S.A.	SANTANDER INVESTMENT SERVICES, S.A.	Contractual	Receipt of services	200
RTL GROUP COMMUNICATION, S.L.U.	IP NETWORK, S.A.	Commercial	Receipt of services	247
RTL GROUP COMMUNICATION, S.L.U.	FREMANTLE MEDIA	Contractual	Receipt of services	90
GRUPO PLANETA-DE AGOSTINI, S.L.	DEAPLANETA, S.L.	Contractual	Receipt of services	70
RTL GROUP COMMUNICATION, S.L.U.	RTL TELEVISIÓN GMBH	Contractual	Receipt of services	46
GRUPO PLANETA-DE AGOSTINI, S.L.	PLANETA DIRECTO, S.L.	Contractual	Receipt of services	0
GRUPO PLANETA-DE AGOSTINI, S.L.	PLANETA DIRECTO, S.L.	Commercial	Provision of services	1,404
GRUPO PLANETA-DE AGOSTINI, S.L.	UNIÓN IBÉRICA DE RADIO, S.L.	Contractual	Provision of services	1,134
RTL GROUP COMMUNICATION, S.L.U.	VOX FILM-UND FERNSEH GMBH & CO KG	Contractual	Provision of services	930
GRUPO PLANETA-DE AGOSTINI, S.L.	DEAPLANETA, S.L.	Contractual	Provision of services	580
GRUPO PLANETA-DE AGOSTINI, S.L.	AUDIOVISUAL ESPAÑOLA 2000, S.A.	Commercial	Provision of services	348
GRUPO PLANETA-DE AGOSTINI, S.L.	SAV SOCIEDAD ANÓNIMA DEL VÍDEO	Commercial	Provision of services	250
RTL GROUP COMMUNICATION, S.L.U.	METROPOLE PRODUCTION, S.A.	Contractual	Provision of services	207
RTL GROUP COMMUNICATION, S.L.U.	SPORTFIVE GMBH	Commercial	Provision of services	163
GRUPO PLANETA-DE AGOSTINI, S.L.	AUDIOVISUAL ESPAÑOLA 2000, S.A.	Commercial	Provision of services	36
GRUPO PLANETA-DE AGOSTINI, S.L.	PLANETA DE AGOSTINI, S.A.	Commercial	Provision of services	13
GRUPO PLANETA-DE AGOSTINI, S.L.	EDITORIAL TEMAS DE HOY, S.A.	Commercial	Provision of services	12

(Continue)

RTL GROUP COMMUNICATION, S.L.U.	GRUNDY PRODUCCIONES, S.A.	Contractual	Provision of services	3
BANCO SANTANDER CENTRAL HISPANO, S.A.	BANCO SANTANDER CENTRAL HISPANO, S.A.	Contractual	Provision of services	1
GRUPO PLANETA-DE AGOSTINI, S.L.	CENTRO DE ESTUDIOS CEAC, S.L.	Commercial	Provision of services	0
RTL GROUP COMMUNICATION, S.L.U.	RTL TELEVISIÓN GMBH	Contractual	Provision of services	0
BANCO SANTANDER CENTRAL HISPANO, S.A.	BANCO SANTANDER CENTRAL HISPANO, S.A.	Contractual	Financing agreements: others (specify)	32,500
BANCO SANTANDER CENTRAL HISPANO, S.A.	BANCO SANTANDER CENTRAL HISPANO, S.A.	Contractual	Financing agreements: others (specify)	30,000
BANCO SANTANDER CENTRAL HISPANO, S.A.	BANCO SANTANDER CENTRAL HISPANO, S.A.	Contractual	Financing agreements: others (specify)	5,000

C.2. Detail significant transactions which entail a transfer of resources or obligations between the company or entities in its group and the company's directors or managers:

Name or corporate name of the directors or managers	Name or corporate name of the company or entity in its group	Nature of the relationship	Type of transaction	Amount (Thousands of Euros)

C.3. Detail significant transactions carried out by the company with other companies belonging to the same group, provided that they are not eliminated in the process of preparing the consolidated financial statements and do not form part of the ordinary course of the Company's business as regards their subject-matter and conditions:

Corporate name of the entity in the company's group	Brief description of the transaction	Amount (Thousands of Euros)

C.4. Identify, if appropriate, the status of conflicts of interest involving the company's directors, as provided under Article 127 ter of the Spanish Corporations Law.

C.5. Detail the mechanisms established to detect, determine and resolve potential conflicts of interest between the company and/or its group, and its directors, managers or significant shareholders.

The mechanisms established by the Group to detect, determine and resolve potential conflicts of interest with its directors, managers or significant shareholders may be classified into two types:

- **General:** mechanisms implemented by the Group to guarantee that transactions relating to the business are carried out at market prices. The most significant are: segregation of functions, suitable level of delegation in the approval of transactions, which goes from the Area Sub-manager to the General Manager, depending on the amount. As a general procedure, at least three offers are solicited from different suppliers for each service contracted (other than those relating to programming) or purchase made.
- **Specific:** mechanisms implemented by the Group in addition to the foregoing, used by the financial management with a view to keeping the Audit and Control Committee informed periodically and prior to its final approval of any type of transaction carried out with individuals or legal entities related to the Group (such being construed as direct shareholders or companies related thereto, Group directors and managers).

D. RISK CONTROL SYSTEMS

D.1. Give a general description of the risk policy of the company and/or its group, detailing and evaluating the risks covered by the system, together with support that those systems are suitable to the profile of each type of risk.

Last year the Antena 3 Group started up an internal project aimed at designing and implementing a new Risk Management System with the following objectives:

- to guarantee uniformity in the definition, identification and measurement of risks at all Antena 3 Group companies;
- to update existing controls and measure their degree of effectiveness on an ongoing basis;
- to allow for the possibility of taking subsequent actions targeted at establishing an internal control model with a greater level of detail and developing a series of tools and indicators to facilitate the ongoing evaluation and improvement of the model developed;
- to serve as a means of communication for the business areas of the various Group companies regarding the policies and procedures to follow and regarding their compliance;
- to ensure compliance with all regulations and legislation in force in the area of all businesses and transactions of Group companies;
- to serve as an efficient decision-making tool for senior management.

As a continuation of the guidelines initiated in the preceding year, this year marked the culmination of the definition of the Risk Management System for the entire Antena 3 Group, which entailed the start-up of the following:

1. global evaluation of the degree of exposure to risks;
2. identification and documentation of the processes developed in the Group and the risks associated with each one;
3. risk evaluation and measurement;
4. identification and evaluation of the Group's existing controls and proposal of new control procedures.

1. Global evaluation

Each year risks are evaluated globally with a view to valuing the degree of exposure, importance and probability of the occurrence of material risks which could have a significant impact on income, internal control or even on the continuity of the business.

This evaluation is carried out prior to the identification of total risks by area and process, and has a twofold objective:

- a) to provide an updated overall view of the general risk setting to which the Company is exposed, thus allowing significant changes taking place in the industry, in particular, those relating to the regulation or structure of Group businesses and transactions, to be introduced into the model and their impact to be measured quickly;
- b) to prioritise subsequent analyses of the specific risks of each process (business and support).

2. Identification and documentation of the processes developed in the Group and the risks associated with each one

Following the preliminary risk evaluation, a reference process map was prepared, identifying, classifying and describing all Antena 3 processes. The following is a list of the main processes identified in the Group, which served as a basis for the definition of second level processes for each one:

- knowledge of the advertising market, of the audience and of its tendencies;
- development of the corporate strategy;
- design of the programming grid;
- marketing and sale;
- program contracting and production and purchase of rights;
- program production and broadcasting;
- management of the human resource function;
- management of information and technology;
- administration and finances;
- management of the general infrastructure;
- management of external relations and communication;
- management of risks, transparency and compliance with regulations.

All key risks were also identified and assigned to each process using various risk models from the industries in which the group companies operate (public television, radio, advertising, etc.) and classifying the risks as follows:

- Risks of the setting
- Risks associated with processes
- Operating risks
- Management risks
- Technological / Information processes risks
- Integrity risk
- Financial risks
- Information risks for
 - Operational
 - financial and
 - strategic decision-making

3. Evaluation and measurement of risks

The GROUP RISKS MAP was developed and updated by measuring the impact of each risk and the probability of its materialising. In other words:

- Importance: degree of negative impact on income or on the continuity of the business if the risk were to occur.
- Probability: degree of exposure / probability of the risk materialising, regardless of whether or not the controls are sufficient and reduce the risk to acceptable levels.

The identification and classification of the risks detected according to their importance and their probability gave rise to the RISKS MAP, a tool which is maintained and updated periodically, with the participation of all areas and offices of the Group companies.

The documentation of risk evaluation and measurement was made a priority within the Group Risk Management System, since it serves as the basis for the implementation of effective and proportional controls of the importance of each risk and of its probability.

This classification and evaluation, together with the control actions and procedures, is obviously submitted to analysis and review by the external auditors, who then report their conclusions to the Audit and Control Committee.

The most significant risks of the Group identified during the development and design of the Risk Management System relate to the following areas:

- **Risks of the setting:**

These risks derive from external factors which may lead to changes in the company's strategy and objectives. In this connection the following risks were identified in relating to setting: risks deriving from changes in regulations, changes in competition; risks in relationships with shareholders, financial markets and others.

The Antena 3 Group has a multidisciplinary working team dedicated to the analysis of these risks and their impact on strategy, which proposes actions and controls for measuring the potential impact of each risk and the reaction thereto.

- **Operating risks:**

Revenues for the sale of advertising space and commercial policy: The Group has significant and reliable information for analysing changes in the demand of the industry and anticipates them by developing integral communication plans for customers which make it possible to broadcast advertising in both traditional and more innovative forms.

Ongoing analyses are performed on the surroundings and on the audiovisual industry, which include information on competition, legal aspects, economic trends, demographic or socio-cultural changes, changes in viewer habits, audience ratings, etc., which make it possible to define a commercial strategy based on on-going interrelation with the market and with the programming and content objectives included on the broadcasting grid.

On the other hand, all control procedures were established with respect to negotiating processes, burden of the advertising purchase on the systems, verification of the broadcast, valuation of advertising slots, billing and collection, with a view to avoiding a loss of revenue and ensuring compliance with the policies and standards of the commercial area.

Program production. Each and every one of the production projects are analysed, approved and developed according to a programming strategy and based on an exhaustive analysis of expectations, audience objectives and commercial returns.

In order to minimise the negative impact of the possibility of programs not functioning satisfactorily in terms of audience and commercials, inherent in the programming activity, pilot programs are produced and viewer and advertiser expectations are studied with a view to tailoring the final product as much as possible to these needs. Standards are also established for contracting conditions and terms to be used by those in charge with a view to avoiding unforeseen losses and contingencies.

Acquisition of broadcasting rights: broadcasting rights, which generally have a multi-year projection and validity, are acquired after the required studies of general trends and specific programming projections, suitability of the products, broadcasting capacity, pricing trends and authorised budgets. This involves specific rules and a suitable segregation of functions in negotiation, the approval of acquisitions and framework agreements with distributors and the management of this type of product.

Purchases and contracting in general: in the area of processes and their controls, please note the modifications and improvements made to the procedure for outsourcing services, work carried on by companies for the Group, as well as in the asset purchase and investment process. The Group designed an application for processing outsourcing and investment proposals which permits the electronic organisation and documentation of procedures for filling out outsourcing applications and their authorisation, making them more transparent and clearer, eliminating the circulation of hard copy with confidential and sensitive information, anticipating knowledge regarding purchases and investments so as to prepare a better plan, quantifying undertakings given in contracting processes more quickly, classifying in an orderly manner all purchase processes and contracts still to be authorised or executed and, in short, which makes it possible to have an overview of the flow of documents and the controls applied to them.

- **Occupational health and safety risks:**

The company has an occupational risk prevention service which covers not only risks deriving from facilities but also those deriving from the various jobs.

The prevention service depends on the Office for Prevention and Medical Services which is in charge of defining occupational risks, classifying them by job and establishing the control measures necessary for reducing them. It also performs periodical evaluations to determine whether the control measures defined by the area are applied.

- **Risks relating to technology and information systems:**

Technological risks include most notably those relating to information systems (since the various activities of Antena 3 de Televisión, S.A. are highly dependent on IT systems) and those relating to broadcasting the signal (guaranteeing that the technical conditions of the signal comply with the parameters established in the technical provisions applicable to the broadcasting medium).

As in the case of other public television service operators, a single company has been contracted to provide the services of carrying, supporting and disseminating the television signal. Any failure in these services could have a negative impact on the company's activity. Nonetheless, independent of the guarantees provided under the contract for services, no lasting incidences with significant adverse effects have been recorded to date throughout the years of the relationship.

With respect to risks deriving from information systems, strict physical and logical security measures, as well as contingency and business continuity plans, have been established with a view to facing unforeseen events from various sources and of various natures.

There is an IT security area in charge of defining the applicable procedures, which periodically performs various security audits with a view to verifying compliance with the model.

Security measures have also been stipulated for the technical means of broadcasting the signal to ensure their compliance with the established parameters. For this reason there are double sets of equipment on both of which preventive tests are carried out on a monthly basis. There are also maintenance contracts for all the necessary broadcasting equipment, as well as for other production and information systems equipment.

- **Financial risks:**

The main financial risk of the Group is that of the evolution of the exchange rate, since a significant percentage of the purchase of broadcasting rights is made in US Dollars.

The currency exchange risk is managed from the Treasury Area of Antena 3. Depending on the payment schedule drawn up on the basis of the information furnished by the different areas involved, the relevant coverage is established through deferred currency purchases or by using transactions with derivatives which lead to closed risk scenarios.

- **Integrity risks:**

Antena 3 has sufficient and effective control procedures to minimise the probability of fraud, illegal conduct and unauthorised uses of assets, as well as to avoid the quantitative and qualitative effect they could have on resources, the reputation and the image of the Group's trademarks.

- **Risks deriving from information used in decision-making:**

These risks may be classified as operational, financial and strategic depending on the impact that could arise from using incomplete, distorted or erroneous information when making decisions in relation to those aspects.

The Antena 3 Group has mechanisms for measuring the most significant indicators and magnitudes of the business, with a view to making quick and efficient decisions on all business processes and on quantifiable aspects relating to its strategy and to its financial structure and capacity.

With respect to the protection of assets, the Group's policy is to take out insurance policies to provide sufficient coverage for the possible risks to which the various assets are subject. Transportation, business interruption, civil liability in various areas, life, accident and health risks are also covered by insurance.

The Group's risks are identified and classified, and the processes inherent therein are analysed, by all the areas developing the Group's business and support processes, which, in turn are coordinated by the Internal Audit Office and Process Control Office. The Audit and Control Committee supervises each project's progress, as well as the conclusions obtained.

In this connection the Audit and Control Committee is in charge of supervising the in-house audit services and knowing the processes relating to financial information and internal control systems.

4. Evaluation of the controls performed in the Group and proposal for improvements and new control procedures:

The controls (many of which are described in the preceding section) implemented by the Group to mitigate all risks detected are evaluated on an ongoing basis.

Once the existing controls are known and documented, the following actions are taken:

- testing the controls applied to determine whether they operate efficiently;
- designing new control and monitoring procedures;
- making improvements to the control and monitoring procedures currently applied.

This work is also carried out with the cooperation of all those in charge of the areas and/or companies in the Antena 3 Group. They are thus informed of the risks identified and evaluated, as well as of the controls detected in each of the processes in which they play an active role.

The benefits obtained from the performance of this work have been:

- to improve the documentation of existing controls and introduce new controls where appropriate or necessary;
- to improve the documentation of risks and controls;
- to favour the maintenance of the Risk Management System in close connection with the processes and with those responsible for them;
- to establish quick and simple communication and reporting procedures;
- to integrate the entire system in a corporate application which aids the meeting of all the foregoing objectives.

The external auditors reviewed the Antena 3 Group's Risk Model with a view to evaluating both the methodology employed and the design and effectiveness of the controls, and reported their findings and proposed actions to the Audit and Control Committee.

Work is currently being done of the implementation of a support tool for the entire Group which permits the effective documentation of certain controls currently existing at the company, as well as development of the functionalities necessary for making it possible to leave a more complete record that the control activities were carried out.

This tool is to include a system of indicators which are designed to allow the evolution of risks to be monitored and which include a system of alarms where necessary, to prioritise the review of controls.

D.2. Indicate the control systems established to evaluate, mitigate or reduce the main risks associated with your group.

The Group's main identification and control procedures are described in each of the foregoing sections in which the risks are classified.

D.3. If any of the risks affecting the company and/or its group have materialised, indicate the circumstances giving rise to the risk and whether the established control systems worked properly.

D.4. Indicate whether there is any committee or other governing body in charge of establishing and supervising the control devices and, if so, list its duties.

D.5. Identification and description of the processes for complying with the various regulations affecting your company and/or its group.

E. ANNUAL GENERAL MEETING

E.1. List the quorums for convening the Annual General Meeting set forth in the Bylaws. Describe how they are different from the system of minimums set forth in the Spanish Corporations Law (Ley de Sociedades Anónimas or "LSA").

The quorums for convening the Annual General Meeting are no different from those set forth in the LSA.

The quorum required for convening the Annual or Special Annual General Meeting on first call is 25% of the voting capital. On second call, the meeting will be validly convened regardless of the capital owned by the shareholders attending it.

In special cases the minimum quorum on first call is 50% of the voting capital; on second call 25% is sufficient. Nonetheless, if the shareholders attending the meeting represent less than 50% of the voting capital, resolutions shall require the affirmative vote of shareholders present in person or by proxy who represent two thirds of the capital.

E.2. Explain the system for adopting corporate resolutions. Describe how it is different from the system set forth in the LSA.

Resolutions of the Annual General Meeting are adopted by majority vote and the system is no different from that set forth in the LSA.

E.3. List any rights of shareholders in relation to Annual General Meetings which are different from those set forth in the LSA.

Shareholders have the same rights as those recognised to them in the LSA.

E.4. Indicate, if appropriate, the measures taken to encourage shareholders to participate in Annual General Meetings.

All shareholders entitled to attend are sent a letter informing them of the holding of the meeting and of its agenda. The attendance, delegation and voting card is also enclosed in this letter.

Shareholders may raise questions, given opinions and suggestions on the website.

E.5. Indicate whether the office of chairman of the Annual General Meeting is held by the Chairman of the Board of Directors. Detail any measures taken to guarantee the independence and suitable functioning of the Shareholders' Meeting:

	YES	NO
	X	

Detail measures taken

The application of the provisions of the Annual General Meeting Regulations guarantees the independence and suitable functioning of the Annual General Meeting. The company's website also serves as a channel through which shareholders are provided with information.

E.6. Indicate any amendments made to the Annual General Meeting Regulations during the year.

None

E.7. Provide information on the attendance of the General Meetings held during year to which this report refers:

Information on Attendance

Date of the Annual General Meeting	% attending in person	% attending by proxy	% absentee votes	Total %
March 9, 2005	0.146	76.538	0.000	77

E.8. Briefly indicate the resolutions adopted by the General Meetings held during the year to which this report refers, and percentage of votes by which each resolution was adopted.

Annual General Meeting held on 9 March 2005

Resolutions adopted:

1. To approve the financial statements (notes to financial statements and income statement) and the directors' report of the company and of its consolidated tax group for the year ended 31 December 2004, as well as the corporate management during that year.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented 99.68% of the capital.

2. To distribute the profit obtained in 2005. Profit equal to EUR 102,859,000 was recorded, a distribution of dividends of up to EUR 84,445,000 (EUR 1.52 per share) was approved, and the remainder was recorded to voluntary reserves.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented all of the capital.

3. To ratify the appointment of José Miguel Abad Silvestre to the office of director, made by the Board of Directors by cooptation at the meeting held on 23 November 2004.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented 99.66% of the capital.

4. To modify the par value of the shares: the par value of all company shares (EUR 3) was split in the proportion of 4 to 1, making the par value equal to EUR 0.75 per share and simultaneously multiplying the number of shares by 4, without this giving rise to a variation in the share capital figure. Consequently, the amendment of Article 5 of the bylaws as approved.

All the necessary powers were delegated to the Board of Directors, which was also expressly empowered to delegate them to any of its members and to the Board Secretary and Deputy Secretary, so that any and all of them individually could take such actions as were necessary to have this resolution notarised.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented 99.93% of the capital.

5. To set up a foundation with the following purposes:

- to contribute to the improvement and enrichment of the relationship between minors and the television media in such a way that the latter becomes a communication tool at the service of personal and civic development;
- to promote the creation of no-charge residences especially conceived to attend to the needs of family members accompanying minors who are ill and whose medical treatment requires prolonged hospital stays;
- to promote ethical values and principles that contribute to the protection of children and youth in their formation as citizens;
- to encourage and facilitate the preparation and training of professionals in connection with these activities.

It was resolved to have the Board of Directors determine the initial economic endowment of the Foundation, as well as the amount to be given by the Company to the Foundation on an annual basis, which is not to exceed 0.7% of the consolidated income before taxes from the preceding year.

All the necessary powers were delegated to the Board of Directors, which was also expressly empowered to delegate them to any of its members and to the Board Secretary and Deputy Secretary, so that any and all of them individually could take such actions as were necessary to have this resolution notarised.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented 99.79% of the capital.

6. To grant authorisation for the derivative acquisition of treasury stock, directly or through group companies, and the authorisation to apply, if appropriate, the treasury share portfolio to the payment of the relevant compensation under the three-year variable compensation plan and loyalty bonus for the managers of the Antena 3 Group, approved by the Annual General Meeting held on 12 May 2004.

The Board of Directors was empowered on the broadest terms to use the authorisation granted in this resolution and to enforce it and perform in full, being able to delegate these powers to the standing committee, the managing director or any other person expressly empowered by the Board for such purpose, with such scope as the Board deems appropriate.

The term of the authorisation was set at 18 months from the date on which this Annual General Meeting was held, at which time the authorisation granted to the Board of Directors by the previous Annual General Meeting held on 12 May 2004 was rendered null and void.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented 99.90% of the capital.

7. To reelect Deloitte, S.L. as auditor, to audit of the 2005 financial statements of Antena 3 de Televisión, S.A. and of its consolidated tax group.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented 99.81% of the capital.

8. To delegate powers to execute, interpret, correct and enforce the resolutions adopted by the Annual General Meeting, as well as to delegate the powers received by the Board of Directors from the Annual General Meeting, and to grant powers to have the foregoing resolutions notarised.

Approved with a vote of shareholders attending the meeting in person or by proxy who represented 99.90% of the capital.

E.9. Indicate, if appropriate, the number of shares necessary for attending the Annual General Meeting and whether the bylaws stipulate any restrictions in this connection.

Shareholders who own shares representing at least a par value of €300 (currently 400 shares) and have them registered in their name in the relevant book entry register at least five days prior to the date on which the Annual General Meeting is to be held, may attend the Meeting.

The bylaws stipulate no other requirement for attending the Annual General Meeting.

E.10. Indicate and support the company's policies on the delegation of votes at the Annual General Meeting.

Shareholders entitled to attend the Annual General Meeting are sent a card on which to delegate their vote at the Meeting.

The call notice contains the instructions for shareholders wishing to delegate their vote, cast it absentee or group their shares together.

E.11. Indicate whether the Company is aware of the policy of the institutional investors regarding whether or not to participate in the Company's decisions:

	YES	NO
		X

Describe the policy

E.12. Indicate the address and the way to access the information on corporate governance on your website

The company's website is antena3tv.es and the website includes a specific page called "Information for Shareholders and Investors".

F. DEGREE OF COMPLIANCE WITH GOOD GOVERNANCE RECOMMENDATIONS

Indicate the degree of the Company's compliance with existing corporate governance recommendations or, as the case may be, any failure to follow those recommendations.

If any recommendations are not complied with, explain the recommendations, rules, practices or guidelines applied by the Company.

Until the single document referred to in ORDER ECO/3722/2003 of 26 December is prepared, the recommendations set forth in the Olivencia Report and the Aldama Report should be taken as a reference when completing this section.

The Olivencia Report sets forth a total of 23 recommendations, the contents of which are incorporated into the Board Regulations, the only exception being the maximum age limit on those holding the office of director. Nonetheless, none of the Board members are older than 75 years of age, which is the age established as a reference.

The recommendations of the Aldama Report were also considered when preparing the current self-regulation texts which include: the bylaws, the Board Regulations, the Annual General Meeting Regulations and the Internal Rules of Conduct on Matters Relating to Securities Markets.

G. OTHER INFORMATION OF INTEREST

If you deem there to be any significant principle or aspect relating to the Good Governance practices applied by your company, which has not been dealt with in this report, please mention it below and explain its content.

This section may include any other information, clarification or specification relating to the foregoing sections of this report, provided that it is significant and not repetitive.

In particular, indicate whether the company is subject to legislation other than Spanish legislation on matters of corporate governance and, if so, include any information it is obliged to supply other than that which is required in this report.

As reported to the National Securities Market Commission on 12 May 2004, the Annual General Meeting of the company held on that same date approved the three-year variable compensation plan and loyalty bonus for the managers of the Antena 3 Group.

With a view to enforcing this decision of the Annual General Meeting, after obtaining the opinion of the Appointments and Compensation Committee and following the adoption of the pertinent resolutions by the appropriate governing bodies, a preliminary application of the plan, which was reported to the National Securities Market Commission on 4 January 2005, was put into place this year, targeted at two groups of directors and managers who were included in the relevant categories, for each of which uniform conditions were established.

The significant aspects relating to the execution of this plan as of 31 December 2005 were as follows:

1. Beneficiaries of the plan. A total of 31 beneficiaries, all belonging to the two categories established in the plan, i.e., managers and professionals related to the Antena 3 Group under an employment contract or a contract for services (whether or not directors). At 31 December 2005 there were a total of 27 beneficiaries at Antena 3 de Televisión.
2. Aggregate amount of the plan: the execution of the plan at 2005 year-end was equal to 86.0% of the maximum possible incentive approved by the Annual General Meeting, which percentage derives from the sum of:
 - a) 1.72% of the result of multiplying the difference between EUR 120,000,000 and the consolidated EBITDA of the Antena 3 Group at 31 December 2006, according to the audited financial statements, multiplied by 11.6. The maximum approved by the Annual General Meeting for this item is 2%.
 - b) 0.860% of the difference between EUR 1,392,000,000 and the average price of the company on the Stock Market during the month of December 2006, up to a maximum of EUR 2,000,000,000. The maximum approved by the Annual General Meeting for this item is 1%.
3. Ways to apply the plan to the different groups:
 - a) Through 10 July 2009: Group with mixed variable compensation, which includes the payment of 30% of the total in July 2007 and the remaining 70% in July 2009. This group includes a total of 13 beneficiaries, 10 of which are at Antena 3 de Televisión, S.A., and the amount allocated is equal to 75% of the aforesaid 86%.
 - b) Through 10 July 2007: Group with only variable cash compensation. This group includes a total of 18 beneficiaries, 17 of which are at Antena 3 de Televisión, S.A., and the amount allocated is equal to 11% of the aforesaid 86%.

The total liabilities accruing to date, derived from the best estimates of the cost of this plan, are equal to EUR 31,509,000.

This annual corporate governance report was approved by the company's Board of Directors at its meeting held on 22 February 2006.

