
MEDIASET ESPAÑA COMUNICACION, S.A.
ANNUAL REMUNERATION REPORT FOR
2012.

Madrid, 27 February 2013

I. INTRODUCTION.

In accordance with Article 37.2 of the Bylaws of MEDIASET ESPAÑA COMUNICACIÓN, S.A., (hereinafter, “the Company” or “Mediaset Spain”), the Board of Directors is responsible for approving the Directors’ Remuneration Policy and the main terms and conditions which should be observed in the contracts entered into with Executive Directors.

In order to establish the present policy, the Directors’ Remuneration Policy Report prepared and sent to the Board of Directors by the Appointment and Remuneration Committee was taken as a basis, in accordance with Article 5.1.K) of the Appointment and Remuneration Committee’s Regulations.

All members of the Board of Directors were involved and actively participated in the approval of the Report under the management and coordination of its Chairman. The comments and suggestions made by the members of the Board of Directors were taken into account.

II. PURPOSE.

The Directors’ remuneration policy aims mainly to ensure that the Directors receive market and competitive remuneration, consistent with that paid within the market by companies with a similar size and business.

Likewise, this policy seeks to ensure that the Directors’ remuneration is commensurate with their dedication to the Company such that it encourages the motivation and retention of the most qualified professionals.

In this respect, in accordance with Article 56.3 of the Bylaws, the remuneration policy should take into account the responsibility and level of commitment of the role which each Director is called to carry out.

In the case of the independent Directors, this policy also pursues to ensure that the amount of their remuneration is such that it offers an incentive to their dedication and permanence in the Company but does not compromise their independence.

The executive directors’ remuneration is partly linked to the Company’s economic performance in order to attain an adequate level of involvement in corporate matters.

III. REMUNERATION STRUCTURE OF THE DIRECTORS AS MEMBERS OF THE BOARD OF DIRECTORS.

In accordance with Article 56 of the Bylaws and Article 28 of the Regulations of the Board of Directors, the remuneration pertaining to the Directors as members of the Board of Directors is structured as follows:

- Fixed annual amount: The Directors will receive a fixed annual amount commensurate with the positions and functions which they carry out and with that paid in the market in companies with a similar size and business, i.e., it is consistent with market standards.
- Attendance and representation allowances: The Directors will be entitled to receive certain amounts in respect of allowances for attending both the meetings of the Board of Directors and the meetings of the Board Committees to which they belong.
- Similarly, the Chairman of the Board of Directors, who does not have executive status, will receive complementary remuneration in accordance with his special dedication to the Company and, in particular, for his functions representing the Company, in accordance with Article 56.3 of the Bylaws.

The General Shareholders' Meeting determines the maximum amount which Mediaset Spain can pay to the Directors as a whole in respect of a fixed annual amount and attendance allowances, with annual updates based on the increase in the consumer price index published by the National Institute of Statistics unless otherwise provided by the General Shareholders' Meeting.

The General Shareholders' Meeting, during their meeting of 28 March 2012, approved to set the maximum amount which the Company could pay to its Directors as a whole in 2012 in respect of (i) fixed annual remuneration and (ii) attendance allowances, at two million, five hundred thousand (2,500,000) euro.

Said agreement was approved by 308,151,565 votes in favour (99.850%), 101,591 votes against (0.033 %), 345,004 abstentions (0.112 %) and 14,792 blank votes (0.005%).

Moreover, the Board of Directors is responsible for setting the exact amount payable within that limit and its distribution to the Directors.

As will be attested to subsequently, the amount paid to the Directors as a whole in 2012 in respect of fixed annual remuneration and attendance allowances, totalled one million, five hundred and twenty nine thousand five hundred (1,529,500) euro, less than the limit set by the General Shareholders' Meeting.

IV. DIRECTORS' REMUNERATION STRUCTURE OF THE DIRECTORS FOR THE PERFORMANCE OF EXECUTIVE FUNCTIONS.

Without prejudice to the remuneration received as members of the Board of Directors, the executive directors also receive remuneration for the performance of their executive functions. In accordance with Article 56.2 of the Bylaws and Article 28 of the Board of Directors' Regulations, it will consist of:

- Fixed annual remuneration consistent with the services and responsibilities assumed by such Directors and in accordance with those paid in the market by companies with a similar size and business.
- Variable remuneration on the basis of the Company's financial results, the attainment of the objectives set in the Budget and the Directors' dedication, performance and contribution to the results obtained and the attainment of the aforementioned objectives.

This remuneration item may in no event consist of a share in the Company's profits.

- Health and pension benefits: the remuneration of the Directors performing executive functions will be complemented with the pertinent pension and life insurance systems considered adequate and suitable, in keeping with those established in the market by other companies with a similar size and business.

These health and pension benefits may also include the delivery of shares or stock options, as may be determined by the General Shareholders' Meeting in accordance with Article 56.5 of the Bylaws.

V. OPTION RIGHTS OVER THE COMPANY'S SHARES.

Article 56. 5 of the Bylaws envisages that the aforementioned remuneration of the directors may be complemented through the delivery of shares or option rights over the same or remuneration linked to the value of the shares. Responsibility for deciding if remuneration is complemented through the above items lies with the General Shareholders' Meeting.

During its meeting of 28 March 2012, the General Shareholders' Meeting issued its approval of a remuneration system for the executive Directors and Managers of the Consolidated Group, linked to the value of the Company's shares, the Group's results and the specific objectives set for each beneficiary and established the maximum number of shares to be taken as a reference to set the incentive payable to the beneficiaries. The limit was set at an equivalent of 1% of the Company's share capital. Moreover, according to the resolution adopted by the General Shareholders' Meeting, (i) not more than 25% of that 1% could pertain to the executive directors; and (ii) the Company would be unable to increase share capital to cover the Remuneration System.

That resolution was approved by 277,379,544 votes in favour (89.880 %), 29,266,153 votes against (9.483%), 1,960,742 abstentions (0.635 %) and 6,513 blank votes (0.002%).

In order to facilitate its execution, the General Shareholders' Meeting resolved to delegate all necessary powers for the execution of that resolution to the Board of Directors.

The resolution was finally not executed and the option rights were not granted.

VI.- INDIVIDUAL REMUNERATION RECEIVED BY THE DIRECTORS IN 2012.

1.- In accordance with the foregoing, in 2012 the Board of Directors established the fixed annual amount payable to the Directors at sixty two thousand five hundred (62,500) euro. Allowances for attending Board and Committee meetings were set at four thousand (4,000) euro and eight thousand (8,000) euro for Chairmen.

The sum of the amounts effectively accrued for both items, as mentioned, amounted to one million five hundred and twenty nine thousand and five hundred (1,529,500) euro; this amount is within the limit of two million, five hundred thousand (2,500,000) euro approved by the General Shareholders' Meeting.

2.- The amount received by the Chairman of the Board of Directors in 2012 under Article 56.3 of the Bylaws, owing to his special dedication to the Company and, in particular, for his functions representing the Company, totalled eight hundred and eight thousand, four hundred and seventy four euro and fifty two cents (€808,474.52).

3.- The amount received by the company's two managing directors in 2012 in respect of fixed remuneration amounted to one million seven hundred and fifteen thousand, eight hundred and ten (1,715,810) euro while variable remuneration amounted to six hundred and ninety five thousand and three hundred (695,300) euro.

4.- Set out below is the individual remuneration received by each director in 2012 together with the remuneration received in 2011 and 2010:

Mr Alejandro Echevarría Busquet

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	72,000	Attendance allowance:	76,000
Complementary remuneration:	808,474.52	Complementary remuneration:	746,368.01
Total:	942,974.52	Total:	894,868.01
Option rights granted:	0	Option rights granted:	33,625
Option rights exercised:	0	Option rights exercised:	0

In 2010, total remuneration received amounted to €904,499.30, which breaks down as follows: €60,000 in fixed remuneration Board, attendance allowance €60,000, complementary remuneration €784,499.30. Option rights granted amounted to 67,250, none was exercised.

Mr Paolo Vasile

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	36,000	Attendance allowance:	38,000
Fixed remuneration:	882,581.98	Fixed remuneration:	882,629.93
Variable remuneration:	347,650	Variable remuneration:	223,437
Benefits in kind:	51.546,96	Benefits in kind:	46,767.88
Total:	1,380,278.94	Total:	1,263,334.81
Option rights granted:	0	Option rights granted:	67,250
Option rights exercised:	0	Option rights exercised:	0

In 2010, total remuneration received amounted to €1,585,144.60, which breaks down as follows: €60,000 fixed remuneration Board, attendance allowance €30,000, fixed remuneration €735,876.48, variable remuneration €511,249.50, extraordinary award €200,000, benefits in kind €48,018.62. Option rights granted amounted to 134,500, none exercised.

Mr Giuseppe Tringali – Managing Director

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72.500
Attendance allowance:	36,000	Attendance allowance:	38.000
Fixed remuneration:	833,228.08	Fixed remuneration:	833,340.96
Variable remuneration:	347,650	Variable remuneration:	223,437
Benefits in kind:	42,760.63	Benefits in kind:	35,332.81
Total:	1,322,138.71	Total:	1,202,610.77
Option rights granted:	0	Option rights granted:	67,250
Option rights exercised:	0	Option rights exercised:	0

In 2010, total remuneration received amounted to €1,533,714.81, which breaks down as follows: €60,000 fixed remuneration Board, attendance allowance €30,000, fixed remuneration €694,933.89, variable remuneration €511,249.50, extraordinary award €200,000, benefits in kind €37,531.42. The option rights granted amounted to 134,500, none exercised.

Mr Massimo Musolino

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	24,000	Attendance allowance:	26,000
Total:	86,500	Total:	98,500
Option rights granted:	0	Option rights granted:	30,500
Option rights exercised:	0	Option rights exercised:	0

In 2010, total remuneration received amounted to €81,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €21,000, option rights 61,000.

Mr Alfredo Messina

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	20,000	Attendance allowance:	42,000
Total:	82.500	Total:	114.500

In 2010, total remuneration received amounted to €90,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €30,000.

Mr Fedele Confalonieri

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	60,000	Attendance allowance:	60,000
Total:	122.500	Total:	132,500

In 2010, total remuneration received amounted to € 102,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €42,000.

Mr Marco Giordani

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	44,000	Attendance allowance:	45,000
Total:	106,500	Total:	117.500

In 2010, total remuneration received amounted to €93,000, which breaks down as follows. Fixed remuneration Board €60,000, attendance allowance €33,000.

Mr Pier Silvio Berlusconi

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	0	Attendance allowance:	7,000
Total:	62,500	Total:	79,500

In 2010, total remuneration received amounted to € 66,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €6,000.

Mr Giuliano Adreani

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	60,000	Attendance allowance:	64,000
Total:	122,500	Total:	136,500

In 2010, total remuneration received amounted to € 108,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €48,000.

Mr Ángel Durández Adeva

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	48,000	Attendance allowance:	52,000
Total:	110,500	Total:	124,500

In 2010, total remuneration received amounted to € 99,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €39,000.

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

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	32,000	Attendance allowance:	48,000
Total:	94,500	Total:	120,500

In 2010, the total remuneration received amounted to €99,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €39,000.

Mr José Ramón Álvarez-Rendueles – Chairman of the Audit and Compliance Committee

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	64,000	Attendance allowance:	76,000
Total:	126,500	Total:	148,500

In 2010, total remuneration received amounted to €114,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €54,000.

Ms Helena Revoredo Delvecchio

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	72,500
Attendance allowance:	24,000	Attendance allowance:	19,000
Total:	86,500	Total:	91,500

In 2010, total remuneration received amounted to €78,000, which breaks down as follows: fixed remuneration Board €60,000, attendance allowance €18,000.

Mr Manuel Polanco Moreno

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	67,500
Attendance allowance	36,000	Attendance allowance	42,500
Total:	98,500	Total:	109,500

Mr Juan Luis Cebrián Echarri

	2012		2011
Fixed remuneration Board:	62,500	Fixed remuneration Board:	67,500
Attendance allowance:	36,000	Attendance allowance:	29,000
Total:	98,500	Total:	96,500

In 2012, no option rights were granted to the members of the Board of Directors.

Similarly, none of the directors received any fixed remuneration or attendance allowances for their membership of other Boards of Directors in the Group companies.

As in previous years, at the 2012 year end the Company has not granted any advances or loans in favour of any of its directors.

With respect to the pension systems, the Company has arranged in favour of its Managing Directors' life insurance premiums covering the risk of disability or death, and medical insurance amounting to an annual cost of €27,342.51 and €21,005.99 in 2011. The items included in the corresponding amount constitute benefits in kind.

In 2012 no contributions were made to pension funds or plans in favour of any members of the Board of Directors.

VII.- DIRECTORS' REMUNERATION SYSTEM ENVISAGED FOR 2013.

1.- For 2013, the Board of Directors, in accordance with the proposal of the Appointment and Remuneration Committee, has approved to keep the amount of fixed annual remuneration to be received by each Director at sixty two thousand five hundred (62,500) euro and at four thousand (4,000) euro the amount to be received for attending the meetings of the Board of Directors and Committees, which will rise to eight thousand (8,000) euro in the case of the Chairmen.

2.- For the remuneration pertaining to the Executive Directors, the same arrangement as in 2013 described above, will be maintained, without updates.

As in previous years, the accrual and quantification of variable remuneration will depend on the attainment of the Company's budget for 2013, particularly, with respect to the following three variables: gross advertising revenues, Group's consolidated EBIT and free cash flow.

VIII.- REMUNERATION POLICY, STRUCTURE AND AMOUNTS OF SENIOR MANAGERS' REMUNERATION STRUCTURE AND AMOUNTS.

The remuneration of the senior managers of the Mediaset Spain Group is made up of a (i) fixed salary, (ii) a variable annual salary and a (iii) salary in kind.

- Fixed salary: relating to the amount agreed in each case under the pertinent contract. The salary update is approved each year and the increase applied in the past few years has usually been based on the previous year's inflation rate. In other words, salaries are increased one year in arrears and no arrears are paid. Nonetheless, in 2012 there was no increase as a result of a review based on the previous year's inflation rate.
- Annual variable salary: made up of a Target Bonus, which relates to a percentage of the fixed salary which varies according to professional levels. With respect to the final amount to be received, it may be increased or reduced or situations may even arise where no amounts are received due to the level of compliance of the targets set. The targets may be:
 1. Company objectives, which represent 50% to 80% of the total, according to the positions held.
 2. Individual objectives (General management or Management), which represent 20% to 50%.
 3. In order to receive any amount, at least one of the Company's objectives should be met.
 4. The final Bonus may be increased depending on the performance evaluation.
- Salary in kind: relating to the evaluation of the following:
 1. Company car, with parameters or cost levels according to the position held.
 2. Medical insurance, for the Manager, spouse and children.
 3. Life and disability insurance, with different sums insured depending on the positions held.
 4. Payment on account of personal income tax in relation to salaries items in kind not passed on (company car and life insurance).

In this respect, in the first quarter of 2012 Mediaset Spain management approved the basics of the remuneration policy to be applied in relation to the following points:

1. Salary increase policy applicable to personnel not included in the application of the Collective Agreement (Managers).
2. Determining the variable remuneration system, changes to the same and annual objectives: company and individual (organisation unit managed).

With respect to the stock option plan, in the first quarter of 2012 the attainment of the exercise conditions under Plan 2011 was confirmed, with a level of attainment of 100% and the attainment of the conditions under Plan 2011 was confirmed, with a level of compliance of 50%.

Concerning the relative significance of variable remuneration with respect to fixed remuneration items, it should be noted that the amounts of the Target Bonus of the company's management personnel varies between 15% and 20% of the fixed salary, depending on the attainment of the objectives set in the unit managed. These percentages may increase on the basis of the attainment of the company's objectives and professional performance and may theoretically reach at the highest fixed salary levels ranges varying between 30%, for lower management levels and 56% for higher senior management levels.

For Managing Directors, variable remuneration varies between 25% and 64% of their fixed salary, on the basis of the attainment of the company's objectives; in 2012, these objectives were linked to the results obtained in respect of Revenues, EBIT and Free Cash Flow.

Set out below are the amounts received by the members of Mediaset Spain senior management in 2012:

Mr Manuel Villanueva de Castro	General Manager of Content
Mr Massimo Musolino	General Manager of Management and Operations
Mr Mario Rodríguez Valderas	Corporate General Manager
Mr Luis Expósito Rodríguez	HR and Services Division Manager
Mr Eugenio Fernández Aranda	Technologies Division Manager
Mr Javier Uria Iglesias	Economic –Finance Division Manager
Ms. Patricia Marco Jorge	Antena Division Manager
Mr Leonardo Baltanás Ramírez	Content Production Division Manager
Mr Ghislain Barrois	Film Rights Acquisition Division Manager
Ms. Mirta Dragoevich Fraerman Manager	Communications and External Relations Division
Mr Juan Pedro Valetín Padín	News Division Manager
Mr Pedro Piqueras Gómez	Telecinco News Division Manager
Mr Jesús M ^a Bautista Pérez	New Business Division Manager

Total: €5,136,026. (*)

Total 2011: €5,666,987. (*)

(*) Gross amounts.

The figures for the remuneration of senior managers who are not executive directors of Mediaset Spain and the main Group companies accrued during 2012 are as follows:

Company	Category	Manager
Mediaset Spain	Content General Manager	Villanueva de Castro, Manuel
Mediaset Spain	Corporate General Manager	Rodríguez Valderas, Mario
Mediaset Spain	Technologies Division Manager	Fernández Aranda, Eugenio
Mediaset Spain	HR and Services Division Manager	Expósito Rodríguez, Luis
Mediaset Spain	Economic-Finance Division Manager	Uria Iglesias, Javier
Mediaset Spain	Antena Division Manager	Marco Jorge, Patricia
Mediaset Spain	Content Production Division Manager	Baltanás Ramírez, Leonardo
Mediaset Spain	Cinema and Rights Acquisition Division Manager	Barrois, Ghislain
Mediaset Spain	Communications Division and External Relations Manager	Dragoevich Fraerman, Mirta
Mediaset Spain	News Division Manager	Valentín Padín, Juan Pedro
Mediaset Spain	Telecinco News Division Manager	Piqueras Gomez, Pedro
Mediaset Spain	New Business Division Manager	Bautista Perez, Jesus M ^a
TelecincoCinema	Tele 5 cinema General Manager	Agustín Regañón, Alvaro
Publiespaña	Publiespaña Commercial General Manager	Silvestroni, Giuseppe

Publiespaña	Marketing and Operations General Manager	Alum López, Francisco
Publiespaña	Central managers	Villa Alegre, José Luis
Publiespaña	Publiespaña Marketing and Communications Manager	García Herrero, Lázaro
Publiespaña	Publiespaña Commercial Manager	Mayor Tonda, Gaspar
Publiespaña	Publiespaña O.s.v. Manager	Panizza Mieza, Cristina
Publiespaña	Publiespaña Commercial Manager	Madrid del Olmo, Julio
Publimedia Gestión	General Manager Publimedia Gestión	Chiriatti, Salvatore
Publimedia Gestión	Commercial Manager Publimedia Gestión	Mediavilla Perez, Javier
Total		7.970 (*)

Remuneration received in 2011: €6,820. (*)

(*) Gross amounts. Amount in thousand euro.