

ENCARGO 2. *XXX plc. Directors' report***ESPECIFICACIONES DEL ENCARGO DE TRADUCCIÓN.**

**Función** prevista para el texto meta: informar a los inversores sobre diferentes particularidades del ejercicio en relación con el informe anual.

**Receptores:** público con nivel cultural medio-alto e interesados en asuntos económicos (inversores; accionistas de la empresa).

**Coordenadas situacionales:** coordinadas por defecto; no hay especificaciones particulares.

**Medio de transmisión del TM:** el texto será publicado en la página web de empresa.

**Razón o motivo** por el que se realiza la traducción: se trata de una empresa que, aunque su sede principal está en España, el Consejo de Administración y los principales inversores son norteamericanos; por este motivo, la documentación se genera en lengua inglesa. Sin embargo, la página web recoge todos los documentos originales en inglés y sus traducciones a español.

**TAREA:** traducir el TO (Informe del Consejo de Administración) al español teniendo en cuenta las especificaciones del encargo de traducción.

**XXX plc. Directors' report**

The directors present their annual report and the audited financial statements for the year ended [ ].

**REPORTING CURRENCY**

The reporting currency of the Company and the Group is the Euro. The directors consider that this is appropriate because this is the single currency on which the Company and Group is most dependent in its operations and financing structure.

**ACTIVITY & LISTING**

The Company is the holding company of a Group providing telecommunications services. The shares of the Company are listed at Spain's "Nuevo Mercado" and the Company is subject to the control and supervision of the CNMV ("Comisión Nacional del Mercado de Valores"), the regulator for the stock exchange in Spain.

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The Group is a [ ] service provider and has constructed, in high-density business districts. The Group currently offers businesses in these high-density centers a full range of enhanced local, national and international [ ] services, including [ ]. The Group currently operates solely in Spain.

Through [date], the XXX Group incurred losses, since the investment effort required to launch a [ ] service habitually implies the generation of losses during the first few years of operations until such time as a sufficient customer base is attained. For this reason, the obtainment of income in the future will depend on the extent to which the targets envisaged in the business plan are met.

On [date], Mr. DDD, through PPP, S.A. was admitted to the shareholder structure of XXX plc, with an investment of €[ ] million. The admission of this new shareholder was instrumented through a capital increase and a bond issue (see Note 12). The capital increase consisted of the subscription of 187,963,385 new ordinary shares of XXX plc, of €0.08 par value each, which are of the same class and series as the other issued ordinary shares of the Company, represent 24.9% of the capital of XXX

**ENCARGO 2. XXX plc. Directors' report**

plc following the capital increase. The issue price of the new shares was €0.256 per share. On the other hand, the Company issued bonds for a total nominal amount of €13,769,471, maturing on the tenth anniversary of their date of issue. The new shareholder has the option to convert these bonds at any time into 53,786,997 ordinary shares of XXX plc at a price of €0.256 per share.

As a result of the change in the shareholder structure, the new management team has prepared a new business plan, the main assumptions of which are as follows:

- A significant increase (over 40%) in revenues from [ ] services in 2005.
- Substantial fixed-capital investments.
- Major advertising campaign.
- Continued containment of overheads and structural costs.
- Obtainment of positive EBITDA from [date] onwards.
- Generation of positive cash flows from [date] onwards.

The estimated financing requirements for [date], in addition to those available as of [date], amount to €43 million. The directors consider that the resources additional to those existing as of [date], will be obtained through, inter alia, vendor financing and the issuance of new financial instruments.

Management of the XXX Group considers that the measures already adopted, together with those which will be required in subsequent years to implement the approved business plan, and the available (unrestricted) cash balance of €65.4 million as of [date], including the shortterm investments in government debt assets (see Note 11), will enable the Group to avoid liquidity problems. Accordingly, the accompanying consolidated financial statements were prepared on the basis of the "going-concern" principle of accounting.

**RESULTS AND DIVIDENDS**

The Group loss for the year, after taxation and minority interests, was € [ ]. The directors cannot recommend the payment of a dividend (2003- €nil).

**SUPPLIER PAYMENT POLICY**

The Company's policy, which is also applied by the Group, is to settle terms of payments with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Company at 31 December 2004 were equivalent to approximately 60 (2003- 60) days' purchases, based on the average daily amount invoiced by suppliers during the year and such in accordance with the provisions of Law 3/2004 of December 29 in respect of measures against default payments.

**ENCARGO 2. XXX plc. Directors' report****DIRECTORS**

The Directors who served during the year and since the year end were:

[names]

**DIRECTORS' INTERESTS**

[ ]

No others directors have any interest in the Company or Group other than with regards to options, as detailed below.

[...]

**REMUNERATION POLICY**

Executive remuneration packages are prudently designed to attract, motivate and retain directors of the high calibre needed to maintain the group's position as a market leader and to reward them for enhancing value to shareholders.

The performance measurement of the executive directors and key members of senior management and the determination of their annual remuneration package are undertaken by the Committee. The remuneration of the nonexecutive directors is determined by the directors within the limits set out in the Articles of Association.

There are three main elements of the remuneration package for executive directors and senior management:

1. Basic annual salary (including directors' fees) and benefits;
2. Annual bonus payments which cannot exceed 50% of basic salary; and
3. Share option incentives.

The Company's policy is that a substantial proportion of the remuneration of the executive directors should be performance related. As described below, executive directors may earn annual incentive payments of up to 50% of their basic salary together with the benefits of participation in share option schemes.

For the year [ ], the remuneration policy for the executive directors is linked to the performance of the Company and more specifically to Revenues (at the level of the operating company, being more than €[ ] million and Ebitda (earnings before interest, taxes, depreciation and amortization) more than €[ ] million.

The remuneration policy for [year] applies to those executive directors who have served during [year] as executive directors, i.e. [names].

The option plans currently in place are not performance related.

[...]

**ANNUAL BONUS PAYMENTS**

The Committee establishes the objectives that must be met for each financial year if a cash bonus is to be paid. In setting appropriate bonus parameters the Committee refers to the objective research as noted above. The Committee believes that any incentive compensation awarded should be tied to the interests of the Company's shareholders and that the principal measure of those interests is total

**ENCARGO 2. XXX plc. Directors' report**

shareholder return. Account is also taken of the relative success of the different parts of the business for which the executive directors are responsible and the extent to which the strategic objectives set by the directors are being met. The maximum performance related bonus that can be paid is 50% of basic annual salary. No performance related payments were paid for the year ended [date] reflecting the financial situation of the Company.

**SHARE OPTIONS**

The directors also have options granted to them under the terms of the 5% Share Option Scheme, the 2000 Share Option Scheme and the 2003 Share Option Scheme. These Share Option Schemes are also open to certain employees of the Company and its subsidiaries.

The exercise of options granted under the Schemes is not dependent upon performance criteria.

The exercise price of the options granted under the above schemes is equal to the market value of the Company's shares at the time when the options are granted; however, the exercise price of the options granted under the 5% Share Option Scheme and the 2000 Share Option Scheme has been amended by resolution of the Committee in its meeting held on [date].

The Company's policy is to grant options to directors at the discretion of the Committee taking into account individual performance. It is the Company's policy to phase the granting of share options rather than to award them in a single large block to any individual.

[...]