Promotora de Informaciones, S.A. (Prisa) and Subsidiaries

Consolidated Financial Statements and Consolidated Directors' Report for 2009, together with Auditors' Report

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

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Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Promotora de Informaciones, S.A.:

1. We have audited the consolidated financial statements of PROMOTORA DE INFORMACIONES, S.A. (PRISA) and SUBSIDIARIES comprising the consolidated balance sheet at 31 December 2009 and the related consolidated income statement, consolidated statement of recognized income and expense, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. The preparation of these consolidated financial statements is the responsibility of the Parent's directors. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.

2. As required by Spanish corporate and commercial law, for comparison purposes the Parent's directors present, in addition to the figures for 2009 for each item in the consolidated balance sheet, consolidated income statement, consolidated statement of recognized income and expense, consolidated statement of changes in equity, consolidated statement of cash flows and the notes to the consolidated financial statements, the figures for 2008. Our opinion refers only to the consolidated financial statements for 2009. On May 22, 2009 we issued our auditors' report on the 2008 consolidated financial statements, in which we expressed an unqualified opinion.

3. As indicated in Note 1.c) to the accompanying consolidated financial statements, the Group will perform two capital increases, thus completing the restructuring process agreed upon with the lending banks of the syndicated loan and the bridge loan, both of which will now fall due on May 19, 2013. The capital increases will be approved by the shareholders at the Annual General Meeting of the Parent once the appropriate authorizations have been obtained from the stock market regulators.

4. In our opinion, except for the effects that could arise from the obtainment of the approvals and the authorizations described above, the accompanying consolidated financial statements for 2009 present fairly, in all material respects, the equity and financial position of PROMOTORA DE INFORMACIONES, S.A. (PRISA) and SUBSIDIARIES at 31 December 2009 and the results of their operations, the changes in the consolidated equity and the consolidated cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with International Financial Reporting Standards as adopted by the European Union applied on a basis consistent with that of the preceding year.

5. The accompanying consolidated directors' report for 2009 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2009. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of PROMOTORA DE INFORMACIONES, S.A. (PRISA) and SUBSIDIARIES.

DELOITTE, S.L.
Registered in ROAC under no. S0692

Luis Jiménez Guerrero

April 23, 2010

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Consolidated Financial Statements for 2009 prepared in accordance with International Financial Reporting Standards as adopted by the European Union, together with Consolidated Directors' Report for 2009

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Consolidated Financial Statements for 2009 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008
(Thousands of euros)

ASSETS	Notes	12/31/09	12/31/08
A) NON-CURRENT ASSETS		**6,420,766**	**6,512,270**
I. PROPERTY, PLANT AND EQUIPMENT	5	345,754	397,932
II. GOODWILL	6	4,319,603	4,302,739
III. INTANGIBLE ASSETS	7	365,670	400,084
IV. NON-CURRENT FINANCIAL ASSETS	8	57,218	93,344
V. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	9	13,644	12,936
VI. DEFERRED TAX ASSETS	21	1,313,820	1,298,475
VII. OTHER NON-CURRENT ASSETS		5,057	6,760
B) CURRENT ASSETS		**1,514,898**	**1,594,297**
I. INVENTORIES	10	218,066	306,079
II. TRADE AND OTHER RECEIVABLES			
1. Trade receivables for sales and services		991,723	1,047,541
2. Receivable from associates		16,077	18,045
3. Receivable from public authorities	21	56,463	70,718
4. Other receivables		221,645	183,254
5. Allowances		(78,704)	(81,835)
		1,207,204	1,237,723
III. CURRENT FINANCIAL ASSETS		6,593	838
IV. CASH AND CASH EQUIVALENTS		82,810	49,432
V. OTHER CURRENT ASSETS		225	225
C) ASSETS CLASSIFIED AS HELD FOR SALE	**15**	**257,388**	**519**
TOTAL ASSETS		**8,193,052**	**8,107,086**

EQUITY AND LIABILITIES	Notes	12/31/09	12/31/08
A) EQUITY	**11**	**1,373,019**	**1,258,236**
I. SHARE CAPITAL		21,914	21,914
II. OTHER RESERVES		833,697	779,225
III. ACCUMULATED PROFIT		403,478	398,975
- From prior years		352,999	315,979
- For the year: Profit attributable to the Parent		50,479	82,996
IV. TREASURY SHARES		(3,044)	(24,726)
V. EXCHANGE DIFFERENCES		(1,561)	(18,422)
VI. MINORITY INTERESTS		118,535	101,270
B) NON-CURRENT LIABILITIES		**2,351,466**	**2,751,369**
I. NON-CURRENT BANK BORROWINGS	12	1,917,963	2,348,078
II. NON-CURRENT FINANCIAL LIABILITIES	12-13	249,538	232,565
III. DEFERRED TAX LIABILITIES	21	72,799	79,278
IV. LONG-TERM PROVISIONS	14	90,150	74,807
V. OTHER NON-CURRENT LIABILITIES		21,016	16,641
C) CURRENT LIABILITIES		**4,263,133**	**4,097,481**
I. TRADE PAYABLES		1,181,437	1,257,945
II. PAYABLE TO ASSOCIATES		10,955	27,296
III. OTHER NON-TRADE PAYABLES		107,693	142,568
IV. CURRENT BANK BORROWINGS	12	2,796,362	2,532,091
V. CURRENT FINANCIAL LIABILITIES	12	3,295	21,676
VI. PAYABLE TO PUBLIC AUTHORITIES	21	124,288	79,972
VII. PROVISIONS FOR RETURNS		9,417	9,369
VIII. OTHER CURRENT LIABILITIES		29,686	26,564
D) LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**15**	**205,434**	**-**
TOTAL EQUITY AND LIABILITIES		**8,193,052**	**8,107,086**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated balance sheets at 31 December 2009 and 2008.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR 2009 AND 2008

(Thousands of euros)

	Notes	12/31/09	12/31/08
Revenue	16	3,155,105	3,643,282
Other income	16	53,479	358,066
OPERATING INCOME		3,208,584	4,001,348
Cost of materials used		(1,125,648)	(1,435,750)
Staff costs	17	(619,972)	(666,682)
Depreciation and amortisation charge	5-7	(196,657)	(198,935)
Outside services	17	(835,672)	(950,043)
Change in allowances, write-downs and provisions	17	(55,547)	(45,139)
Other expenses		(6,106)	(6,608)
OPERATING EXPENSES		(2,839,602)	(3,303,157)
PROFIT FROM OPERATIONS		368,982	698,191
Finance income		15,758	36,192
Finance costs		(252,107)	(313,426)
Impairment of loans to associates		-	(88,309)
Changes in value of financial instruments		22,185	(17,709)
Exchange differences (net)		(105)	(13,816)
FINANCIAL LOSS	18	(214,269)	(397,068)
Result of companies accounted for using the equity method	9	(20,158)	(7,592)
Loss from other investments	8	(4,256)	(1,350)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		130,299	292,181
Income tax	21	(63,045)	(90,435)
PROFIT FROM CONTINUING OPERATIONS		67,254	201,746
Loss after tax from discontinued operations	19	(2,429)	(75,346)
CONSOLIDATED PROFIT FOR THE YEAR		64,825	126,400
Profit attributable to non-controlling interests		(14,346)	(43,404)
PROFIT ATTRIBUTABLE TO THE PARENT		50,479	82,996
BASIC EARNINGS PER SHARE (in euros)	**23**	0.23	0.38

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated income statements for 2009 and 2008.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE
FOR 2009 AND 2008
(Thousands of euros)

	12/31/09	12/31/08
CONSOLIDATED PROFIT FOR THE YEAR	**64,825**	**126,400**
Income and expense recognized directly in equity	33,150	(35,073)
Translation differences	33,150	(35,073)
TOTAL RECOGNIZED INCOME AND EXPENSE	**97,975**	**91,327**
Attributable to the Parent	77,282	57,503
Attributable to non-controlling interests	20,693	33,824

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statements of recognized income and expense for 2009 and 2008.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR 2009 AND 2008
(Thousands of euros)

	Share capital	Share premium	Reserves	Reserves for first-time application of IFRSs	Prior years´ accumulated profit	Treasury shares	Exchange differences	Accumulated profit for the Year	Equity attributable to the Parent	Non-controlling interests	Equity
Balance at December 31, 2007	**22,036**	**128,891**	**665,147**	**(72,535)**	**248,999**	**(39,101)**	**(3,475)**	**191,973**	**1,141,935**	**211,612**	**1,353,547**
Capital reductions	(122)	(16,226)							(16,348)		(16,348)
Treasury share transactions (Note 11-f)											
- Delivery of treasury shares			-			146			146		146
- Purchase of treasury shares			-			(347)			(347)		(347)
- Reserves for treasury shares			(14,576)			14,576			-		-
Distribution of 2007 profit											
- Directors' remuneration								(1,386)	(1,386)		(1,386)
- Dividends								(38,258)	(38,258)		(38,258)
- Reserves			72,214		80,115			(152,329)	-		-
Income and expense recognised											
- Translation differences					(10,546)		(14,947)		(25,493)	(9,580)	(35,073)
- Profit for 2008								82,996	82,996	43,404	126,400
Others			16,139	171	(2,589)				13,721	5,654	19,375
Change in non-controlling interests											
- Dividends paid during the year										(10,246)	(10,246)
- Due to changes in the scope of consolidation										1,751	1,751
- Due to changes in the percentage of ownership										(149,216)	(149,216)
- Due to capital increases										7,891	7,891
Balance at December 31, 2008	**21,914**	**112,665**	**738,924**	**(72,364)**	**315,979**	**(24,726)**	**(18,422)**	**82,996**	**1,156,966**	**101,270**	**1,258,236**
Treasury share transactions (Note 11-f)											
- Delivery of treasury shares			-			290			290		290
- Purchase of treasury shares			-			(884)			(884)		(884)
- Sale of treasury shares			3,888			36,204			40,092		40,092
- Reserves for treasury shares			13,928			(13,928)			-		-
Distribution of 2008 profit											
- Directors' remuneration									-		-
- Dividends									-		-
- Reserves			37,161		45,835			(82,996)	-		-
Income and expense recognised											
- Translation differences (Note 11-h)					9,942		16,861		26,803	6,347	33,150
- Profit for 2009								50,479	50,479	14,346	64,825
Others			(531)	26	(18,757)				(19,262)	1,173	(18,089)
Changes in non-controlling interests											
- Dividends paid during the year										(5,786)	(5,786)
- Due to changes in scope of consolidation										(193)	(193)
- Due to capital increases										1,378	1,378
Balance at December 31, 2009	**21,914**	**112,665**	**793,370**	**(72,338)**	**352,999**	**(3,044)**	**(1,561)**	**50,479**	**1,254,484**	**118,535**	**1,373,019**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statements of changes in equity for 2009 and 2008.

PROMOTORA DE INFORMACIONES, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR 2009 AND 2008

(Thousands of euros)

	12/31/09	12/31/08
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	**130,299**	**292,181**
Depreciation and amortisation charge and provisions	254,768	250,151
Changes in working capital	**(84,109)**	**(2,344)**
Inventories	17,265	20,276
Accounts receivable	(198,932)	(57,114)
Accounts payable	101,676	27,876
Other current assets	(4,118)	6,618
Income tax recovered (paid)	(30,569)	(31,764)
Other adjustments to profit	198,107	82,449
Gains and losses on disposal of assets	(2,453)	(286,019)
Financial loss	214,269	388,679
Other	(13,709)	(20,211)
CASH FLOWS FROM OPERATING ACTIVITIES	**468,496**	**590,673**
Recurrent investments	**(127,997)**	**(190,492)**
Investments in intangible assets	(98,158)	(124,483)
Investments in property, plant and equipment	(29,839)	(64,973)
Investments in assets classified as held for sale	0	(1,036)
Investments in non-current financial assets	(1,118)	(2,071,593)
Proceeds from disposals	8,579	366,748
Other cash flows from investing activities	(3,011)	(33,910)
CASH FLOWS FROM INVESTING ACTIVITIES	**(123,547)**	**(1,929,247)**
Proceeds and (payments) relating to equity instruments	33,325	(1,046)
Proceeds relating to financial liability instruments	20,666	1,893,890
Payments relating to financial liability instruments	(186,510)	(270,438)
Dividends and returns on other equity instruments paid	(4,969)	(48,677)
Interest paid	(158,685)	(268,931)
Other cash flows from financing activities	(25,871)	21,442
CASH FLOWS FROM FINANCING ACTIVITIES	**(322,044)**	**1,326,240**
Effect of foreign exchange rate changes	10,473	(11,061)
CHANGE IN CASH FLOWS IN THE YEAR	**33,378**	**(23,395)**
Cash and cash equivalents at beginning of year	**49,432**	**72,827**
Cash and cash equivalents at end of year	**82,810**	**49,432**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statements of cash flows for 2009 and 2008.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Notes to the Consolidated Financial Statements for 2009 and 2008 prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 31). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR 2009 AND 2008

(1) GROUP ACTIVITIES AND PERFORMANCE

a) Group activities

Promotora de Informaciones, S.A. ("Prisa") was incorporated on January 18, 1972, and has its registered office in Madrid, at Calle Gran Vía, 32. Its business activities include, inter alia, the exploitation of printed and audiovisual media, the holding of investments in companies and businesses and the provision of all manner of services.

In addition to the business activities carried on directly by the Company, Prisa heads a group of subsidiaries, joint ventures and associates which engage in a variety of business activities and which compose the Group ("the Prisa Group" or "the Group"). Therefore, in addition to its own separate financial statements, Prisa is obliged to present consolidated financial statements for the Group including its interests in joint ventures and investments in associates.

The Group's consolidated financial statements for 2008 were approved by the shareholders at the Annual General Meeting held on June 18, 2009.

b) Consolidated financial statements

The consolidated financial statements for 2009 were authorized for issue and approved by the Company's directors on March 18, 2010.

These consolidated financial statements are presented in thousands of euros as this is the currency of the main economic area in which the Group operates. Foreign operations are accounted for in accordance with the policies described in Note 2-d.

c) Group performance

In recent years the Group has strengthened its presence in the audiovisual business, mainly through the acquisition of the Media Capital Group and of all of the shares of Sogecable, S.A.U. These transactions have had a significant impact on the size of the Group and on its financial structure. In this regard, Prisa financed the takeover bid for the shares of Sogecable with a bridge loan of EUR 1,949 million maturing on March 31, 2010, which is therefore classified under current liabilities in the consolidated balance sheet at December 31, 2009 (*see Note 12*).

In 2010 the Group entered into certain agreements to restructure its financial debt and strengthen its capital structure.

In this regard, on February 22, 2010, Prisa reached an agreement in principle with the banks that granted the bridge loan to extend its maturity until May 19, 2013, subject to, among other conditions, the acceptance by the banks that had granted the syndicated loan of the plan to restructure the Group's debt.

Also, on March 5, 2010, Prisa entered into an agreement with Liberty Acquisition Holdings Corp. ("Liberty") for the acquisition of all its shares through an exchange of newly-issued shares of Prisa for shares of Liberty, signifying that the shareholders of Liberty will become shareholders of Prisa, although there is no agreement among them. Through this transaction, following which Prisa's reference shareholder will retain control, Prisa will obtain net cash of approximately EUR 660 million. In order to enable its current non-controlling shareholders to participate in the transaction, Prisa will carry out a monetary capital increase with pre-emptive subscription rights for a total amount of approximately EUR 150 million in which the reference shareholder will not make any disbursement (*see Note 24).*

These agreements will give Prisa the capacity to draw up a plan that will permit it to meet its financial obligations and provide a boost for its future business activities.

The shareholders of Promotora de Informaciones, S.A., the sole shareholder of Sogecable, S.A.U., at the General Meeting held on December 5, 2008, resolved to approve the merger plan for the absorption of Sogecable, S.A.U. (absorbed company) by Promotora de Informaciones, S.A. (absorbing company). The merger plan was drawn up and signed by the directors of the two companies and approved by their respective Boards of Directors on October 3 and 7, 2008. At that Meeting, the Board of Directors of Promotora de Informaciones, S.A. was empowered, in the broadest terms, to perform any acts it considered necessary to execute the adopted agreements, pursuant to the merger plan and resolution. At the date of preparation of these consolidated financial statements the aforementioned merger had not been carried out.

(2) BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Application of International Financial Reporting Standards (IFRSs)

The Group's consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, taking into account all mandatory accounting policies and rules and measurement bases with a material effect, as well as the alternative treatments permitted by the relevant standards in this connection.

In accordance with IFRSs, the following should be noted in connection with the scope of application of International Financial Reporting Standards and the preparation of these consolidated financial statements of the Group:

- IFRSs are applied in the preparation of the consolidated financial information for the Group. The financial statements of the individual companies composing the Group are prepared and presented in accordance with the accounting principles and standards of each country.

- In accordance with IFRSs, these consolidated financial statements include the following consolidated statements of the Group:

    - Consolidated balance sheet.
    - Consolidated income statement.
    - Consolidated statement of changes in equity.
    - Consolidated statement of cash flows.
    - Consolidated statement of recognized income and expense.

- As required by IAS 8, uniform accounting policies and measurement bases were applied by the Group for like transactions, events and items in 2009 and 2008.

In 2009 new accounting standards came into force which, therefore, were taken into account when preparing the accompanying consolidated financial statements. The following standards were applied in these consolidated financial statements and did not have a material impact on either the amounts recognized or the presentation of, and the disclosures included in, these consolidated financial statements:

IFRS 8, Operating Segments-

The main new development introduced by this new standard, which replaces IAS 14, is that it requires an entity to adopt a management approach when reporting on the financial performance of its business segments. Therefore, generally, financial information is required to be reported on the same basis as is used internally by management for evaluating operating segment performance and deciding how to allocate resources to operating segments.

The application of IFRS 8 did not lead to the redefinition of the operating segments reportable by the Group since the information used by management is the same as that used by the directors when formally preparing the consolidated financial statements.

Revision of IAS 1, Presentation of Financial Statements-

The purpose of the fundamental changes to this standard is to improve the presentation of the information so that users of consolidated financial statements can analyze changes in equity arising from transactions with the owners acting in their capacity as owners (e.g. dividends and the repayment of capital) separately from non-owner changes (e.g. transactions with third parties or income and expenses recognized directly in equity). The revised standard provides the option of presenting all the income and expenses in one statement with subtotals, or in two separate statements (an income statement and a statement of recognized income and expense). The latter option was chosen by the Group and since a statement of recognized income and expense had not previously been presented, it entailed the inclusion of this new statement known as the consolidated statement of recognized income and expense in the consolidated financial statements.

There were also amendments to other standards that did not lead to changes in the accounting policies of the Prisa Group since the Group does not carry out transactions of the type covered by the amended standards. These amendments were as follows:

- Amendments to IFRS 2, Share-based Payment.
- Amendments to IFRS 7, Financial Instruments - Disclosures.
- Revision of IAS 23, Borrowing Costs.
- Amendments to IAS 32 and IAS 1, Potable Financial Instruments and Obligations Arising on Liquidation.
- Amendments to IAS 39 and IFRIC 9, Reassessment of Embedded Derivatives.
- IFRIC 13, Customer Loyalty Programs.
- IFRIC 14, IAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.
- IFRIC 16, Hedges of a Net Investment in a Foreign Operation.

At December 31, 2009, the Prisa Group had not applied the following standards or interpretations issued, since the effective application thereof was required subsequent to that date or they have not been adopted by the European Union.

Standards, amendments and interpretations		**Obligatory application in the years beginning on or after**
	Approved for use in the EU	
Revision of IFRS 3	Business Combinations	**July 1, 2009**
Amendments to IAS 27	Changes in Ownership Interests	**July 1, 2009**
Amendments to IAS 39	Eligible Hedged Items	**July 1, 2009**
Amendments to IAS 32	Classification of Rights Issues	**February 1, 2010**
IFRIC 12	Service Concession Arrangements	**April 1, 2009**
IFRIC 15	Agreements for the Construction of Real Estate	**January 1, 2010**
IFRIC 17	Distributions of Non-cash Assets to Owners	**November 1, 2009**
IFRIC 18	Transfers of Assets from Customers	**November 1, 2009**
Standards, amendments and interpretations		**Obligatory application in the years beginning on or after**
	Not yet approved for use in the EU	
IFRS 9	Financial Instruments: Classification and Measurement	**January 1, 2013**
2009 Improvements to IFRS	Non-urgent amendments to IFRSs	**Various (mainly January 1, 2010)**
Amendments to IFRS 2	Share-based Payment Transactions among Group Entities	**January 1, 2010**
Revision of IAS 24	Related Party Disclosures	**January 1, 2011**
Amendments to IFRIC 14	Prepayments of a Minimum Funding Requirement	**January 1, 2011**
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	**July 1, 2010**

All the accounting principles and measurement basis with a material effect on the consolidated financial statements were applied.

The directors have assessed the potential impact of the future application of the aforementioned standards, amendments and interpretations and concluded that their entry into force will not have a material effect on the consolidated financial statements.

b) Fair presentation and accounting principles

The consolidated financial statements were obtained from the separate financial statements of Prisa and its subsidiaries and, accordingly, they present fairly the Group's equity and financial position at December 31, 2009, and the results of its operations, the changes in equity and the cash flows in the year then ended. The Group prepared its financial statements on a going concern basis. Also, with the exception of the consolidated statement of cash flows, these consolidated financial statements were prepared in accordance with the accrual basis of accounting.

Given that the accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2009 may differ from those applied by some of the Group companies, the necessary adjustments and reclassifications were made on consolidation to unify these policies and bases and to make them compliant with IFRSs as adopted by the European Union.

c) Responsibility for the information and use of estimates

The information in these financial statements is the responsibility of the Group's directors.

In the consolidated financial statements for 2009 estimates were occasionally made by executives of the Group and of the entities in order to quantify certain of the assets, liabilities and obligations reported herein. These estimates relate basically to the following:

- The measurement of assets and goodwill to determine the possible existence of impairment losses (*see Note 4-e*).
- The useful life of the property, plant and equipment and intangible assets (*see Notes 4-b and 4-d*).
- The assumptions used in calculating the fair value of financial instruments *(see Note 4-f)*.
- The assessment of the likelihood and amount of undetermined or contingent liabilities.
- Estimated sales returns received subsequent to year-end.

Although these estimates were made on the basis of the best information available at the date of preparation of these consolidated financial statements on the events analyzed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in the coming years. Changes in accounting estimates would be applied prospectively, recognizing the effects of the change in estimates in the related consolidated income statements.

In 2009 there were no significant changes in the estimates made at the end of 2008.

d) Basis of consolidation

The consolidation methods applied were as follows:

Full consolidation-

Subsidiaries are fully consolidated and all their assets, liabilities, income, expenses and cash flows are included in the consolidated financial statements after making the corresponding adjustments and eliminations. Subsidiaries are companies in which the Parent controls a majority of the voting power or, if this is not the case, has the power to govern their financial and operating policies. The fully consolidated companies are listed in Appendix I.

The results of subsidiaries which are acquired or sold during the year are included in the consolidated income statement from the effective date of acquisition or until the effective date of disposal, as appropriate.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values. Any excess of the cost of acquisition of the subsidiary over the fair value of its assets and liabilities corresponding to the Parent's ownership interest is recognized as goodwill. Any deficiency is credited to the consolidated income statement.

The share of third parties of the equity of Group companies is presented under *"Equity – Non-Controlling Interests"* in the consolidated balance sheet and their share of the profit for the year is presented under *"Profit Attributable to Non-Controlling Interests"* in the consolidated income statement.

The interest of non-controlling shareholders is stated at those shareholders' proportion of the fair values of the assets and liabilities recognized. Subsequently, any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated to the Parent.

All balances and transactions between fully consolidated companies were eliminated on consolidation.

Proportionate consolidation-

Joint ventures are proportionately consolidated. A joint venture is a contractual arrangement whereby two or more companies ("venturers") undertake operations or hold assets so that strategic financial and operating decisions affecting the joint venture require the unanimous consent of the venturers, provided that these operations or assets are not integrated in financial structures other than those of the venturers. The proportionately consolidated companies are listed in Appendix I to these notes to the consolidated financial statements. However, the effect on the Group's consolidated financial statements was not material.

Under this consolidation method, the aggregation of balances and subsequent eliminations are made only in proportion to the Group's ownership interest in the capital of these entities. The Group's share of the jointly controlled assets and liabilities are recognized in the consolidated balance sheet classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint ventures is recognized in the consolidated income statement on the basis of the nature of the related items.

Equity method-

Associates are accounted for using the equity method. Associates are companies in which Prisa holds direct or indirect ownership interests of between 20% and 50%, or even if the percentage of ownership is less than 20%, it has significant influence over their management. The companies accounted for using the equity method are listed in Appendices I and II, together with their main financial aggregates.

Under the equity method, investments are recognized in the balance sheet at the Group's share of net assets of the investee, adjusted, if appropriate, for the effect of transactions performed with the Group, plus any unrealized gains relating to the goodwill paid on the acquisition of the company.

Dividends received from these companies are recognized as a reduction of the value of the Group's investment and the Group's share of the profit or loss of these companies is included, net of the related tax effect, in the consolidated income statement under *"Result of Companies Accounted for Using the Equity Method"*.

Other matters-

The items in the balance sheets and income statements of the foreign companies included in the scope of consolidation were translated to euros using the "year-end exchange rate method", i.e. all assets, rights and obligations were translated at the exchange rates in force at year-end, and the income statement items were translated at the average exchange rates for the year. The difference between the value of the equity translated at historical exchange rates and the net equity position resulting from the translation of the other items as indicated above is recognized under "*Equity - Translation Differences*" in the accompanying consolidated balance sheet.

Balances and transactions in currencies of hyperinflationary economies are translated at the year-end exchange rate. At December 31, 2009, the only country in which the Group operates that pursuant to IAS 21 should be considered to be a hyperinflationary economy is Venezuela.

In keeping with standard practice, these consolidated financial statements do not include the tax effect of transferring to Prisa's accounts the accumulated reserves and retained earnings of the other consolidated companies, since it is considered that these balances will be used as equity by said companies.

The data relating to Sociedad Española de Radiodifusión, S.L., Sociedad de Servicios Radiofónicos Unión Radio, S.L., Grupo Santillana de Ediciones, S.L., Gerencia de Medios, S.A., Dédalo Grupo Gráfico, S.L., Promotora de Emisoras de Televisión, S.A., Gran Vía Musical de Ediciones, S.L., Grupo Latino de Radiodifusión Chile, Ltda., Sistema Radiópolis, S.A. de C.V., Grupo Media Capital SGPS, S.A., Antena 3 de Radio, S.A. and Sogecable, S.A.U. contained in these notes to the consolidated financial statements were obtained from their respective consolidated financial statements.

(3) CHANGES IN GROUP STRUCTURE

The most significant changes in the scope of consolidation in 2009 were as follows:

Subsidiaries-

In February 2009 three subsidiaries of Diario El País, S.L. were incorporated: Ediciones El País, S.L., which manages news content; Agrupación de Servicios de Internet y Prensa, A.I.E., which provides administrative and technology services to the press business unit; and Pressprint, S.L.U., which is responsible for printing. So that these three companies could operate, in March 2009 Diario El País, S.L., Grupo Empresarial de Medios Impresos, S.L. and Prisacom, S.L. made non-monetary contributions of their various lines of business.

In July 2009 Santillana en Red, S.L. was dissolved.

Also in July 2009 Feiras Exposiçoes e Congressos, S.A. (EXPOLÍDER) merged with Ediçoes Expançao Económica, Lda. (EXPÁNSAO), and Eventos Comércio e Projectos Especiais Audiovisuais, S.A. (EXPÁNSAO ECONÓMICA) merged with Media Capital Ediçoes, Lda. (MCE). In addition, Ediçoes Expançao Económica, Lda. (EXPÁNSAO) and Media Capital Ediçoes, Lda. (MCE) merged with Promotora General de Revistas, S.A.

In July 2009 Media Capital Internet, S.A. (MC INTERNET) and Media Capital Telecomunicaçoes, S.A. (MCT) merged with Editora Multimédia, S.A. (MULTIMÉDIA), and Empresa de Teatro Estúdio de Lisboa, S.A. (FEALMAR) and Equipamento de Imagen e Som, S.A. (MULTICENA) merged with Plural Entertainment Portugal, S.A.

In September 2009 Gran Vía Musical, S.A.S., wholly owned by Gran Vía Musical de Ediciones, S.L., and RLM Colombia, S.A.S., wholly owned by RLM, S.A., were incorporated.

In October 2009 the shares of Inversiones Grupo Multimedia Comunicaciones, S.A. were exchanged for a 12% stake in the Spanish-language television network V-me Media Inc.

In December 2009 Grupo Latino de Radio, S.L., Inversiones Godó, S.A., Ediciones Bidasoa, S.A., Radiodifusión Tenerife, S.A., Ondas, S.A., Radio Irún, S.L., Radio Gibralfaro, S.A. and Radio Burgos, S.L. merged with Sociedad Española de Radiodifusión, S.L.

Jointly controlled entities-

In September 2009 Eje de Editores Media, S.L. was dissolved.

Associates-

In January 2009 Prisa sold its 25% ownership interest in Inversiones en Radiodifusión, S.A., which owns the Bolivian television broadcasting network ATB.

In June 2009 Ediçoes de Publicaçoes, S.A. (Transjornal), a Media Capital, SGPS, S.A. Group company, was sold.

In July 2009 Dima Distribución Integral, S.L., 33.66% owned by Redprensa, S.L.U., was incorporated. This company will engage in the distribution of publications in Madrid.

As a result of the discontinuation of the Group's activities in relation to Localia TV, in 2009 several companies in the local television line of business were sold.

When comparing the information for 2009 and 2008, these changes, the effect of which is presented separately in these notes to the consolidated financial statements in the "*Changes in Scope of Consolidation*" column, should be taken into account.

Significant agreements entered into by the Group

In September 2009 Prisa entered into an agreement with the Portuguese company Ongoing Strategy Investments SGPS, S.A. (Ongoing) for the sale of a shareholding of up to 35% in Grupo Media Capital SGPS, S.A. (Media Capital).

Prisa will sell to Ongoing 29.69% of the share capital of Media Capital and guarantees for Ongoing the sale of an additional ownership interest to increase the shareholding to 35% of the share capital. The transaction places the initial valuation of Media Capital at EUR 450 million.

Prisa and Ongoing entered into a shareholders' agreement which establishes that Prisa will retain its majority representation on the Board of Directors of Media Capital.

Also, in 2009 Prisa entered into an agreement with DLJ South American Partners LC (DLJSAP) for the sale of a 25% ownership interest in Grupo Santillana de Ediciones, S.L. (Santillana). This transaction places the value of Santillana at USD 1,450 million. Prisa and DLJSAP entered into a shareholders' agreement regulating the terms of DLJSAP's participation in the managing bodies of Santillana, with Prisa retaining control over the company.

In November 2009 Prisa and Sogecable, S.A.U. entered into an agreement with Telefónica, S.A. for the sale of 21% of its pay TV business, carried on through the Digital+ platform. Prior to the material performance of the agreement, the two companies carrying on this business activity, CanalSatélite Digital, S.L. and DTS Distribuidora de Televisión Digital, S.A. will be merged, and the other companies carrying on related activities will be integrated with them. The pay TV business was valued at EUR 2,350 million. The transaction will be settled through the repayment of the subordinated debt of Sogecable, S.A.U. arranged with Telefónica de Contenidos, S.A.U. in 2003, amounting to approximately EUR 230 million *(see Note 13),* with the remainder being paid in cash. Also, the two companies entered into a shareholders' agreement that will regulate the management principles of the companies that will carry on the pay TV business after Telefónica has acquired an ownership interest in them.

On January 29, 2010, Prisa, Sogecable, S.A.U. and Telefónica, S.A. agreed to increase Telefónica, S.A.'s ownership interest in Digital+ by an additional 1%, to 22%, in the same terms as those of the agreement signed in November 2009.

In addition, on November 24, 2009, the Board of Directors of Sogecable, S.A.U. resolved to carry out the corporate restructuring measures required for DTS Distribuidora de Televisión

Digital, S.A. to own, prior to the performance of the aforementioned agreements, all the assets and rights of Sogecable and of its subsidiaries relating to pay TV. As part of these corporate restructuring transactions, the shareholders at the Extraordinary General Meeting of CanalSatélite Digital, S.L. held on December 18, 2009, resolved to increase capital by EUR 64,017 thousand, which was subscribed and paid in full by Sogecable, S.A.U. through the non-monetary contribution of its ownership interests in its subsidiaries Cinemanía, S.L., Compañía Independiente de Televisión, S.L., Sociedad General de Cine, S.L., Sogepaq, S.A. and Centro de Asistencia Telefónica, S.A. This transaction qualified for taxation under the tax regime for mergers, spin-offs and contributions provided for in Chapter VIII, Title VII of the Consolidated Spanish Corporation Tax Law. This capital increase was carried out for the amount at which these assets had been carried at Sogecable, S.A.U.

In December 2009 Prisa and Sogecable, S.A.U. entered into an agreement with Gestevisión Telecinco, S.A. for the sale of 22% of its pay TV business, Digital+, in the same terms as those of the agreement with Telefónica, S.A. Following the aforementioned sale of 44% of Digital+, the Group will retain control over the pay TV business.

In addition, it was agreed to integrate the Cuatro and Telecinco free-to-air TV businesses though an exchange of shares of a newly-formed company, to which the Cuatro free-to-air TV business will be spun off, for 18.3% of the share capital of the company resulting from the integration of Telecinco and Cuatro, which will be accounted for in the Group's financial statements using the equity method *(see Note 15).*

These transactions will be completed once the related reviews have been concluded and the appropriate authorizations have been obtained.

(4) ACCOUNTING POLICIES

The principal accounting policies used in preparing the accompanying consolidated financial statements for 2009 and comparative information were as follows:

a) Presentation of the consolidated financial statements

In accordance with IAS 1, the Group opted to present the assets in its consolidated balance sheet on the basis of a current/non-current assets distinction. Also, income and expenses are presented in the consolidated income statement on the basis of their nature. The statement of cash flows was prepared using the indirect method.

b) Property, plant and equipment

Property, plant and equipment are carried at cost, net of the related accumulated depreciation and of any impairment losses.

Property, plant and equipment acquired prior to December 31, 1983, are carried at cost, revalued pursuant to the applicable legislation. Subsequent additions are stated at cost, revalued pursuant to Royal Decree-Law 7/1996 in the case of Ediciones El País, S.L., Agrupación de Servicios de Internet y Prensa, A.I.E., Pressprint, S.L.U., Sociedad Española de Radiodifusión, S.L., Ítaca, S.L. and Algarra, S.A.

The costs of expansion, modernization or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

Period upkeep and maintenance expenses are charged directly to the consolidated income statement.

Property, plant and equipment are depreciated by the straight-line method at annual rates based on the years of estimated useful life of the related assets, the detail being as follows:

	Years of estimated useful life
Buildings and structures	30 - 50
Plant and machinery	5 – 10
Digital set-top boxes	7
Digital access cards	3
Other items of property, plant and equipment	4 – 20

Assets held under finance leases are presented in the consolidated balance sheet based on the nature of the leased assets, and are depreciated over the expected useful life using the same method as that used to depreciate owned assets.

The gain or loss arising on the disposal or derecognition of an asset is determined as the difference between the selling price and the carrying amount of the asset and is recognized in the consolidated income statement.

c) Goodwill

Any excess of the cost of the investments in the consolidated companies over the corresponding underlying carrying amounts at the date of acquisition or at the date of first-time consolidation is allocated as follows:

- If it is attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets whose market values were higher than the carrying amounts at which they had been recognized in their balance sheets and whose accounting treatment was similar to that of the same assets of the Group.
- If it is attributable to non-contingent liabilities, recognizing it in the consolidated balance sheet if it is probable that the outflow of resources to settle the obligation embody economic benefits and the fair value can be measured reliably.
- If it is attributable to specific intangible assets, recognizing it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.
- The remaining amount is recognized as goodwill.

The assets and liabilities acquired are measured provisionally at the date on which the investment is acquired and the related value is reviewed within a maximum of one year from the acquisition date. Therefore, until the definitive fair value of the assets and liabilities has been established, the difference between the acquisition cost and the carrying amount of the company acquired is provisionally recognized as goodwill.

Goodwill is considered to be an asset of the company acquired and, therefore, in the case of a subsidiary with a functional currency other than the euro, it is valued in that subsidiary's functional currency and is translated to euros using the exchange rate prevailing at the balance sheet date.

Goodwill acquired on or after January 1, 2004, is measured at acquisition cost and that acquired earlier is recognized at the carrying amount at December 31, 2003, in accordance with Spanish GAAP. In both cases, since January 1, 2004, goodwill has not been amortized and at the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and any impairment loss is recognized (*see Note 4-e*).

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

d) Intangible assets

The main items included under "Intangible Assets" and the measurement bases used were as follows:

Computer software-

"*Computer Software*" includes the amounts paid to develop specific computer programs and the amounts incurred in acquiring from third parties the licenses to use programs. Computer software is amortized by the straight-line method over a period ranging from three to six years, depending on the type of program or development, from the date on which it is brought into service.

Prototypes-

This account includes basically prototypes for the publication of books, which are measured at the costs incurred in materials and work performed by third parties to obtain the physical medium required for industrial mass reproduction. The prototypes are amortized by the straight-line method over three years from the date on which they are launched on the market, in the case of text books, atlases, dictionaries and major works, and over two years in the case of other publications. The cost of the prototypes of books that are not expected to be published is charged to the income statement for the year in which the decision not to publish is taken.

New subscribers - Installation and connection-

This item includes the direct costs incurred in the installation of equipment and the connection of new subscribers to digital satellite pay TV, net of accumulated amortization. These costs are amortized over a useful life of seven years, which is the estimated average subscription period. The Group writes off the carrying amount of the installation and connection costs relating to subscriptions cancelled during the year. These costs are individually identifiable by Grupo Sogecable, S.A.U. for each subscriber and future economic benefits will flow from them for the digital satellite pay TV business.

This item also includes certain costs incurred in installing community digital satellite TV receivers (required to complete the satellite TV signal reception system), net of the related accumulated amortization. These costs are also amortized over an estimated useful life of seven years.

These costs are amortized by the method described above by crediting directly the related asset account in the balance sheet.

Advances on copyrights-

This account includes the advances paid to authors for the acquisition of book publishing rights. These advances are charged to the income statement from the date on which the book is launched on the market, at the rate established in each contract, which is applied to the book cover price. These items are presented in the balance sheet at cost, less the portion charged to income. This cost is reviewed each year and, where necessary, an allowance is booked based on the projected sales of the related publication.

Audiovisual rights-

"Audiovisual Rights" in the accompanying consolidated balance sheet includes:

- *Advances on audiovisual productions*: the balance of this item relates to the amounts advanced to producers to make films, series and other audiovisual productions. The Group starts to amortize these amounts from the date of commercial release of the related production, based on the projected revenue to be obtained therefrom.

- *Audiovisual productions*: the balance of this item relates to the costs incurred in making and acquiring audiovisual productions and in the acquisition, where applicable, of certain rights to screen these productions. These assets are amortized on the basis of the projected income.

  The Group starts to amortize the productions from the date of commercial release or from the date on which the rating certificate is obtained, in the case of productions that will be shown at cinemas, or from the date on which the definitive copy is obtained, in the case of television productions.

  Since January 1, 2000, the residual value of film productions released since November 1997 has been calculated as the lower of the present value of the future income in the second commercial cycle (ten years) and 15% of the cost of the film. This residual value is amortized over the period of the second commercial cycle of the production (ten years).

- *Screening rights and negatives*: negatives relate to the screening rights to which the Group holds perpetual title. The related acquisition cost is amortized by the declining-balance method over the term of the rights (ten years in the case of negatives).

- *Other rights*: relate to the cost of various long-term audiovisual rights and rights of publicity (including both the cost of rights currently being exploited and the cost of the options to exploit these rights in the future). These rights are amortized, on the basis of the income obtained therefrom, over the term of the related contracts. At the date of preparation of these consolidated financial statements no decision had been taken not to exercise these options, which were recognized at their expected recoverable amount.

  Also, "*Other Rights*" includes the advances paid to suppliers of audiovisual and sports rights, which will be recovered at long term.

Other intangible assets-

"*Other Intangible Assets*" includes basically the amounts paid to acquire administrative concessions for the operation of radio frequencies, which are temporary administrative concessions. These concessions are generally granted for renewable ten-year periods, which are amortized by the straight-line method over the concession term, except in cases where the renewal costs are not material, in which case they are deemed to be assets with an indefinite useful life.

e) Impairment losses

At each balance sheet date, or whenever it is considered necessary, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets might have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment loss (if any). In the case of identifiable assets that do not generate independent cash flows, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Cash-generating units to which goodwill has been assigned and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date or when the circumstances so warrant.

Recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is taken to be the present value of the estimated future cash flows before tax based on the budgets most recently approved by the directors. These budgets include the best estimates available of the income and costs of the cash-generating units based on industry projections and future expectations.

These projections cover the following five years and include a residual value that is appropriate for each business. These cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital employed adjusted by the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2009 the rates used ranged from 7% to 8.8% depending on the business being analyzed.

If the recoverable amount is lower than the asset's carrying amount, the related impairment loss is recognized in the consolidated income statement for the difference.

Impairment losses recognized on an asset in previous years are reversed when there is a change in the estimate of its recoverable amount by increasing the carrying amount of the asset up to the limit of the carrying amount that would have been determined had no impairment loss been recognized for the asset. The reversal of the impairment loss is recognized immediately as income in the consolidated income statement. An impairment loss recognized for goodwill must not be reversed.

f) Financial instruments

Non-current financial assets-

"*Non-Current Financial Assets*" includes the following categories:

- *Loans and receivables*: these assets are recognized at amortized cost, i.e. cash delivered less principal repayments, plus accrued interest receivable, in the case of loans, and the present value of the related consideration in the case of receivables. The Group records the related allowance for the difference between the recoverable amount of the receivables and their carrying amount.

- *Held-to-maturity investments*: investments that the Group has the positive intention and ability to hold to the date of maturity. They are carried at amortized cost.

- *Financial assets at fair value through profit or loss*: this category includes the held-for-trading financial assets and financial assets which are managed and valued using the fair value model.

- *Available-for-sale financial assets*: this category includes the remaining assets not included in the three categories above, which relate substantially in full to equity investments. These investments are measured in the consolidated balance sheet at fair value when it can be determined reliably. If the market value of investments in unlisted companies cannot be determined reliably, which is generally the case, these investments are measured at acquisition cost or at a lower amount if there is any indication of impairment.

Cash and cash equivalents-

"*Cash and Cash Equivalents*" in the consolidated balance sheet includes cash on hand and at banks, demand deposits and other short-term, highly liquid investments that are readily convertible into cash and are not subject to a risk of changes in value.

Financial liabilities-

Loans, bonds and other similar liabilities are carried at the amount received, net of transaction costs. Interest expenses, including premiums payable on settlement or redemption and transaction costs, are recognized in the consolidated income statement on an accrual basis using the effective interest method. The amount accrued and not paid is added to the carrying amount of the instrument if settlement is not made in the accrual period.

Accounts payable are recognized initially at market value and are subsequently measured at amortized cost using the effective interest method.

Derivative financial instruments and hedge accounting-

The Group is exposed to fluctuations in the exchange rates of the various countries in which it operates. In order to mitigate this risk, foreign currency hedges are used, on the basis of its projections and budgets, when the market outlook so requires.

Similarly, the Group is exposed to foreign currency risk as a result of potential fluctuations in the various currencies in which its bank borrowings and debts to third parties are denominated. Accordingly, it uses hedging instruments for transactions of this nature when they are material and the market outlook so requires.

The Group is also exposed to interest rate risk since all of its bank borrowings bear interest at floating rates. In this regard, the Group arranges interest rate hedges, basically through contracts providing for interest rate caps.

Changes in the value of these financial instruments are recognized as finance costs or finance income for the year pursuant to IFRSs, since because of their nature they do not qualify for hedge accounting under IFRSs.

g) Investments accounted for using the equity method

As discussed in Note 2-d, investments in companies over which the Group has significant influence are accounted for using the equity method. The goodwill arising on the acquisition of these companies is also included under this heading.

Investments in companies accounted for using the equity method the carrying amount of which is negative at the balance sheet date are recognized under "*Non-Current Liabilities – Long-Term Provisions*" (*see Notes 9 and 14*).

h) Inventories

Inventories of raw materials and supplies and inventories of commercial products or finished goods purchased from third parties are measured at the lower of their average acquisition cost and market value.

Work in progress and finished goods produced in-house are measured at the lower of average production cost and market value. Production cost includes the cost of materials used, labor and in-house and third-party direct and indirect manufacturing expenses.

The main inventory item is "*Audiovisual Rights*", which are stated at acquisition cost and are taken to income as follows:

1. Broadcasting rights for the "Canal+", premium pay TV family of channels:

    - *Film broadcasting rights acquired from third parties (outside productions):* the cost of these rights is recognized in the income statement on a straight-line basis from the date of the first showing or commercial release until the expiry of the broadcasting rights.
    - *Sporting event broadcasting rights*: these rights are taken to income in full at the date of the first showing.
    - *Acquired series broadcasting rights*: the cost of these rights is charged to income on a straight-line basis over the various showings.
    - *Other rights*: these relate basically to documentaries, in-house productions and introductory program slots, and are amortized when they are broadcast.

2. Broadcasting rights for free-to-air television channels:

    - *Film, series and cartoon broadcasting rights acquired from third parties (outside productions)*: these rights are taken to income at the date of the showing. If rights are acquired to broadcast more than one showing, 75% of the cost is charged to income at the date of the first showing and 25% at the date of the second showing.
    - *Broadcasting rights for in-house or commissioned production programs and series*: the cost of these rights is charged to income in full at the date of the first showing.
    - *Other rights*: these are recognized as a period expense at the date of the related showing.

Obsolete, defective or slow-moving inventories have been reduced to their realizable value.

The Group assesses the net realizable value of the inventories at the end of each period and recognizes the appropriate write-down if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

i) Assets classified as held for sale and associated liabilities

Assets classified as held for sale are considered to be groups of assets, and liabilities directly associated with them, to be disposed of together as a group in a single transaction that is expected to be carried out in a maximum period of twelve months from the date of their classification under this heading.

Assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell (*see Note 15*).

Liabilities associated with assets classified as held for sale are measured at their expected redemption or repayment value.

j) Long-term provisions

Present obligations at the consolidated balance sheet date arising from past events which could give rise to a loss for the Group, which is uncertain as to its amount and/or timing, are recognized in the consolidated balance sheet as provisions at the present value of the most probable amount that it is considered the Group will have to pay to settle the obligation.

Provisions for taxes-

The provisions for taxes relate to the estimated amount of the tax debts whose exact amount or date of payment has not yet been determined, since they depend on the fulfillment of certain conditions.

Provisions for third-party liability-

At the end of 2009 certain litigation and claims were in process against the Group companies arising from the ordinary course of their operations. The Group's legal advisers and directors consider that the outcome of litigation and claims will not have a material effect on the financial statements for the years in which they are settled.

"*Provisions for Third-Party Liability*" also includes the estimated amount required to cover potential claims arising from obligations assumed by the consolidated companies in the course of their commercial operations and the estimated termination benefits payable to employees whose contracts will foreseeably be terminated.

k) Revenue and expense recognition

Revenue and expenses are recognized on an accrual basis, regardless of when the resulting monetary or financial flow arises.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, and other sales-related taxes.

The accounting policies applied to recognize the revenue of the Group's main businesses are as follows:

- *Revenue from subscribers* arising from the pay TV business is recognized when the subscribers are registered in the system. Subscription revenue is recognized on a monthly basis. Pay per view *revenue* is recognized when the program acquired by the subscriber is screened.

- *Advertising revenue* is recognized when the advertisement appears in the media, less the amount of volume rebates offered to the media agencies.

- *Revenue from book sales* is recognized on the effective delivery thereof. Where the sales of the copies are subject to sales returns, the actual sales returns and the amount of the provisions estimated at the balance sheet date are deducted from the revenue recognized. Also, the amounts corresponding to rebates or trade discounts that are not of a financial nature are deducted from revenue.

- *Revenue from the sale of newspapers and magazines* are recognized on the effective delivery thereof, net of the related estimated provision for sales returns. Also, the amounts relating to distributors' fees are deducted from revenue.

- The *revenue* and the costs associated with *audiovisual production* agreements are recognized in the income statement by reference to the stage of completion at the balance sheet date, using the percentage of completion method. When the final outcome of the agreement cannot be estimated reliably, the revenue must only be recognized to the extent that it is probable that the costs incurred will be recovered, whereas the costs are recognized as an expense for the year in which they are incurred. In any case, the expected future losses would be recognized immediately in the income statement.

- *The revenue related to intermediation services is recognized at the amount of the fees received when the goods or services under the transaction are supplied.*

- *Other income*: this item includes broadcasting services, sales of add-ons and collections, telephone hotline services, music sales, organization and management of events, e-commerce, Internet services, leases and other income.

l) Offsetting

Asset and liability balances must be offset and, therefore, the net amount is presented in the consolidated balance sheet when, and only when, they arise from transactions in which, contractually or by law, offsetting is permitted and the Group intends to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

m) Tax matters

The current income tax expense or income represents the sum of the current tax expense and the deferred tax assets and liabilities. The current income tax expense, which determines the payment obligation to the tax authorities, is calculated by applying the tax rate in force to the taxable profit, after deducting the tax relief and tax credits generated and taken in the year.

Deferred tax assets and liabilities arise from temporary differences defined as the amounts expected to be payable or recoverable in the future which result from differences between the carrying amounts of assets and liabilities and their tax bases. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax assets may also arise from tax loss and tax credit carryforwards.

Deferred tax liabilities are recognized for all taxable temporary differences, unless the temporary difference arises from the initial recognition of goodwill or the initial recognition (except in the case of a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss) when it is carried out.

Deferred tax assets are recognized for temporary differences to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax asset can be utilized, and the deferred tax assets do not arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit (loss) nor taxable profit (tax loss). The other deferred tax assets (tax loss and tax credit carryforwards) are only recognized if it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilized.

The deferred tax assets and liabilities recognized are reassessed at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed and the tax rate then in force.

In Spain, Promotora de Informaciones, S.A. files consolidated tax returns as permitted by the Spanish Corporation Tax Law. It is the Parent of tax group number 2/91 which includes all its subsidiaries that meet the requirements established in the legislation governing the taxation of the consolidated profit of corporate groups.

n) Profit/Loss from discontinued operations

A discontinued operation is a line of business that it has been decided to abandon and/or sell whose assets, liabilities and net profit or loss can be distinguished physically, operationally and for financial reporting purposes.

The income and expenses of the discontinued operations are presented separately in the consolidated income statement under "*Loss after Tax from Discontinued Operations*".

o) Foreign currency transactions

Foreign currency transactions are translated to euros (the Group's functional currency) at the exchange rates ruling at the transaction date. During the year, differences arising between the result of applying the exchange rates initially used and that of using the exchange rates prevailing at the date of collection or payment are recognized as finance income or finance costs in the consolidated income statement.

Also, balances receivable or payable at December 31 each year in currencies other than the functional currency in which the consolidated companies' financial statements are denominated are translated to euros at the year-end exchange rates. Any resulting translation differences are recognized as finance income or finance costs in the consolidated income statement.

Balances and transactions in currencies of hyperinflationary economies are translated at the year-end exchange rate. At December 31, 2009, the only country in which the Group operates that pursuant to IAS 21 should be considered to be a hyperinflationary economy is Venezuela.

p) Current/non-current classification

Debts are recognized at their effective amount and debts due to be settled within twelve months from the balance sheet date are classified as current items and those due to be settled within more than twelve months as non-current items.

q) Share-based payment

The Group makes equity-settled share-based payments to certain employees, which are recognized in accordance with IFRS 2. Under the terms of the share option plan of Promotora de Informaciones, S.A., equity-settled share-based payments are measured at fair value at the date of grant using the Black-Scholes pricing model and are charged to income on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually be delivered, with a credit to "*Equity - Other Reserves*".

r) Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows with the meanings specified:

- Changes in cash flows in the year: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that result in changes in the size and composition of equity and borrowings.

s) Environmental impact

In view of the printing activities carried on by certain consolidated Group companies, mainly Pressprint, S.L.U., and in accordance with current legislation, these companies control the degree of pollution caused by waste and emissions, and have an adequate waste disposal policy in place. The expenses incurred in this connection, which are not material, are expensed currently.

The evaluation carried out indicates that the Group does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results.

(5) PROPERTY, PLANT AND EQUIPMENT

2009-

The changes in 2009 in "*Property, Plant and Equipment*" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/08	Monetary adjustment	Translation adjustment	Changes in scope of consol-idation	Additions	Disposals	Transfers	Balance at 12/31/09
Cost:								
Land and buildings	153,412	1,128	2,458	(3,027)	320	(2,069)	329	152,551
Plant and machinery	483,815	1,051	3,924	(4,840)	13,613	(32,091)	1,799	467,271
Digital set-top boxes and cards	375,167	-	-	-	1,825	(17,217)	-	359,775
Other items of property, plant and equipment	182,106	800	2,310	(1,280)	6,084	(12,209)	1,234	179,045
Advances and property, plant and equipment in the course of construction	16,459	10	(58)	(55)	7,997	(108)	(4,546)	19,699
Total cost	**1,210,959**	**2,989**	**8,634**	**(9,202)**	**29,839**	**(63,694)**	**(1,184)**	**1,178,341**
Accumulated depreciation:								
Buildings	(28,226)	(336)	(1,199)	305	(2,878)	778	70	(31,486)
Plant and machinery	(322,307)	(1,174)	(3,721)	2,401	(29,244)	22,679	(22)	(331,388)
Digital set-top boxes and cards	(306,026)	-	-	-	(19,979)	16,225	-	(309,780)
Other items of property, plant and equipment	(140,716)	(509)	(1,663)	1,183	(15,765)	11,542	(48)	(145,976)
Total accumulated depreciation	**(797,275)**	**(2,019)**	**(6,583)**	**3,889**	**(67,866)**	**51,224**	**-**	**(818,630)**
Impairment losses:								
Buildings	(85)	-	-	-	-	-	(97)	(182)
Plant and machinery	(1,342)	-	-	-	-	-	827	(515)
Digital set-top boxes and cards	(14,120)	-	-	-	-	992	-	(13,128)
Other items of property, plant and equipment	(205)	-	(13)	-	-	-	86	(132)
Total impairment losses	**(15,752)**	**-**	**(13)**	**-**	**-**	**992**	**816**	**(13,957)**
Property, plant and equipment, net	**397,932**	**970**	**2,038**	**(5,313)**	**(38,027)**	**(11,478)**	**(368)**	**345,754**

2008-

The changes in 2008 in "*Property, Plant and Equipment*" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/07	Monetary adjustment	Translation adjustment	Changes in scope of consol-idation	Additions	Disposals	Transfers	Balance at 12/31/08
Cost:								
Land and buildings	155,573	1,202	(5,145)	245	2,119	(824)	242	153,412
Plant and machinery	452,039	1,064	(6,384)	5,038	32,980	(5,490)	4,568	483,815
Digital set-top boxes and cards	446,553	-	-	-	11,460	(82,846)	-	375,167
Other items of property, plant and equipment	180,311	884	(3,452)	570	14,036	(11,127)	884	182,106
Advances and property, plant and equipment in the course of construction	13,063	-	(127)	2	11,435	(987)	(6,927)	16,459
Total cost	**1,247,539**	**3,150**	**(15,108)**	**5,855**	**72,030**	**(101,274)**	**(1,233)**	**1,210,959**
Accumulated depreciation:								
Buildings	(26,854)	(507)	1,834	(49)	(2,754)	320	(216)	(28,226)
Plant and machinery	(286,414)	(751)	5,443	(3,167)	(39,020)	3,430	(1,828)	(322,307)
Digital set-top boxes and cards	(356,846)	-	-	-	(28,738)	79,558	-	(306,026)
Other items of property, plant and equipment	(134,960)	(738)	2,807	(392)	(17,210)	10,332	(555)	(140,716)
Total accumulated depreciation	**(805,074)**	**(1,996)**	**10,084**	**(3,608)**	**(87,722)**	**93,640**	**(2,599)**	**(797,275)**
Impairment losses:								
Buildings	(85)	-	-	-	-	-	-	(85)
Plant and machinery	(591)	-	-	-	-	-	(751)	(1,342)
Digital set-top boxes and cards	(18,408)	-	-	-	997	3,291	-	(14,120)
Other items of property, plant and equipment	(218)	-	13	-	-	-	-	(205)
Total impairment losses	**(19,302)**	**-**	**13**	**-**	**997**	**3,291**	**(751)**	**(15,752)**
Property, plant and equipment, net	**423,163**	**1,154**	**(5,011)**	**2,247**	**(14,695)**	**(4,343)**	**(4,583)**	**397,932**

Additions-

The most significant additions in 2009 were as follows:

- "*Plant and Machinery*", amounting to EUR 13,613 thousand, mainly as a result of the expansion and improvement of the production processes at the Madrid printing plant carried out by Pressprint, S.L.U. and the investments made by Sogecable, S.A.U. and Grupo Media Capital, SGPS, S.A. in plant and machinery to provide television services.

- "*Advances and Property, Plant and Equipment in the Course of Construction*", amounting to EUR 7,997 thousand and relating mainly to the expansion of the sealing equipment of the rotary presses at the Madrid printing plant being carried out by Pressprint, S.L.U. and to the general and technical refurbishment being carried out on the floors occupied by Sociedad de Servicios Radiofónicos Unión Radio, S.L. in the building at Gran Vía 32, in Madrid.

- *"Other Items of Property, Plant and Equipment"*, amounting to EUR 6,084 thousand and relating mainly to the investments in computer and communications equipment associated with the technological projects being implemented by the Group.

Disposals-

In 2009 the Sogecable Group derecognized the cost, accumulated depreciation and impairment losses relating to digital set-top boxes and cards that were not in an adequate condition to be used.

Also, certain items of property, plant and equipment with a cost of EUR 21,251 thousand and accumulated depreciation of EUR 12,762 thousand were derecognized as a result of the discontinuation of the Prisa Group's activities in relation to Localia TV.

There are no restrictions on holding title to the property, plant and equipment other than those indicated in Note 12.

There are no future property, plant and equipment purchase commitments.

The Prisa Group's fully depreciated property, plant and equipment in use amounted to EUR 515,950 thousand at December 31, 2009 (December 31, 2008: EUR 398,731 thousand).

Non-current assets held under leases-

At December 31, 2009, "*Property, Plant and Equipment*" in the consolidated balance sheet included assets held under finance leases amounting to EUR 22,430 thousand (December 31, 2008: EUR 22,560 thousand).

The detail of the carrying amounts of the non-current assets held under finance leases at December 31, 2009 and 2008 is as follows (in thousands of euros):

	12/31/09			**12/31/08**		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Digital set-top boxes and cards	14,924	(8,327)	6,597	14,924	(6,196)	8,728
Plant and machinery	4,497	(1,504)	2,993	3,560	(687)	2,873
Other items of property, plant and equipment	3,009	(2,189)	820	4,076	(2,472)	1,604
Total	**22,430**	**(12,020)**	**10,410**	**22,560**	**(9,355)**	**13,205**

The Group companies take out insurance policies to cover the potential risks to which the various items of property, plant and equipment are exposed. At December 31, 2009 and 2008, the insurance policies taken out sufficiently covered the related risks.

On December 23, 2009, Prisa entered into an agreement with Indra Sistemas, S.A. ("Indra") for the implementation of a new model for providing global IT and communications (ITC) services in order for the ITC services to be a transversal tool common to all the Group's business areas.

Under this agreement, Prisa will outsource R&D+i project and IT and development management services for seven years. Prisa's assets associated with the implementation of this agreement will be transferred to Indra for their carrying amount in Prisa's books of account.

(6) GOODWILL

2009-

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2009 is as follows:

	Balance at 12/31/08	Translation adjustment	Changes in scope of consoli-dation/ Additions	Impairment	Transfers	Balance at 12/31/09
Antena 3 de Radio, S.A.	6,115	-	-	-	-	6,115
Editora Moderna, Ltda.	60,565	-	-	-	-	60,565
Editora Objetiva, Ltda.	7,925	2,511	1,391	-	-	11,827
Gerencia de Medios, S.A.	33,944	-	-	-	-	33,944
GLR Chile, Ltda.	2,208	9,557	-	-	42,784	54,549
Grupo Latino de Radio, S.L.	8,368	-	-	-	(8,368)	-
Grupo Media Capital, SGPS, S.A.	688,560	-	603	-	-	689,163
Iberoamericana Radio Chile, S.A.	36,849	-	-	-	(36,849)	-
Propulsora Montañesa, S.A.	8,608	-	-	-	-	8,608
Sistema Radiópolis, S.A. de C.V.	28,787	-	-	-	-	28,787
Sociedad Española de Radiodifusión, S.L.	20,086	-	-	-	9,384	29,470
Sogecable, S.A.U.	3,364,578	-	176	-	-	3,364,754
Other companies	36,146	(81)	-	(3,228)	(1,016)	31,821
Total	**4,302,739**	**11,987**	**2,170**	**(3,228)**	**5,935**	**4,319,603**

The detail, by business segment, of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2009 is as follows:

	Balance at 12/31/08	Translation adjustment	Changes in the scope of consolidation/ Additions	Impairment	Transfers	Balance at 12/31/09
Press	4,407	-	-	(3,228)	-	1,179
Radio	135,906	9,381	-	-	5,935	151,222
Education	69,252	2,606	1,390	-	-	73,248
Audiovisual	4,054,116	-	780	-	-	4,054,896
Other	39,058	-	-	-	-	39,058
Total	**4,302,739**	**11,987**	**2,170**	**(3,228)**	**5,935**	**4,319,603**

Transfers-

Following the restructuring of the radio companies in Chile, the goodwill of Iberoamericana Radio Chile, S.A. was transferred to GLR Chile, Ltda. The increase in that goodwill was due mainly to exchange rate changes and to the presentation of the goodwill that arose on the acquisition of Iberoamericana Radio Chile, S.A., for the related gross amount, which was offset by the increase in non-controlling interests, included under *"Equity – Non-Controlling Interests"* in the accompanying consolidated balance sheet.

As a result of the mergers of Grupo Latino de Radio, S.L., Radio Irún, S.L. and Radio Gibralfaro, S.A. with Sociedad Española de Radiodifusión, S.L., as described in Note 3, the goodwill relating to those companies was transferred to Sociedad Española de Radiodifusión, S.L.

2008-

The detail of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2008 is as follows:

	Balance at 12/31/07	Translation adjustment	Changes in scope of consoli-dation/ Additions	Disposals	Impairment	Transfers	Balance at 12/31/08
Antena 3 de Radio, S.A.	6,859	-	-	(744)	-	-	6,115
Editora Moderna, Ltda.	60,565	-	-	-	-	-	60,565
Editora Objetiva, Ltda.	9,006	(1,910)	829	-	-	-	7,925
Gerencia de Medios, S.A.	33,944	-	-	-	-	-	33,944
GLR Chile, Ltda.	3,709	(1,423)	-	-	-	(78)	2,208
Grupo Latino de Radio, S.L.	9,109	-	-	-	-	(741)	8,368
Grupo Media Capital, SGPS, S.A.	693,444	-	-	(133)	(4,751)	-	688,560
Iberoamericana Radio Chile, S.A.	44,025	(5,289)	-	-	-	(1,887)	36,849
Propulsora Montañesa, S.A.	8,608	-	-	-	-	-	8,608
Sistema Radiópolis, S.A. de C.V.	31,338	-	-	-	-	(2,551)	28,787
Sociedad Española de Radiodifusión, S.L.	20,086	-	-	-	-	-	20,086
Sogecable, S.A.U.	1,466,439	-	1,898,139	-	-	-	3,364,578
Other companies	32,946	138	10,491	(132)	(7,069)	(228)	36,146
Total	**2,420,078**	**(8,484)**	**1,909,459**	**(1,009)**	**(11,820)**	**(5,485)**	**4,302,739**

The detail, by business segment, of the goodwill relating to fully and proportionately consolidated Group companies and of the changes therein in 2008 is as follows:

	Balance at 12/31/07	Translation adjustment	Changes in the scope of consolidation/ Additions	Disposals	Impairment	Transfers	Balance at 12/31/08
Press	4,407	-	-	-	-	-	4,407
Radio	138,639	(6,492)	10,120	(876)		(5,485)	135,906
Education	70,415	(1,992)	829	-	-	-	69,252
Audiovisual	2,167,559	-	1,898,510	(133)	(11,820)	-	4,054,116
Other	39,058	-	-	-	-	-	39,058
Total	**2,420,078**	**(8,484)**	**1,909,459**	**(1,009)**	**(11,820)**	**(5,485)**	**4,302,739**

Changes in the scope of consolidation and additions-

On December 20, 2007, Prisa notified the Spanish National Securities Market Commission (CNMV) of an irrevocable agreement entered into with Eventos, S.A., owner of a 2.94% holding in Sogecable, S.A.U., whereby Eventos, S.A. undertook to sell and transfer to Prisa its ownership interest in Sogecable, S.A.U., at a price of EUR 28 per share. This agreement was executed on February 14, 2008.

As a result of this acquisition, Prisa gained control of 50.07% of Sogecable, S.A.U., and, accordingly, it notified the CNMV that it would launch a mandatory takeover bid therefor. The bid was made in the form of a purchase and sale transaction, with Prisa offering a cash amount of EUR 28 per share.

The takeover bid for all of Sogecable, S.A.U.'s shares was accepted on May 13, 2008, by the holders of 65,905,845 shares representing 47.64% of Sogecable, S.A.U.'s share capital and, therefore, on June 13, 2008, Prisa opted to oblige Sogecable's other shareholders to compulsorily sell their shares (squeeze-out) as a result of which, at December 31, 2008, it owned all of Sogecable, S.A.U.'s shares. The additions to Sogecable, S.A.U.'s goodwill in 2008 resulting from these transactions amounted to EUR 1,898,139 thousand.

"*Other Companies*" included the addition to goodwill corresponding to the acquisition by Gran Vía Musical de Ediciones, S.L. of 70% of the share capital of RLM, S.A. and Merchandising On Stage, S.L. and 19% of Planet Events, S.A., of which it already owned 51%.

Transfers-

The transfers of goodwill related to the increase in the ownership interest held by non-controlling interests in the radio business as a result of 3i Group plc becoming a shareholder of Sociedad de Servicios Radiofónicos Unión Radio, S.L., through a mixed share purchase and sale/capital increase transaction, which reduced Promotora de Informaciones, S.A.'s ownership interest in the business from 80% to 73.49%.

Per the estimates and projections available to the Group's directors, the projected cash flows attributable to these cash-generating units to which the goodwill is allocated will make it possible to recover the carrying amount of each item of goodwill recognized at December 31, 2009 and 2008.

In accordance with IFRS 3, the Prisa Group began to allocate the goodwill relating to Sogecable and Media Capital which arose in previous years. In this process, the Group considered the values of recognized assets and liabilities and of unrecognized assets and liabilities or intangibles. The analysis of intangible assets included the customer base, audiovisual and sports rights and licenses and trademarks. In the case of Sogecable, the customer base is closely linked to the audiovisual rights contracts and the value of these rights is linked to the supply contracts, which at the date of acquisition were close to maturity. A significant portion of these contracts were renewed after the acquisition by the Prisa Group. On the basis of the analysis conducted, no material amount to be allocated to other assets of these businesses was identified, except for the land on which the Sogecable Group's headquarters stand.

Impairment tests

At the end of each reporting period, or whenever there are indications of impairment, the Group tests goodwill for impairment to determine whether it has suffered any permanent loss in value that reduces its recoverable amount to below its carrying amount.

To perform the aforementioned impairment test, the goodwill is allocated to one or more cash-generating units. The recoverable amount of each cash-generating unit is the higher of value in use and the net selling price that would be obtained from the assets associated with the cash-generating unit. In the case of the main cash-generating units to which goodwill has been allocated, their recoverable amount is their value in use.

Value in use was calculated on the basis of the estimated future cash flows before tax based on the business plans most recently approved by the directors. These business plans include the best estimates available of income and costs of the cash-generating units using industry projections and future expectations.

These projections cover the following five years and include a residual value that is appropriate for each business, applying a constant expected growth rate ranging from 0% to 2.5% on the basis of the business under analysis.

In order to calculate the present value of these flows, they are discounted at a pre-tax rate that reflects the weighted average cost of capital employed adjusted for the country risk and business risk corresponding to each cash-generating unit. Therefore, in 2009 the rates used ranged from 7% to 8.8% depending on the business being analyzed.

Sogecable-

The goodwill arising on the acquisition of the Sogecable Group, amounting to EUR 3,364,754 thousand, forms part of the audiovisual business segment and relates to two cash-generating units: a free-to-air TV channel (Cuatro) and a pay TV channel (Digital+). The main variables used by management to determine the value in use of Sogecable's audiovisual business, based on future projections spanning the coming five years, were as follows:

Variations in the number of subscribers and ARPU (Average Revenue Per User) - these assumptions are of particular significance in the pay TV audiovisual business because the related amounts account for 94% of revenue. In its assumptions for 2010 and 2011 management took into account, on the one hand, a gradual recovery in the number of subscribers -based on a possible general economic recovery and on the policy of distributing Sogecable's Premium product to other pay TV operators. The evolution of the ARPU is in line with the future commercial policies relating to the various packages of content offered to subscribers.

Evolution of the advertising market- the estimated impact on the future cash flow projections arising from the evolution of advertising expenditure in the audiovisual business in Spain was obtained from the various indexes published by organizations of acknowledged prestige. These external sources predict a recovery in advertising expenditure of 3.4% in absolute terms in 2010, a trend which is expected to continue in 2011, 2012 and 2013 with annual growth of 10%. With these assumptions, management is assuming that the levels of television advertising expenditure achieved in 2008 will recover from 2015 onwards.

Evolution of the audience share and advertising share- management predicts continuous growth in the audience share in 2010 and 2011 for the free-to-air TV business in Spain, from when zero growth is expected. This growth is the direct consequence of the investment in high-quality content. Also, management considers that the power ratio (which measures a company's revenue performance in comparison to the audience share it controls) will grow from 2010 to 2013 as a result of the elimination of advertising on TVE and the Group's positioning in the target audience segments most valued by advertisers.

Increase in programming costs– changes in this variable are very significant because the television business, and particularly the pay TV business, is based on its capacity to offer programming with exclusive, high-quality content, primarily sports events and films. Management considered that the ratio of programming costs to operating revenue will remain constant in the period from 2010 to 2014.

Media Capital-

The main variables used by management to determine the value in use of Media Capital's audiovisual business were as follows:

Evolution of the audience share and advertising share- management predicts a stable trend in both audience share and advertising share in the future projections of TVI -a free-to-air TV channel owned by Media Capital and current market leader that has maintained its market share in recent years. This estimate did not take into account a significant increase in competition arising from the introduction of DTT, since it will not take place in Portugal until the end of 2010 and the Portuguese government has not yet announced whether more licenses will be granted in addition to those that currently exist based on analogue technology. Also, the penetration of cable TV in the Portuguese market is already very high and, therefore, significant growth is not expected.

Evolution of the advertising market – management predicts a recovery in advertising expenditure in the audiovisual business in Portugal with an increase of 3% in absolute terms in 2010, a trend which is expected to continue in 2011, 2012 and 2013 with annual growth of 7%, 6.5% and 4.2%, respectively. With these assumptions, management is assuming that the levels of television advertising expenditure achieved in 2008 will recover from 2015 onwards.

Results of the impairment tests-

Per estimates and projections available to the Group's directors, the projected cash flows attributable to these cash-generating units to which the goodwill has been allocated will make it possible to recover the carrying amount of each item of goodwill recognized at December 31, 2009 and 2008.

In 2008 an impairment loss of EUR 7,069 thousand was recognized for *"Other Companies"* as a result of the discontinuation of the Group's activities in relation to local television. This impairment loss was recognized under *"Loss after Tax from Discontinued Operations"* in the consolidated income statement.

Sensitivity to changes in key assumptions-

- Sogecable

In order to determine the sensitivity of value in use to changes in the key assumptions, the Group analyzed the impact of the following changes in the key assumptions, although there were no significant impairment losses on the goodwill allocated:

- Increase of 1% in the discount rate
- Decrease of 5% in the advertising share
- Decrease of 5% in the ARPU
- Decrease of 5% in the number of subscribers

- Media Capital

In order to determine the sensitivity of value in use to changes in the key assumptions, the Group analyzed the impact of the following adverse changes in the key assumptions, although there were no significant impairment losses on the goodwill allocated:

- Increase of 1% in the discount rate
- Decrease of 1% in the projected growth rate from the fifth year onwards
- Decrease of 2% in the advertising share

(7) INTANGIBLE ASSETS

2009-

The changes in 2009 in "*Intangible Assets*" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/08	Monetary adjustment	Translation adjustment	Changes in scope of consoli-dation	Additions	Disposals	Transfers	Balance at 12/31/09
Cost:								
Computer software	181,957	252	659	(3,075)	16,204	(5,501)	(1,899)	188,597
Prototypes	130,335	443	9,405	-	31,246	(25,789)	31,569	177,209
New subscribers – Installation and connection	120,644	-	-	-	28,681	(52,360)	-	96,965
Advances on copyrights	60,426	(16)	1,699	-	7,277	(9,549)	43	59,880
Audiovisual rights	389,456	-	-	-	10,321	(7,271)	(8,273)	384,233
Other intangible assets	85,379	(401)	3,604	(249)	4,429	(660)	3,100	95,202
Total cost	**968,197**	**278**	**15,367**	**(3,324)**	**98,158**	**(101,130)**	**24,540**	**1,002,086**
Accumulated amortization:								
Computer software	(127,096)	(219)	(451)	1,932	(17,050)	5,993	394	(136,497)
Prototypes	(90,538)	52	(5,978)	(1)	(33,880)	25,617	(17,496)	(122,224)
Advances on copyrights	(36,846)	1	(853)	-	(3,738)	7,028	(348)	(34,756)
Audiovisual rights	(273,228)	-	-	-	(16,937)	6,984	-	(283,181)
Other intangible assets	(25,347)	177	(2,062)	276	(57,186)	52,506	(308)	(31,944)
Total accumulated amortization	**(553,055)**	**11**	**(9,344)**	**2,207**	**(128,791)**	**98,128**	**(17,758)**	**(608,602)**
Impairment losses:								
Computer software	(57)	-	-	-	-	57	-	-
Prototypes	(3,075)	-	-	-	3,300	-	(14,848)	(14,623)
Advances on copyrights	(11,084)	-	(137)	-	(3,993)	1,213	810	(13,191)
Other intangible assets	(842)	-	-	-	476	145	221	-
Total impairment losses	**(15,058)**	**-**	**(137)**	**-**	**(217)**	**1,415**	**(13,817)**	**(27,814)**
Intangible assets, net	**400,084**	**289**	**5,886**	**(1,117)**	**(30,850)**	**(1,587)**	**(7,035)**	**365,670**

2008-

The changes in 2008 in "*Intangible Assets*" in the consolidated balance sheet were as follows:

	Thousands of euros							
	Balance at 12/31/07	Monetary adjustment	Translation adjustment	Changes in scope of consoli-dation	Additions	Disposals	Transfers	Balance at 12/31/08
Cost:								
Computer software	160,946	234	(783)	170	24,032	(3,126)	484	181,957
Prototypes	139,301	361	(9,419)	-	34,317	(35,108)	883	130,335
New subscribers – Installation and connection	133,747	-	-	-	38,622	(51,725)	-	120,644
Advances on copyrights	53,638	-	(1,322)	-	11,667	(4,137)	580	60,426
Audiovisual rights	432,495	-	-	-	8,693	(28,754)	(22,978)	389,456
Other intangible assets	86,627	1,133	(3,420)	13	7,152	(4,500)	(1,626)	85,379
Total cost	**1,006,754**	**1,728**	**(14,944)**	**183**	**124,483**	**(127,350)**	**(22,657)**	**968,197**
Accumulated amortization:								
Computer software	(111,757)	(237)	574	(120)	(15,921)	923	(558)	(127,096)
Prototypes	(89,007)	(170)	8,047	-	(28,904)	19,654	(158)	(90,538)
Advances on copyrights	(33,941)	-	621	-	(4,559)	1,006	27	(36,846)
Audiovisual rights	(288,427)	-	-	-	(13,544)	28,743	-	(273,228)
Other intangible assets	(26,560)	(536)	1,994	(261)	(55,323)	55,093	246	(25,347)
Total accumulated amortization	**(549,692)**	**(943)**	**11,236**	**(381)**	**(118,251)**	**105,419**	**(443)**	**(553,055)**
Impairment losses:								
Computer software	(1)	-	-	-	-	-	(56)	(57)
Prototypes	(2,480)	-	(46)	-	6	-	(555)	(3,075)
Advances on copyrights	(9,547)	-	106	-	(2,083)	612	(172)	(11,084)
Other intangible assets	(697)	-	-	-	-	-	(145)	(842)
Total impairment losses	**(12,725)**	**-**	**60**	**-**	**(2,077)**	**612**	**(928)**	**(15,058)**
Intangible assets, net	**444,337**	**785**	**(3,648)**	**(198)**	**4,155**	**(21,319)**	**(24,028)**	**400,084**

Additions-

The most significant additions in 2009 were as follows:

- "*New Subscribers - Installation and Connection*" amounting to EUR 28,681 thousand which included the costs incurred by the Sogecable Group in connection with the installation of equipment and the connection of new subscribers to digital satellite pay TV.

- "*Prototypes*", amounting to EUR 31,246 thousand, relating to new prototypes for the publication of books at Grupo Santillana de Ediciones, S.L.

- "*Computer Software*", amounting to EUR 16,204 thousand, relating to the computer software acquired and/or developed by third parties for Group companies under the Group's IT Plan.

- *"Advances on Copyrights"*, amounting to EUR 7,277 thousand, relating mainly to the amounts paid to authors by Grupo Santillana de Ediciones, S.L. for the acquisition of book publishing rights.

- *"Audiovisual Rights"*, amounting to EUR 10,321 thousand which includes mainly the advances paid for the exploitation of future audiovisual rights and the investments made in film production and audiovisual rights for their distribution.

Disposals and transfers-

In 2009 Grupo Santillana de Ediciones, S.L. derecognized fully amortized prototypes from the *"Prototypes"* account. The audiovisual rights whose exploitation period and term had expired and which had been fully amortized were also derecognized from "*Audiovisual Rights*". Furthermore, rights which were recovered during the year or which will be used or recovered over the coming twelve months were transferred to "*Inventories*" and "*Other Receivables*" in the consolidated balance sheet.

"Other Intangible Assets" includes administrative concessions amounting to EUR 39,442 thousand, which are considered to be intangible assets with indefinite useful lives because it is highly probable that they will be renewed and the related costs are not material.

At each balance sheet date the residual useful life of these concessions is analyzed in order to ensure that they continue to be indefinite; if this is not the case, the concessions are amortized.

At December 31, 2009, the Prisa Group's assets included fully amortized intangible assets amounting to EUR 250,241 thousand (December 31, 2008: EUR 184,843 thousand).

There are no restrictions on holding title to the intangible assets other than those indicated in Note 12.

There are no future intangible asset purchase commitments other than those indicated in Note 28.

(8) FINANCIAL ASSETS

2009-

Non-current financial assets

The changes in "*Non-Current Financial Assets*" in the consolidated balance sheet in 2009, by type of transaction, were as follows:

	Thousands of euros				
	Balance at 12/31/08	Translation adjustment	Additions/ Charge for the year	Disposals/ Transfers	Balance at 12/31/09
Loans and receivables	**32,185**	**718**	**1,552**	**(19,167)**	**15,288**
Loans to associates	108,457	(8)	1,014	(8,983)	100,480
Long-term loans to third parties	15,515	(26)	538	(12,354)	3,673
Other non-current financial assets	5,920	752	-	-	6,672
Allowance	(97,707)	-	-	2,170	(95,537)
Held-to-maturity investments	**7,670**	**42**	**6,884**	**(741)**	**13,855**
Financial assets at fair value through profit or loss	**17,826**	**-**	**8,765**	**(26,591)**	**-**
Available-for-sale financial assets	**35,663**	**12**	**467**	**(8,067)**	**28,075**
Non-controlling equity interests	86,745	55	4,723	(189)	91,334
Other non-current financial assets	8,864	-	-	(8,864)	-
Allowance	(59,946)	(43)	(4,256)	986	(63,259)
Total	**93,344**	**772**	**17,668**	**(54,566)**	**57,218**

Disposals and transfers

"Available-for-Sale Financial Assets" includes the write-off of the investment of EUR 8,864 thousand made by Grupo Media Capital, SGPS, S.A. in a fund created by the Portuguese government to finance Portuguese cinema.

"Financial Assets at Fair Value through Profit or Loss" reflects the sale of an interest rate hedge.

The carrying amount of the financial assets does not vary significantly from their fair value.

2008-

Non-current financial assets

The changes in "*Non-Current Financial Assets*" in the consolidated balance sheet in 2008, by type of transaction, were as follows:

	Thousands of euros					
	Balance at 12/31/07	Translation adjustment	Changes in scope of consoli-dation	Additions/ Charge for the year	Disposals/ Transfers	Balance at 12/31/08
Loans and receivables	**102,047**	**(317)**	**1**	**(52,222)**	**(17,324)**	**32,185**
Loans to associates	78,087	235	-	36,220	(6,085)	108,457
Long-term loans to third parties	21,872	206	1	4,161	(10,441)	15,515
Other non-current financial assets	6,617	(747)	-	564	(798)	5,920
Allowance	(4,529)	(11)	-	(93,167)	-	(97,707)
Held-to-maturity investments	**4,606**	**(54)**	**28**	**4,578**	**(1,488)**	**7,670**
Financial assets at fair value through profit or loss	**6,142**	**-**	**-**	**17,826**	**(6,142)**	**17,826**
Available-for-sale financial assets	**44,371**	**(27)**	**-**	**(4,449)**	**(4,232)**	**35,663**
Non-controlling equity interests	45,678	(54)	-	285	40,836	86,745
Other non-current financial assets	8,864	-	-	-	-	8,864
Allowance	(10,171)	27	-	(4,734)	(45,068)	(59,946)
Total	**157,166**	**(398)**	**29**	**(34,267)**	**(29,186)**	**93,344**

In 2008 an allowance was recognized for the EUR 88,309 thousand loan granted by the Group to Dédalo Grupo Gráfico, S.L.

"Financial Assets at Fair Value through Profit or Loss" included the fair value of various interest rate hedging instruments. The changes in the fair value of these financial instruments, which is provided periodically by the banks with which the hedges were arranged, are recognized as finance income or finance costs for the year as required by IAS 39, since, in view of their nature, under IAS 39 these instruments do not qualify for hedge accounting.

The most significant transfers in *"Available-for-Sale Financial Assets"* related to the exclusion from the scope of consolidation of Iberbanda, S.A. and the corresponding transfer of the investment and the allowance for the recognition thereof as a non-controlling interest.

(9) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

2009-

The changes in 2009 in "*Investments Accounted for Using the Equity Method*" in the consolidated balance sheet were as follows:

	Thousands of euros					
	Balance at 12/31/08	Additions	Share of results/ Impairment losses	Transfers	Disposals	Balance at 12/31/09
Investments accounted for using the equity method:						
Dédalo Grupo Gráfico, S.L. and subsidiaries	-	-	(21,751)	21,751	-	-
Distributors (*)	6,446	168	2,570	(643)	(393)	8,148
Promotora de Emisoras de Televisión, S.A.	427	-	340	-	(363)	404
Sogecable, S.A.U. (subsidiaries)	543		(134)	303	(25)	687
Other companies	1,687	-	(843)	60	(249)	655
Capital payments payable	(134)	-	-	-	134	-
Total	**8,969**	**168**	**(19,818)**	**21,471**	**(896)**	**9,894**
Goodwill of companies accounted for using the equity method	**3,967**	**-**	**-**	**-**	**(217)**	**3,750**
Total investments accounted for using the equity method	**12,936**					**13,644**

(*) Val Disme, S.L., Cirpress, S.L., Beralán, S.L., Dima Distribución Integral, S.L., Distrimedios, S.L., Distribuidora de Publicaciones Boreal, S.L., Marina Bcn Distribucions, S.L., Distribuciones Papiro S.L. and subsidiaries.

The "*Share of Results of Companies Accounted for Using the Equity Method*" of Promotora de Emisoras de Televisión, S.A., amounting to a profit of EUR 340 thousand, is included in the accompanying consolidated income statement under *"Loss after Tax from Discontinued Operations"*, as a result of the discontinuation of the Group's local television business activities in December 2008.

At December 31, 2009, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognized under "*Long-Term Provisions*" (*see Note 14*).

The Group accounts for its investment in Dédalo Grupo Gráfico, S.L., the head of a group of companies engaging in the printing and copying of texts and mechanical binding, by the equity method. Prisa entered into a reciprocal purchase and sale agreement with the majority shareholders of Dédalo Grupo Gráfico, S.L., companies related to the Ibersuizas Group, for the shares of Dédalo Grupo Gráfico, S.L. Under this agreement, on the one hand, Prisa has a call option on the additional 60% of Dédalo Grupo Gráfico, S.L. and, on the other, the current majority shareholders may exercise their put option if any of the Dédalo Group companies were to become subject to insolvency proceedings. The strike price for both the options is EUR 1.

2008-

The changes in 2008 in "*Investments Accounted for Using the Equity Method*" in the consolidated balance sheet were as follows:

	Thousands of euros					
	Balance at 12/31/07	Additions	Share of results/ Impairment losses	Transfers	Disposals	Balance at 12/31/08
Investments accounted for using the equity method:						
Dédalo Grupo Gráfico, S.L. and subsidiaries	-	-	(10,581)	10,581	-	-
Distributors (*)	4,358	459	3,053	(17)	(1,407)	6,446
Grupo Media Capital, SGPS, S.A. (subsidiaries)	-	631	(565)	(66)	-	-
Promotora de Emisoras de Televisión, S.A.	2,021	313	(1,874)	-	(33)	427
Sogecable, S.A.U. (subsidiaries)	2,038	450	(180)	-	(1,765)	543
Other companies	998	-	681	224	(216)	1,687
Capital payments payable	(134)	-	-	-	-	(134)
Total	**9,281**	**1,853**	**(9,466)**	**10,722**	**(3,421)**	**8,969**
Goodwill of companies accounted for using the equity method	**3,967**	**-**	**-**	**-**	**-**	**3,967**
Total investments accounted for using the equity method	**13,248**					**12,936**

(*) Val Disme, S.L., Cirpress, S.L., Beralán, S.L., Dima Distribución Integral, S.L., Distrimedios, S.L., Distribuidora de Publicaciones Boreal, S.L., Marina Bcn Distribucions, S.L., Distribuciones Papiro S.L. and subsidiaries.

The *"Share of Results of Companies Accounted for Using the Equity Method"* of Promotora de Emisoras de Televisión, S.A., amounting to a loss of EUR 1,874 thousand, was included in the consolidated income statement for 2008 under *"Loss after Tax from Discontinued Operations"*, as a result of the discontinuation of the Group's local television business activities in December 2008.

At December 31, 2008, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which was recognized under "*Long-Term Provisions*".

(10) INVENTORIES

The detail of "*Inventories*", in thousands of euros, at December 31, 2009 and 2008 is as follows:

	12/31/09			**12/31/08**		
	Cost	Write-downs	**Carrying amount**	Cost	Write-downs	**Carrying amount**
Goods held for resale	14,299	(10,971)	**3,328**	8,229	-	**8,229**
Finished goods	229,626	(38,866)	**190,760**	299,013	(31,363)	**267,650**
Work in progress	1,047	-	**1,047**	2,482	(92)	**2,390**
Raw materials and other supplies	23,050	(119)	**22,931**	27,942	(132)	**27,810**
Total	**268,022**	**(49,956)**	**218,066**	**337,666**	**(31,587)**	**306,079**

"Finished Goods" includes publications amounting to EUR 70,796 thousand (2008: EUR 74,107 thousand) and audiovisual rights amounting to EUR 119,406 thousand (2008: EUR 178,674 thousand).

"Raw Materials and Other Supplies" includes mainly paper and printing machinery spare parts.

(11) EQUITY

a) Share capital

At December 31, 2009 and 2008, the share capital of Promotora de Informaciones, S.A. amounted to EUR 21,914 thousand and was represented by 219,135,500 fully subscribed and paid ordinary shares of EUR 0.1 par value each, all carrying the same obligations and voting rights.

At December 31, 2009, Rucandio, S.A. held an indirect ownership interest in Prisa of 155,469,694 shares, representing 70.947% of the subscribed share capital with voting rights.

Rucandio, S.A.'s indirect ownership interest is instrumented, inter alia, through the following direct holdings:

- Promotora de Publicaciones, S.L., holder of 91,005,876 shares, representing 41.529% of the subscribed share capital with voting rights.
- Asgard Inversiones, S.L.U., holder of 35,487,164 shares, representing 16.194% of the subscribed share capital with voting rights.
- Sabara Investment, S.L., holder of 20,709,420 shares, representing 9.451% of the subscribed share capital with voting rights.
- Timón, S.A., holder of 7,928,140 shares, representing 3.618% of the subscribed share capital with voting rights.

On March 5, 2010, Prisa entered into an agreement with Liberty Acquisition Holdings Corp., whereby the shareholders of Liberty would become shareholders of Prisa (*see Note 24*).

b) Share premium

The Consolidated Spanish Public Limited Liability Companies Law expressly permits the use of the share premium account balance to increase capital with a charge to reserves and does not establish any specific restrictions as to its use.

c) Reserves

Revaluation reserve 1983-

Pursuant to the legislation on the revaluation of property, plant and equipment and intangible assets published in 1983, the cost and accumulated depreciation and amortization of these assets were increased by a net amount of EUR 3,289 thousand, and this amount is recognized under "Revaluation Reserve 1983". This reserve is unrestricted.

Revaluation reserve Royal Decree-Law 7/1996-

Under Royal Decree 2607/1996, of December 20, approving the regulations for asset revaluations pursuant to Royal Decree-Law 7/1996, of June 7, the surpluses arising from the revaluations must be charged to "*Revaluation Reserve Royal Decree-Law 7/1996*". The balance of this account amounts to EUR 10,650 thousand and has been unrestricted since January 1, 2007, except for the portion of the assets not yet depreciated.

Legal reserve-

Under the Consolidated Spanish Public Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Except as indicated above, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

Reserve for treasury shares-

Under Article 79 of the Consolidated Spanish Public Limited Liability Companies Law, when a company acquires treasury shares, it must record on the liability side of the balance sheet a restricted reserve equal to the carrying amount of the treasury shares. This reserve must be maintained until the shares are sold or retired.

Bylaw-stipulated reserves-

Under Article 32 of the Parent's bylaws, at least 10% of the profit after tax must be transferred to a reserve each year until the balance of this reserve reaches at least 20% and does not exceed 50% of the paid-in share capital.

d) Reserves for first-time application of IFRSs

As a result of the first-time application of IFRSs to the Group's consolidated financial statements, certain assets and liabilities arose at January 1, 2004, the effect on equity of which is included in this account.

e) Prior years' accumulated profit

The breakdown, by company, of "*Prior Years' Accumulated Profit* "at December 31, 2009 and 2008, is as follows:

	Thousands of euros	
	12/31/09	12/31/08
Press	**14,853**	**31,209**
País	27,424	26,083
Spanish press	(11,436)	6,730
International press	(1,135)	(1,604)
Radio	**154,667**	**58,962**
Radio in Spain	156,918	21,753
International radio	(2,251)	37,209
Education	**185,958**	**176,843**
Audiovisual	**(163,322)**	**(103,116)**
Other	**207,306**	**193,706**
Prisa	289,268	208,322
Other	(81,962)	(14,616)
Total accumulated profit of fully consolidated companies	**399,462**	**357,604**
Press	**-**	**(1,949)**
Radio	**(2,912)**	**(2,751)**
International radio	(2,912)	(2,751)
Audiovisual	**(31)**	**(2,047)**
Other	**(43,520)**	**(34,878)**
Total accumulated loss of companies accounted for using the equity method	**(46,463)**	**(41,625)**
Total prior years' accumulated profit	**352,999**	**315,979**

f) Treasury shares

The changes in "*Treasury Shares*" in 2009 and 2008 were as follows:

	Thousands of euros			
	2009		2008	
	Number of shares	Amount	Number of shares	Amount
At beginning of year	**10,940,625**	**24,726**	**10,940,625**	**39,101**
Purchases	458,921	884	40,781	347
Sales	(10,273,319)	(36,204)	-	-
Deliveries	(258,921)	(290)	(40,781)	(146)
Reserve for treasury shares	-	13,928	-	(14,576)
At end of year	**867,306**	**3,044**	**10,940,625**	**24,726**

At December 31, 2009, Promotora de Informaciones, S.A. held a total of 867,306 treasury shares, representing 0.40% of its share capital. The total cost of these shares was EUR 3,044 thousand, with a cost per share of EUR 3.51.

In 2009 the Company sold 10,273,319 shares, giving rise to a gain of EUR 3,888 thousand, which is included in the accompanying consolidated balance sheet under *"Equity – Other Reserves"*.

At December 31, 2009, the Company did not hold any shares on loan.

g) Exchange differences

Exchange losses at December 31, 2009, amounted to EUR 1,561 thousand (December 31, 2008: exchange losses of EUR 18,422 thousand). The exchange gains generated at the Grupo Santillana de Ediciones, S.L. companies located in Brazil were not sufficient to offset the exchange losses arising at the companies located in the US and Mexico.

h) Translation differences

The detail, by company, of the translation differences in 2009 and 2008 is as follows:

	Thousands of euros	
	12/31/09	12/31/08
GLR Chile, Ltda.	11,064	(9,910)
Grupo Santillana de Ediciones, S.L. and subsidiaries	(1,205)	(342)
Other	83	(294)
Total	**9,942**	**(10,546)**

i) Capital management policy

The principal objective of the Group's capital management policy is to guarantee the financial structure based on compliance with the legislation in force in the countries in which it operates.

In order to determine the capital structure, the Group aims to optimize the cost of capital at all times and to achieve a gearing ratio that enables it to make the potential generation of cash compatible with the future development of its business activities.

The net financial debt/Ebitda ratio at December 31, 2009, was 7.8 times, which was the result mainly of the acquisitions made by the Group in recent years in order to strengthen its presence in the audiovisual business. In order to tailor the levels of equity and borrowings, and within the current financial restructuring process, the Group entered into an agreement in principle with the banks that granted the bridge loan in order to extend its maturity. Also, on March 5, 2010, Prisa reached an agreement with Liberty Acquisition Holdings Corporation with a view to strengthening its capital structure (*see Note 24).*

(12) FINANCIAL LIABILITIES

Bank borrowings

The detail, in thousands of euros, of the bank borrowings at December 31, 2009, of the credit limits and of the scheduled maturities is as follows:

	Maturity	Limit	Drawn-down amount maturing at short term	Drawn-down amount maturing at long term
Syndicated loan and credit facility to Prisa	2013	1,747,305	305,307	1,441,998
Bridge loan to Prisa	2010	1,835,837	1,835,837	-
Subordinated credit facility to Prisa	2013	134,000	-	134,000
Syndicated loan and credit facility to Sogecable	2011	750,000	495,000	225,000
Credit facilities	2010-2012	418,912	193,650	111,500
Loans	2010-2023	20,480	8,166	12,314
Finance leases, interest and other	2010-2013	15,705	8,852	6,851
Loan arrangement costs	2010-2013	-	(50,450)	(13,700)
Total		**4,922,239**	**2,796,362**	**1,917,963**

In accordance with IAS 39, bank borrowings are adjusted in the consolidated balance sheet by the loan origination and arrangement costs.

Of the total bank borrowings at December 31, 2009, 99.25% were denominated in euros and the remainder in foreign currencies.

The average interest rates on the Group's bank borrowings were 3.13% in 2009 and 5.62% in 2008.

The Group considers that the current fair value of the bank borrowings amounts to EUR 4,680,687 thousand.

Syndicated loan and credit facility and bridge loan to Prisa-

In June 2007 Prisa entered into a syndicated financing agreement with a group of 39 banks for a maximum amount of EUR 2,050,000 thousand, consisting of a long-term loan amounting to EUR 1,675,000 thousand and a credit facility of EUR 375,000 thousand drawable throughout the term of the loan.

Repayment of the loan commenced in 2007 with the payment of EUR 97,806 thousand and will end in June 2013. With respect to the remaining balance of the loan at December 31, 2009, €30,000 thousand will be paid in March 2010 and EUR 70,115 thousand will be paid on the earlier date of either June 30, 2010 or the date on which the proceeds are collected from the anticipated sale of a portion of the minority interest, whichever occurs first. The schedule for the future repayments of the remainder of the outstanding loan at December 31, 2009, is as follows:

Maturity	Thousands of euros
2010	205,192
2011	305,685
2012	350,929
2013	410,384
	1,272,190

This syndicated loan is tied to Euribor plus a spread in accordance with financial market rates. In conformity with the financing agreement, the Company has arranged interest rate hedges which establish interest rate caps. These hedges expire in September 2011.

The syndicated financing agreement is jointly and severally guaranteed by the Prisa Group companies (excluding Sogecable, S.A.U.) which, in accordance with certain parameters established in the agreement, were considered to be significant subsidiaries at December 31, 2009, namely, Diario El País, S.L., Grupo Empresarial de Medios Impresos, S.L., Grupo Santillana de Ediciones, S.L. and Sociedad de Servicios Radiofónicos Unión Radio, S.L.

In December 2007 Prisa entered into a six-month financing agreement (*bridge loan*) with a bank for a maximum amount of EUR 4,230,000 thousand and bearing interest at a market rate. The agreement stated that the purpose of this financing was to cover the financial obligations arising from the takeover bid for all the share capital of Sogecable, S.A.U. submitted to the CNMV (*see Note 6*).

This agreement consisted of a first tranche (tranche A) of EUR 2,036,000 thousand, which included the guarantee submitted to the CNMV amounting to EUR 2,035,023 thousand, and two credit facilities, the first for EUR 2,052,000 thousand (tranche B) the purpose of which was to cover, if necessary, the refinancing of the current syndicated loan, and the other (tranche C) for EUR 142,000 thousand to finance operations.

On February 29, 2008, Prisa signed the syndication of this bridge loan initially granted by one bank. On June 20, 2008, the initial maturity date of the bridge loan, and after the result of the takeover bid became known, Prisa requested voluntarily the non-renewal of Tranche B of this bridge loan and the partial repayment of EUR 113,000 thousand of Tranche C, placing the bridge loan at EUR 1,948,935 thousand. The Company also signed a one-month extension for the purpose of finalizing the agreement relating to the novation of this loan until March 2009.

On July 14, 2008, the Parent obtained authorization from the majority of the banks participating in the syndicated financing agreement relating, inter alia, to the additional debt incurred as a result of the takeover bid for Sogecable, S.A.U.

On July 18, 2008, the Parent signed the renewal of the bridge loan amounting to EUR 1,948,935 until March 31, 2009. In August 2008 EUR 113,098 thousand of this bridge loan were repaid.

On March 31, 2009, the term of the loan was extended by one month until April 30, 2009, and was subsequently extended again until May 14, 2009.

On May 13, 2009, Prisa arranged with the banks that granted the bridge loan for an extension of its term until March 31, 2010, and obtained the authorization of the banks that were party to the syndicated financing agreement for the additional borrowings arising from the aforementioned extension.

On February 22, 2010, in the context of the debt restructuring process, Prisa entered into an agreement in principle with the banks that granted the bridge loan to extend its maturity until May 19, 2013. This agreement is subject to, among other conditions, the acceptance of the banks that granted the syndicated loan.

This syndicated loan and credit facility bear interest at market rates.

To secure the obligations under the syndicated and bridge loans, the Parent gave a security interest in the shares of Sogecable, S.A.U., in the shares of Grupo Media Capital, SGPS, S.A. owned by the Prisa Group, and in the shares of Grupo de Ediciones Santillana, S.L.

Under the syndicated loan and credit facility and bridge loan agreements, the Prisa Group is required to achieve certain financial ratios. The Group's directors consider that the financial ratios established in these agreements had been achieved at December 31, 2009.

Subordinated credit facility-

On December 20, 2007, the Parent arranged a subordinated credit facility of EUR 200,000 thousand bearing interest at a market rate.

The "subordination" of this financing lies basically in the fact that the repayment of any amount owed thereunder will be conditional upon compliance with the payment obligations at any given time under the aforementioned syndicated loan granted to Prisa by a syndicate of banks.

At December 31, 2009, the balance drawn down was EUR 134,000 thousand, which relates to the definitive amount of this credit facility, as the Company requested a reduction in the limit thereof.

Syndicated loan and credit facility to Sogecable-

In 2005 the Sogecable Group renegotiated the terms and conditions of the financing arrangements then outstanding and in July 2005 entered into a new syndicated loan agreement, which replaced the prior agreement, for a total amount of EUR 1,200,000 thousand. This new agreement consists of a long-term loan of EUR 900,000 thousand and a short-term credit facility of EUR 300,000 thousand drawable throughout the term of the loan. At December 31, 2009, EUR 270,000 thousand had been drawn down against the current portion of this credit facility. The loan portion matures at six-and-a-half years and is repayable in ten consecutive half-yearly increasing installments. Repayment commenced in 2007 and will end in December 2011. At December 31, 2009, a total of EUR 450,000 thousand had been repaid. The outstanding loan repayments at that date mature as follows:

Maturity	Thousands of euros
2010	225,000
2011	225,000
	450,000

The interest rate applicable to this syndicated loan and credit facility is Euribor plus a market spread.

This loan agreement stipulates that the Sogecable Group must comply with certain obligations, including a limit on bank borrowings, other than that under the agreement, of EUR 100,000 thousand, and restrictions on the guarantees and financing that the Sogecable, S.A.U. Group may provide to non-significant subsidiaries and to third parties, on changes to the control, structure and shareholdings of the Parent, on the sale or disposal by Sogecable, S.A.U. of shares or ownership interests in significant Sogecable Group companies, on the distribution of dividends, except in certain cases, and on the sale or disposal of significant assets of these companies. The Group must also achieve certain financial ratios during the term of the loan. Sogecable Group management considers that all the obligations under this agreement have been met.

This agreement is jointly and severally guaranteed by the Sogecable Group companies which, in accordance with certain parameters established in the agreement, were considered to be significant subsidiaries at the reporting date, namely: CanalSatélite Digital, S.L., DTS Distribuidora de Televisión Digital, S.A., Sociedad General de Cine, S.A., Sogepaq, S.A. and Compañía Independiente de Televisión, S.L. Audiovisual Sport, S.L., despite being a significant company, is excluded as guarantor of the loan until compliance with certain terms and conditions established in the agreement oblige it to become party to it.

Under the agreement, security interests were given to secure the loan in all the equity interests owned by Sogecable, S.A.U. in the other significant companies and loan guarantors, in trademarks and other intangible and tangible assets and in present and future collection rights, as provided for by the agreement.

Credit facilities-

"*Credit Facilities*" includes the amounts drawn down against credit facilities used to finance the Prisa Group companies' operating requirements in Spain through cash-pooling and credit lines for export financing. The total amount of bank borrowings maturing in 2010 includes the balances drawn down against certain credit facilities which mature and are renewable annually. Accordingly, these balances were classified under "*Current Liabilities - Current Bank Borrowings*" in the accompanying consolidated balance sheet at December 31, 2009. The interest rate applicable to these credit facilities is Euribor plus a market spread.

To secure the obligations under the credit facilities, the Company has given a security interest in the shares of Grupo de Ediciones Santillana, S.L. and has provided guarantees from the latter and Vertix, SGPS, S.A.

Derivative financial instruments

The Prisa Group arranges derivative financial instruments with Spanish and international banks with high credit ratings.

In 2009 the Prisa Group's only derivatives were interest rate derivatives and foreign currency hedges.

The objective of these interest rate hedges is to mitigate, by arranging swaps, IRSs and option combinations, the fluctuations in cash outflows in respect of payments tied to floating interest rates (Euribor) on the subsidiaries' borrowings.

"Non-Current Financial Liabilities" and "*Current Financial Liabilities*" in the accompanying consolidated balance sheet include at year-end the market value of the various financial instruments.

The fair value of the outstanding derivatives at December 31, 2009, was a negative value of EUR 18,295 thousand (2008: a negative value of EUR 23,011 thousand), of which EUR 18,776 thousand related to the negative fair value of interest rate derivatives and EUR 481 thousand to the positive fair value of foreign currency hedges.

Interest rate derivatives

In order to determine the fair value of the derivatives, the Prisa Group uses valuations provided by banks.

The interest rate derivatives arranged by the Prisa Group at December 31, 2009, and their fair values at that date are as follows (in thousands of euros):

Company	Instrument	Expiry	Nominal value	Fair value	Nominal value Outstanding at 2010	Nominal value Outstanding at 2011
Prisa	Swap "Leónidas"	2011	195,000	(5,677)	147,751	117,751
Prisa	collar "Leónidas"	2011	507,000	(10,769)	384,152	306,152
Media Global SGPS	collar	2012	50,000	(2,330)	50,000	50,000
		Total	**752,000**	**(18,776)**	**581,903**	**473,903**

The outstanding interest rate derivatives at December 31, 2009 and 2008, had negative fair values of EUR 18,776 thousand and EUR 20,894 thousand, respectively.

Pursuant to IFRSs, changes in the fair value of these financial instruments are recognized as finance income or finance costs, since because of their nature they do not qualify for hedge accounting under IFRSs.

Analysis of sensitivity to interest rates

The fair value of the interest rate derivatives arranged by the Prisa Group depends on the changes in the Euribor and long-term swap interest rate curves.

Following is a detail, in thousands of euros, of the analysis of the sensitivity of the fair values of derivatives to changes in the euro interest rate curve that the Group considers to be reasonable:

Sensitivity (before tax)	12/31/09	12/31/08
+0.5% (Increase in interest rate curve)	3,709	2,038
-0.5% (Decrease in interest rate curve)	(4,207)	(2,039)

The sensitivity analysis shows that the negative fair value of the interest rate derivatives decreases in the event of upward shifts in the interest rate curve, partially reducing the projected higher cost of borrowings.

The Group considers that interest rates will probably fluctuate by 0.5% over the period analyzed. An increase in interest rates by the aforementioned percentage would lead to an increase in finance costs of EUR 20,418 during 2010, based on the expected maturities and the Group's intention to renew certain bank credit facilities.

Foreign currency derivatives

In 2009 the Group arranged foreign currency hedges in order to mitigate exposure to exchange rate fluctuations.

In order to determine the fair value of the foreign currency hedges arranged, the Prisa Group uses valuations provided by banks.

Company	Instrument	Expiry	Nominal value: Thousands of USD	Nominal value: Thousands of euros	Fair value (thousands of euros)
CanalSatétite Digital, S.L.	Forward Plus Up&In Barrier	2010	60,000	41,376	1,045
Editora Moderna Ltda	Forward USD/BRL	2010	1,308	908	(280)
Editora Moderna Ltda	Forward USD/BRL	2010	1,308	908	(284)
				Total	**481**

The Prisa Group recognized finance income of EUR 481 thousand in this connection in the consolidated income statement for 2009.

Analysis of sensitivity to exchange rates

The changes in the fair value of the foreign currency hedges arranged by the Prisa Group depend on fluctuations in the euro/USD and USD/BRL exchange rates.

Following is a detail, in thousands of euros, of the sensitivity (changes in fair value) of the foreign currency hedges:

Sensitivity (before tax)	**12/31/09**	**12/31/08**
+10% (increase in USD exchange rate)	5,034	5,379
-10% (decrease in USD exchange rate)	(1,879)	(6,187)

The sensitivity analysis shows that the positive fair value of the foreign currency derivatives increases in the event of increases in exchange rates, whereas the fair value of the derivatives decreases in the event of decreases in exchange rates.

Liquidity and interest rate risk tables

The following table shows an analysis of the Prisa Group's liquidity in 2009 for its derivative financial instruments. The table was prepared on the basis of undiscounted net cash flows. When the related settlement (receivable or payable) is not fixed, the amount was determined using the implicit values calculated on the basis of the interest rate curve and forward exchange rates.

Maturity	Interest rate derivatives	Foreign currency derivatives
Within 3 months	(3,947)	(422)
From 3 to 6 months	(3,576)	288
From 6 to 9 months	(3,119)	284
From 9 to 12 months	(2,833)	273
From 1 to 2 years	(4,943)	-
From 2 to 3 years	(356)	-
After 3 years	-	-

Liquidity risk-

The management of liquidity risk includes the detailed monitoring of the repayment schedule of the Company's borrowings and the maintenance of credit lines and other financing channels that enable it to cover foreseeable cash needs at short, medium and long term.

The table below details the liquidity analysis of the Prisa Group in 2009 in relation to its bank borrowings, which represent substantially all the non-derivative financial liabilities. The table was prepared using the cash outflows not discounted with respect to their scheduled maturity dates; when it is expected that the outflows will take place prior to the contractually stipulated dates. The flows include both the expected repayments and interest payments. When the settlement is not fixed, the amount was determined using the underlyings calculated based on the interest rate curves at the end of 2009.

Maturity	Thousands of euros	Floating euro rates
Within 3 months	2,044,273	0.5%
From 3 to 6 months	202,214	0.6%
From 6 to 9 months	18,379	0.9%
From 9 to 12 months	342,922	1.3%
From 1 to 2 years	934,204	2.0%
From 2 to 3 years	483,981	2.5%
After 3 years	962,984	3.2%
Total	**4,988,957**	

Fair value of financial instruments: applicable valuation techniques and assumptions for measuring fair value

The financial instruments are grouped together on three levels, 1 to 3, based on the degree to which the fair value is observable.

- Level 1: those determinable on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: those determinable on the basis of other observable inputs (that are not the quoted prices included in level 1) for the asset or liability, either directly (i.e. prices) or indirectly (i.e. price derivatives).

- Level 3: those determinable on the basis of valuation techniques, which include inputs for the asset and liability that are not based on observable market data (non-observable inputs).

The Prisa Group's interest rate and foreign currency derivatives are classified as level-2 derivatives.

(13) NON-CURRENT FINANCIAL LIABILITIES

Sogecable, S.A.U. subordinated loan

Under the agreements entered into by Sogecable, S.A.U. and Telefónica in 2003, for the purpose of contributing to the financing of the integration process of DTS Distribuidora de Televisión Digital, S.A. in the Group, Sogecable, S.A.U. offered its shareholders the possibility of participating in the grant of a subordinated loan of EUR 175,000 thousand to the company. This loan was fully subscribed on August 19, 2003, the main participant being Telefónica de Contenidos, S.A.U. which granted approximately EUR 172,493 thousand.

The subordinated nature of this loan relates mainly to the fact that any amount owed thereunder will be conditional upon the meeting of the payment obligations claimable at any time under the syndicated loan arranged by Sogecable, S.A.U. with a group of banks, as described in Note 12. The loan is subordinated until December 31, 2010. The subordinated loan matures in 2012 and bears annual interest of 10.28%.

At December 31, 2009, the balance of *"Non-Current Financial Liabilities"* in the accompanying consolidated balance sheet included the initial loan principal outstanding, amounting to approximately EUR 172,496 thousand, plus the accrued interest added to the principal at January 1, 2005, relating to the shareholders which maintained their subordinated loans at the end of the year, together with the accrued interest payable in 2008 which was added to the loan principal on January 1, 2009, for a net amount of EUR 16,620 thousand, and the accrued interest payable in 2009, which was added to the loan principal on January 1, 2010, for a gross amount of EUR 21,945 thousand.

In addition to the fixed remuneration on the subordinated loan, when it was subscribed, Sogecable, S.A.U. delivered 1,260,043 warrants conferring the right to purchase shares of

Sogecable, S.A.U., which were redeemed early in 2008 as a result of the settlement of the takeover bid for Sogecable, S.A.U. shares launched by Promotora de Informaciones, S.A. and the delisting of its shares.

As indicated in Note 3, the agreements entered into in 2009 by Promotora de Informaciones, S.A., Sogecable, S.A.U. and Telefónica, S.A. for the sale of 22% of the pay TV business carried on through the Digital+ platform stipulated that the proceeds from this sale would be collected through the full repayment of Sogecable, S.A.U.'s subordinated debt to Telefónica de Contenidos, S.A.U., amounting to approximately EUR 230 million, with the remainder being settled in cash.

(14) LONG-TERM PROVISIONS

The changes in 2009 in "*Non-Current Liabilities - Provisions*" were as follows:

	Balance at 12/31/08	Translation adjustment	Changes in scope of consolidation	Charge for the year	Amounts used	Transfers	Balance at 12/31/09
For taxes	18,141	(142)	-	602	(1,643)	-	16,958
For third-party liability and other	56,666	337	(1,287)	3,441	(3,930)	17,965	73,192
Total	**74,807**	**195**	**(1,287)**	**4,043**	**(5,573)**	**17,965**	**90,150**

The "*Provision for Taxes*" relates to the estimated amount of tax debts arising from the tax audit carried out at various Group companies.

The "*Provision for Third-Party Liability*" relates to the estimated amount required to meet possible claims and litigation brought against Group companies.

In view of the nature of the contingencies covered by these provisions, it is not possible to determine a reasonable payment schedule, if indeed there is one. However, the Prisa Group's legal advisers and directors consider that the outcome of these procedures and claims will not have a material effect on the consolidated financial statements for the years in which they come to an end additional to the amount provisioned in the accounting records.

The breakdown of the total additions to long-term provisions charged to the consolidated income statement for 2009 is as follows:

	Thousands of euros
Termination benefits	19
Other staff costs	473
Taxes	602
Other	2,949
Total	**4,043**

At December 31, 2009, the Group had ownership interests in companies accounted for using the equity method, the net negative value of which is recognized under "*Non-Current Liabilities - Provisions*" in the accompanying consolidated balance sheet, the detail being as follows (*see Note 9*):

	Thousands of euros
WSUA Broadcasting Corporation	918
Distrimedios, S.A.	136
Green Emerald Business, Inc.	601
Dédalo Grupo Gráfico, S.L. and subsidiaries	32,711
Other	740
Total	**35,106**

(15) ASSETS CLASSIFIED AS HELD FOR SALE AND ASSOCIATED LIABILITIES

On December 18, 2009, Promotora de Informaciones, S.A. and its subsidiary Sogecable, S.A.U. entered into an agreement with Gestevisión Telecinco, S.A. for the sale of 22% of its pay TV business, which is carried on through the Digital+ platform, and for the integration of their free-to-air TV businesses, Cuatro and Telecinco. Prior to the material execution of the agreement, Sogecable will spin off its free-to-air TV business into a newly-created company. The shares of this company will be exchanged for an ownership interest of 18.3% of the share capital of the company resulting from the integration of Telecinco and Cuatro, once a monetary capital increase amounting to EUR 500 million has been performed that Telecinco will undertake simultaneously to the execution of the transaction to acquire 22% of Digital+.

Consequently, on December 18, 2009, the Board of Directors of Sogecable, S.A.U. resolved to take the action necessary to identify the assets and liabilities related to the free-to-air TV business and to perform the corporate restructuring that would enable its subsequent integration with Telecinco's free-to-air TV business. Therefore, at December 31, 2009, all the assets and liabilities corresponding to the free-to-air TV business had been identified and are presented as assets classified as held for sale and associated liabilities in the accompanying consolidated balance sheet at that date.

The detail of the current and non-current assets and liabilities recognized as assets classified as held for sale and associated liabilities in the accompanying consolidated balance sheet at December 31, 2009, is as follows (in thousands of euros):

	12/31/09
Non-current assets	6,706
Current assets	250,682
Total assets	**257,388**
Non-current liabilities	2,988
Current liabilities	202,446
Total liabilities	**205,434**

All the assets and liabilities of Cuatro, as well as the results for 2009, were generated in the ordinary course of business.

(16) OPERATING INCOME

The breakdown of the income from the Group's main business lines is as follows:

	Thousands of euros	
	12/31/09	12/31/08
Revenue from subscribers	1,002,043	1,141,101
Advertising sales and sponsorship	898,618	1,067,070
Sales of books and training	600,466	579,743
Newspaper and magazine sales	193,248	209,860
Sales of add-ons and collections	44,395	73,101
Sale of audiovisual rights and programs	231,722	347,789
Intermediation services	32,146	27,577
Broadcasting services	24,072	36,335
Other services	128,395	160,706
Revenue	**3,155,105**	**3,643,282**
Income from non-current assets	6,072	297,104
Other income	47,407	60,962
Other income	**53,479**	**358,066**
Total operating income	**3,208,584**	**4,001,348**

The most significant exchange transactions occurred under *"Advertising Sales and Sponsorship"* and the most significant segments were radio, press and audiovisual, whose exchanges with third parties amounted to EUR 10,535 thousand in 2009 (2008: EUR 10,670 thousand).

(17) OPERATING EXPENSES

Staff costs

The detail of "*Staff Costs*" is as follows:

	Thousands of euros	
	12/31/09	12/31/08
Wages and salaries	489,768	520,385
Employee benefit costs	99,064	103,202
Termination benefits	11,654	19,554
Share-based payment costs	694	-
Other employee benefit costs	18,792	23,541
Total	**619,972**	**666,682**

The average number of employees at the Group, by professional category, was as follows:

	12/31/09	12/31/08
Executives	541	552
Middle management	1,600	1,716
Other employees	12,846	12,927
Total	**14,987**	**15,195**

The breakdown of the workforce, by gender, was as follows:

	12/31/09		12/31/08	
	Women	Men	Women	Men
Executives	143	398	187	365
Middle management	598	1,003	614	1,102
Other employees	6,447	6,398	6,517	6,410
Total	**7,188**	**7,799**	**7,318**	**7,877**

Share-based payments

Share option plan of Promotora de Informaciones, S.A.-

On March 13, 2008, the shareholders at the Annual General Meeting approved the basic terms of a new share option plan for the acquisition of Prisa shares. The shareholders authorized the Board of Directors to develop and implement this plan. The total number of share options which will be delivered will be equal to a maximum of 1% of Prisa's share capital. Each option carries the right to acquire one share of the Company. The options and rights under this plan are non-transferable.

On December 18, 2008, the Board of Directors approved a remuneration plan consisting of the delivery of options on Company shares for the executive directors and executives of the Group. In accordance with the authorization granted by the shareholders at the General

Meeting of March 13, 2008, the exercise price of the options, modified by the shareholders at the General Meeting of December 5, 2008, was set at EUR 2.94 per share.

At the proposal of the Corporate Governance, Nomination and Remuneration Committee, the Board of Directors resolved to offer 177,500 options to the Company's executive directors and 1,378,000 to the executives of the Prisa Group.

Each share will confer the right to purchase or subscribe one Company share. The options may be exercised between December 31, 2009, and March 31, 2010, inclusive. The Company recognized an expense arising from the valuation of the cost of the share option plan amounting to EUR 694 thousand in the 2009 income statement. At 2009 year-end none of the options relating to the plan had been exercised.

Outside services

The detail of *"Outside Services"* in 2009 and 2008 is as follows:

	Thousands of euros	
	12/31/09	12/31/08
Independent professional services	192,848	225,896
Leases and fees	158,886	139,665
Advertising	99,547	147,591
Intellectual property	90,968	89,618
Transport	74,485	81,566
Other outside services	218,938	265,707
Total	**835,672**	**950,043**

Fees paid to auditors

The fees for financial audit services relating to the 2009 financial statements of the various companies composing the Prisa Group and Subsidiaries provided by Deloitte, S.L. and by other entities related to the auditor amounted to EUR 1,877 thousand (2008: EUR 2,295 thousand), of which EUR 136 thousand relate to Prisa.

Also, the fees relating to other auditors involved in the 2009 audit of various Group companies amounted to EUR 324 thousand (2008: EUR 328 thousand).

In addition, the fees for other professional services provided to the various Group companies by the principal auditor and by other entities related to the auditor amounted to EUR 1,285 thousand in 2009 (2008: EUR 2,056 thousand), of which EUR 293 thousand relate to services to Prisa, while the fees paid in this connection to other auditors participating in the audit of the various Group companies amounted to EUR 1,925 thousand (2008: EUR 733 thousand).

All the aforementioned fees are included under *"Outside Services - Independent Professional Services"*.

Operating leases

Various assets and services used by the Group are held under operating leases, the most significant of which are the buildings in Gran Vía 32, Miguel Yuste and Caspe, the provision of analogue, digital terrestrial and satellite broadcasting services and the radio frequencies. The most significant lease relates to Media Latina. The schedule for the future minimum lease payments arising from these leases is as follows:

	Thousands of euros
2010	73,574
2011	70,646
2012	68,802
2013	70,159
2014	71,688
2015 and subsequent years	263,282
	618,151

The main characteristic of the building leases are lease terms that range from 18 months to 15 years which, in the case of the buildings leased at 15 years, include the possibility of extending the lease by two consecutive five-year periods. In 2009 the lease expense relating to these buildings amounted to EUR 12,887 thousand (2008: EUR 5,391 thousand) and was recognized under *"Outside Services - Leases and Fees"*.

Radio frequencies are leased from Media Latina for a term of ten years, extendable for a consecutive period of a further ten years. The lease expense for 2009 in this connection amounted to EUR 5,935 thousand (2008: EUR 6,047 thousand), which is recognized under *"Outside Services - Leases and Fees"*.

The lease for the provision of analogue and digital terrestrial broadcasting services expires in 2016 and the lease for the provision of satellite broadcasting services expires in 2017. The expense relating to these services amounted to EUR 73,315 thousand in 2009 (2008: EUR 78,188 thousand), which is recognized under *"Outside Services - Leases and Fees"*.

Change in allowances, write-downs and provisions

The detail of the *"Change in Allowances, Write-downs and Provisions"* is as follows:

	Thousands of euros	
	12/31/09	12/31/08
Change in operating allowances	30,270	29,248
Change in inventory write-downs	22,302	14,321
Change in provision for sales returns	2,975	1,570
Total	**55,547**	**45,139**

(18) FINANCIAL LOSS

The detail of "*Financial Loss*" in the consolidated income statements is as follows:

	Thousands of euros	
	12/31/09	12/31/08
Income from current financial assets	437	1,480
Finance income from hedging transactions	454	20,199
Income from equity investments	262	537
Other finance income	14,605	13,976
Finance income	**15,758**	**36,192**
Interest on debt	(173,146)	(275,949)
Finance costs on hedging transactions	(33,188)	(14,988)
Adjustments for inflation	(1,243)	(2,301)
Impairment losses on long-term loans to related companies	-	(88,309)
Other finance costs	(44,530)	(20,188)
Finance costs	**(252,107)**	**(401,735)**
Exchange gains	18,456	17,206
Exchange losses	(18,561)	(31,022)
Exchange differences (net)	**(105)**	**(13,816)**
Changes in value of financial instruments	**22,185**	**(17,709)**
Financial loss	**(214,269)**	**(397,068)**

(19) DISCONTINUED OPERATIONS

In 2009 the loss from discontinued operations includes the loss arising from the discontinuation of the operations of the Crisol store chain owned by Grupo Santillana de Ediciones, S.L.

On November 12, 2008, the Board of Directors of Promotora de Emisoras, S.A. resolved to discontinue the business activities of the Prisa Group in Localia TV. Consequently, the Parent recognized the loss from the local television business as a discontinued operation in 2008, as it represented a significant business which could be considered separately from the others and in relation to which there was a disposal plan.

The detail of the loss from discontinued operations included in the 2008 consolidated income statement, broken down into the results generated by the ordinary operations and those resulting from the discontinuation of operations, is as follows:

(Thousands of euros)	12/31/08		
	Total	Ordinary operations	Discontinuation of operations
Operating income	21,512	21,512	-
Operating expenses	(82,261)	(42,515)	(39,746)
Loss from operations	**(60,749)**	**(21,003)**	**(39,746)**
Financial loss	**(17,440)**	**(5,640)**	**(11,800)**
Result of companies accounted for using the equity method	**(1,874)**	**(1,874)**	**-**
Loss before tax from discontinued operations	**(80,063)**	**(28,517)**	**(51,546)**
Income tax	3,671	7,993	(4,322)
Result attributable to non-controlling interests	1,046	1,046	-
Loss after tax from discontinued operations	**(75,346)**	**(19,478)**	**(55,868)**

The main line items in the statement of cash flows of the discontinued operations in 2008 were as follows:

(Thousands of euros)	12/31/08
Cash flows from operating activities	(2,196)
Cash flows from investing activities	(1,541)
Cash flows from financing activities	3,526
Changes in cash flows in the year	**(211)**
Cash and cash equivalents at beginning of year	**825**
Cash and cash equivalents at end of year	**614**

(20) BUSINESS SEGMENTS

Segment reporting is structured on a primary basis by business segment and on a secondary basis by geographical segment.

The business lines described below were established on the basis of the Prisa Group's organizational structure at 2009 year-end, taking into account, on the one hand, the nature of the goods and services offered and, on the other, the customer segments at which they are targeted.

Prisa's operations are divided into four main businesses:

- Press, which groups together mainly the activities relating to the sale of newspapers and magazines, advertising and promotions;
- Radio, the main source of revenue from which is the broadcasting of advertising and, in addition, the organization and management of events and the provision of other supplementary services;
- Education, which includes primarily the sale of general publishing and educational books and the sale of training; and
- Audiovisual, which obtains revenue mainly from the subscribers to the Digital+ platform, the broadcasting of advertising and audiovisual production.

Segment information about these businesses for 2009 and 2008 is presented below:

	PRENSA		RADIO		EDUCACIÓN		AUDIOVISUAL		OTROS*		ELIMINACIONES Y AJUSTES		GRUPO PRISA	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Ingresos de explotación	**415.788**	**503.938**	**377.166**	**415.260**	**616.885**	**607.650**	**1.770.743**	**2.169.095**	**127.326**	**470.438**	**(99.324)**	**(165.033)**	**3.208.584**	**4.001.348**
- Ventas externas	324.971	350.247	364.238	394.024	613.307	600.565	1.758.233	2.122.950	137.781	217.117	10.054	316.445	3.208.584	4.001.348
- Ventas entre segmentos	90.817	153.691	12.928	21.236	3.578	7.085	12.510	46.145	(10.455)	253.321	(109.378)	(481.478)	0	0
Gastos de explotación	**(386.467)**	**(452.373)**	**(295.139)**	**(328.581)**	**(526.881)**	**(530.642)**	**(1.565.991)**	**(1.942.350)**	**(159.335)**	**(323.007)**	**94.211**	**273.796**	**(2.839.602)**	**(3.303.157)**
- Consumos	(126.526)	(164.438)	(3.297)	(3.301)	(170.270)	(166.380)	(817.640)	(1.096.714)	(14.561)	(17.631)	6.646	12.714	(1.125.648)	(1.435.750)
- Gastos de personal	(106.029)	(120.556)	(113.358)	(119.939)	(143.013)	(148.180)	(207.171)	(217.369)	(50.422)	(60.736)	21	98	(619.972)	(666.682)
- Dotaciones para amortizaciones de inmovilizado	(10.775)	(14.245)	(13.966)	(12.986)	(40.964)	(36.027)	(124.995)	(129.275)	(6.140)	(6.623)	183	221	(196.657)	(198.935)
- Servicios exteriores	(130.461)	(151.814)	(160.462)	(189.486)	(151.376)	(158.587)	(402.774)	(473.074)	(80.846)	(101.456)	90.247	124.374	(835.672)	(950.043)
- Variación de las provisiones de tráfico	(12.503)	(1.120)	(4.033)	(2.783)	(17.087)	(19.237)	(18.030)	(21.742)	(3.893)	(257)	(1)	0	(55.547)	(45.139)
- Otros gastos	(173)	(200)	(23)	(86)	(4.171)	(2.231)	4.619	(4.176)	(3.473)	(136.304)	(2.885)	136.389	(6.106)	(6.608)
Resultado de explotación	**29.321**	**51.565**	**82.027**	**86.679**	**90.004**	**77.008**	**204.752**	**226.745**	**(32.009)**	**147.431**	**(5.113)**	**108.763**	**368.982**	**698.191**
Ingresos financieros	992	2.562	1.215	1.774	2.604	3.384	14.258	5.587	148.826	447.913	(152.591)	(405.767)	15.304	55.453
Gastos financieros	(459)	(2.882)	(2.893)	(7.117)	(10.489)	(10.012)	(58.762)	(72.661)	(173.799)	(379.970)	16.934	33.937	(229.468)	(438.705)
Diferencias de cambio (neto)	(22)	210	(1.227)	1.495	(3.372)	(10.942)	4.478	(5.829)	38	1.248	0	2	(105)	(13.816)
Resultado financiero	**511**	**(110)**	**(2.905)**	**(3.848)**	**(11.257)**	**(17.570)**	**(40.026)**	**(72.903)**	**(24.935)**	**69.191**	**(135.657)**	**(371.828)**	**(214.269)**	**(397.068)**
Resultado de sociedades por el método de la participación	0	(16)	(169)	399	0	0	(299)	(242)	2.567	2.702	(22.257)	(10.435)	(20.158)	(7.592)
Resultado de otras inversiones	(3.195)	(4.399)	(592)	(20)	0	0	0	0	(22.152)	(10.006)	21.683	13.075	(4.256)	(1.350)
Resultado antes de impuestos de las actividades continuadas	**26.637**	**47.040**	**78.361**	**83.210**	**78.747**	**59.438**	**164.427**	**153.600**	**(76.529)**	**209.318**	**(141.344)**	**(260.425)**	**130.299**	**292.181**
Impuesto sobre Sociedades	(7.944)	(12.370)	(21.752)	(13.902)	(27.753)	(20.806)	(63.118)	(51.216)	47.813	49	9.709	7.810	(63.045)	(90.435)
Resultado de actividades continuadas	**18.693**	**34.670**	**56.609**	**69.308**	**50.994**	**38.632**	**101.309**	**102.384**	**(28.716)**	**209.367**	**(131.635)**	**(252.615)**	**67.254**	**201.746**
Rtdo. después de impuestos de las actividades interrumpidas	(1.276)	0	0	0	(1.654)	0	501	(75.346)	0	0	0	0	(2.429)	(75.346)
Resultados del ejercicio consolidados	**17.417**	**34.670**	**56.609**	**69.308**	**49.340**	**38.632**	**101.810**	**27.038**	**(28.716)**	**209.367**	**(131.635)**	**(252.615)**	**64.825**	**126.400**
Intereses minoritarios	(1.569)	(1.928)	(2.504)	(3.548)	(56)	(15)	13.981	6.983	(281)	(514)	(23.917)	(44.382)	(14.346)	(43.404)
Resultado atribuido a la sociedad dominante	**15.848**	**32.742**	**54.105**	**65.760**	**49.284**	**38.617**	**115.791**	**34.021**	**(28.997)**	**208.853**	**(155.552)**	**(296.997)**	**50.479**	**82.996**
BALANCE														
Activo	**305.286**	**344.149**	**535.977**	**533.226**	**515.522**	**490.233**	**2.983.319**	**2.893.124**	**6.217.779**	**6.299.994**	**(2.364.831)**	**(2.453.640)**	**8.193.052**	**8.107.086**
- No corrientes	113.142	128.526	341.597	334.642	190.003	182.396	1.676.252	1.787.326	5.837.597	5.793.234	(1.737.825)	(1.713.854)	6.420.766	6.512.270
- Corrientes	191.706	215.623	194.272	198.571	325.519	307.837	1.041.921	1.105.798	380.182	505.452	(618.702)	(738.984)	1.514.898	1.594.297
- Activos mantenidos para la venta	438	0	108	13	0	0	265.146	0	0	1.308	(8.304)	(802)	257.388	519
Pasivo	**305.286**	**344.149**	**535.977**	**533.226**	**515.522**	**490.233**	**2.983.319**	**2.893.124**	**6.217.779**	**6.299.994**	**(2.364.831)**	**(2.453.640)**	**8.193.052**	**8.107.086**
- FF.PP	126.208	138.506	369.825	309.492	247.215	226.418	515.328	485.619	1.516.989	1.528.111	(1.402.546)	(1.429.910)	1.373.019	1.258.236
- No corrientes	1.052	3.807	15.110	15.122	24.566	27.504	735.775	926.743	1.908.037	2.069.136	(333.074)	(290.943)	2.351.466	2.751.369
- Corrientes	178.026	201.836	151.042	208.612	243.741	236.311	1.524.393	1.480.762	2.792.753	2.702.747	(626.822)	(732.787)	4.263.133	4.097.481
- Pasivos mantenidos para la venta	0	0	0	0	0	0	207.823	0	0	0	(2.389)	0	205.434	0

* En la columna de "Otros" se Incluyen Grupo GDM, Digital, Distribución, Promotora de Informaciones, S.A., Prisaprint, S.L., Promotora de Actividades América 2010, S.L., Prisa División Inmobiliaria, S.L., Prisa Inc., Prisa División Internacional, S.L., Prisa Finance (Netherlands) BV, GLP Colombia, Ltda., Vertix, SGPS, S.A. y Oficina del Autor, S.L.

In relation to the audiovisual segment, the breakdown, by business line, of the main items under "*Profit from Operations*" is as follows:

	Thousands of euros					
	2009			2008		
	Pay television	**Free-to-air television**	**Other**	**Pay television**	**Free-to-air television**	**Other**
Revenue	1,244,633	422,035	91,565	1,524,908	479,177	118,475
Other income	4,728	5,908	1,874	17,361	10,863	17,311
TOTAL OPERATING INCOME	**1,249,361**	**427,943**	**93,439**	**1,542,269**	**490,040**	**136,786**
Cost of materials used	(628,826)	(181,070)	(7,744)	(819,576)	(277,123)	(15)
Staff costs	(102,971)	(53,996)	(50,204)	(108,328)	(58,397)	(50,644)
Other operating expenses	(330,282)	(118,143)	(92,755)	(376,539)	(123,897)	(127,831)
TOTAL OPERATING EXPENSES	**(1,062,079)**	**(353,209)**	**(150,703)**	**(1,304,443)**	**(459,417)**	**(178,490)**
PROFIT/(LOSS) FROM OPERATIONS	**187,282**	**74,734**	**(57,264)**	**237,826**	**30,623**	**(41,704)**

At 31 December 2009 and 2008, the non-current assets directly associated with the free-to-air television business and the current assets and liabilities directly attributable to this business line were as follows:

	12/31/09	**12/31/08**
Non-current assets	132,662	135,317
Current assets	123,393	304,316
Current liabilities	(98,484)	(246,146)

The non-current and current assets and liabilities directly related to the Sogecable Group free-to-air TV business ("Cuatro") were classified in the accompanying consolidated balance sheet at December 31, 2009, as assets classified as held for sale and associated liabilities, as detailed in Note 15.

The other assets and liabilities are either allocable to the pay TV and audiovisual production businesses or are deemed to be shared by the various business lines of the audiovisual segment.

The Group's activities are located in Europe and the Americas. Operations in Europe are carried out mainly in Spain, although since 2005 the Group has expanded into Portugal. The activities in America are located mainly in Mexico, Colombia and Brazil.

The breakdown of certain of the Group's consolidated balances based on the geographical location of the companies that gave rise to them is as follows:

	Thousands of euros					
	Europe		**America**		**Total**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Revenue	2,647,693	3,151,014	507,412	492,268	3,155,105	3,643,282
Other income	46,246	350,588	7,233	7,478	53,479	358,066
Profit before non-controlling interests and tax	64,793	242,723	65,506	49,458	130,299	292,181
Total assets	7,707,598	7,689,065	485,455	418,021	8,193,052	8,107,086

(21) TAX MATTERS

As indicated under "Accounting Policies", Promotora de Informaciones, S.A. files consolidated income tax returns in Spain, in accordance with the Spanish Corporation Tax Law, and is the Parent of consolidated tax group 2/91, which includes all its subsidiaries (*see Appendix 1*) that meet the requirements provided for in Spanish legislation regulating the taxation of the consolidated profits of corporate groups.

As a result of the takeover bid for Sogecable, S.A.U.'s shares, Promotora de Informaciones, S.A. in 2008 achieved an ownership interest exceeding 75% therein. Consequently, Sogecable, S.A.U. and its tax group were fully integrated in the consolidated tax group of which Promotora de Informaciones, S.A. is the Parent in 2009 and, therefore, the Sogecable tax group was eliminated, effective from January 1, 2009.

Also, on January 1, 2009, Sociedad de Servicios Radiofónicos Unión Radio, S.L. created its own consolidated tax group in Spain, identified with number 194/09, which also comprises the subsidiaries that meet the statutory requirements for application of the consolidated tax regime *(see Appendix I).*

Lanza, S.A. de C.V. (Mexico) files consolidated tax returns in Mexico together with its Mexican subsidiaries.

GLR Services, Inc. also files consolidated tax returns in the United States together with its subsidiaries that meet the requirements for application of this special consolidated tax regime.

Media Global, SGPS, S.A. and the companies in which it directly or indirectly holds at least 90% of the share capital and which also meet the conditions required under Portuguese law, constitute a consolidated tax group in Portugal.

The other subsidiaries file individual tax returns in accordance with the tax legislation prevailing in each country.

In 2009 and prior years, certain Group companies performed or participated in corporate restructuring transactions under the special tax neutrality regime regulated in Chapter VIII of Title VII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of March 5. The disclosures required by this legislation are included in the notes to the financial statements of the related Group companies for the year in which these transactions were carried out.

Also, in prior years, several tax group companies availed themselves of tax credits for the reinvestment of extraordinary income under Article 21 of repealed Spanish Corporation Tax Law 43/1995. The disclosures required by this Law are made in the notes to the financial statements of the corresponding companies.

In 2006, 2007 and 2008 several Group companies took the tax credit for reinvestment of extraordinary income envisaged in Article 42 of the Spanish Corporation Tax Law amounting to EUR 8,275 thousand, EUR 36,321 thousand and EUR 179,935 thousand, respectively. The disclosures required by current legislation were included in the notes to the financial statements of the companies involved.

Lastly, in 2009 a company belonging to the consolidated tax group, availed itself of the tax credit for the reinvestment of extraordinary income envisaged in Article 42 of the Spanish Corporation Tax Law, and applied the reinvestment tax credit to income amounting to EUR 1,226 thousand, thereby fulfilling in 2009 the obligation to reinvest the selling price in the acquisition of non-current financial assets, pursuant to the terms established by this Law.

a) Reconciliation of the accounting profit to the taxable profit

The following table shows a reconciliation of the result of applying the current standard tax rate in Spain to consolidated net accounting profit, calculated under International Financial Reporting Standards, to the consolidated Group's income tax expense for 2008 and 2009.

		2008		
	2009	**Consolidated income statement**	**Equity**	**TOTAL**
CONSOLIDATED NET PROFIT UNDER IFRSs	**130,299**	**292,181**		**292,181**
Tax charge at 30%	39,090	87,654		87,654
Consolidation adjustments	6,047	3,245		3,245
Permanent differences (1)	15,461	44,287	8,754	53,041
Tax loss carryforwards	(1,610)	(9,164)		(9,164)
Tax credits and tax relief (2)	(487)	(30,495)		(30,495)
Effect of applying different tax rates (3)	(1,210)	(8,964)		(8,964)
INCOME TAX FOR 2009	57,291	86,563	8,754	95,317
ADJUSTMENT OF PRIOR YEARS' TAX (4)	521	(639)		(639)
FOREIGN TAX EXPENSE (5)	2,191	2,546		2,546
EMPLOYEE PROFIT SHARING (6)	3,042	1,965		1,965
TOTAL INCOME TAX	**63,045**	**90,435**	**8,754**	**99,189**

(1) The permanent differences are due mainly to: (i) certain non-deductible costs and provisions; (ii) the exemption of foreign-source dividends; and (iii) foreign tax expenses arising from withholdings at source.

(2) In calculating their respective income tax expense or income, the Spanish Prisa reporting Group companies availed themselves of the tax benefits provided for in Chapters III and IV of Title VI of the Consolidated Spanish Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of March 5, which amounted to EUR 1,190 thousand, in calculating the income tax expense for the year.

In accordance with the accounting principle of prudence, certain investment tax credits, amounting to EUR 3,373 thousand, were derecognized.

Also, the consolidated Group companies took a domestic dividend double taxation tax credit not eliminated on consolidation and an international double taxation tax credit of EUR 1,575 thousand.

Similarly, the consolidated Group companies availed themselves of the tax credit provided for in Article 20 of Law 49/2002, of December 23, on the Tax Regime of Not-for-Profit-Entities and Tax Incentives for Patronage, amounting to EUR 1,095 thousand.

(3) Relating to the effect of taxation of profits from American and European subsidiaries at different rates.

(4) Including the impact on the income statement of the adjustment of income tax from prior years.

(5) This relates to the expense for taxes paid abroad and arose from withholdings at source from the income from exports of services provided by the Group's Spanish companies abroad.

(6) This is an additional component of the income tax expense in countries such as Mexico.

b) Deferred tax assets and liabilities

The following table shows the origin and amount of the deferred tax assets and liabilities recognized at 2009 year-end (in thousands of euros):

DEFERRED TAX ASSETS ARISING FROM				
	12/31/09	**Additions**	**Disposals**	**12/31/08**
Non-deductible provisions	5,995	1,991	(2,314)	6,318
Non-capitalizable assets	37	-	(208)	245
Tax loss carryforwards	1,003,561	3,920	(7,947)	1,007,588
Unused tax credits recognized	282,169	14,987	(3,545)	270,727
Other	22,058	11,248	(2,787)	13,597
Total	**1,313,820**	**32,146**	**(16,801)**	**1,298,475**

DEFERRED TAX LIABILITIES ARISING FROM				
	12/31/09	**Additions**	**Disposals**	**12/31/08**
Impairment losses on equity investments and goodwill	64,366	129	(5,896)	70,133
Deferral for reinvestment of extraordinary income	6,347	85	(240)	6,502
Accelerated depreciation and amortization	522	-	(21)	543
Exchange differences	-	-	(47)	47
Other	1,564	232	(721)	2,053
Total	**72,799**	**446**	**(6,925)**	**79,278**

Following the approval of Law 35/2006, of November 28, on personal income tax and partially amending the Spanish Corporation Tax, Non-Resident Income Tax and Wealth Tax Laws, the applicable income tax rates have been gradually reduced and, consequently, the tax assets and liabilities in the consolidated balance sheet at 2009 year-end are recognized at their estimated recoverable amount.

There are no significant temporary differences arising from investments in subsidiaries, branches, associates or joint ventures that generate deferred tax liabilities.

There are no significant amounts arising from temporary differences associated with retained earnings of subsidiaries in jurisdictions where different tax rates are applied and, therefore, no deferred tax liabilities were recognized in this connection.

Deferred tax assets include most notably tax loss carryforwards and unused investment tax credits arising mainly at the Prisa consolidated tax group and at the companies that comprised the former Sogecable, S.A. consolidated tax group. These deferred tax assets were recognized in accordance with the criteria set forth in "Accounting Policies".

When the Sogecable Group settled its income tax for 2008, it reassigned the tax loss and tax credit carryforwards of its consolidated group to the various group companies composing it at that date. In accordance with current legislation, since the elimination of the Sogecable tax group was a result of its inclusion in a higher tax group, the aforementioned assignation was carried out without recognizing the eliminations that had not yet been included in the consolidated tax base of the Sogecable group in 2008, which must therefore be included in that of the new group.

Also, as a result of the elimination of the tax group, in 2008 the Sogecable Group also reassigned the tax loss carryforwards of the consolidated tax group and of individual companies prior to their inclusion in the tax group in prior years, based on the criteria of the tax authorities.

Following is a detail, in thousands of euros, of the prior years' tax losses of Spanish companies available for offset against future profits, showing the year in which the tax losses were incurred and the last years for offset.

Year incurred	Last year for offset	Amount	Recognised	Not recognised
1995	2010	163	0	163
1996	2011	738	0	738
1997	2012	78.347	77.185	1.162
1998	2013	246.996	228.361	18.635
1999	2014	447.543	372.031	75.512
2000	2015	577.502	515.680	61.822
2001	2016	483.310	424.676	58.634
2002	2017	644.744	558.323	86.421
2003	2018	973.925	897.809	76.116
2004	2019	262.366	197.725	64.641
2005	2020	9.593	895	8.698
2006	2021	67.271	61.558	5.713
2007	2022	3.932	0	3.932
2008	2023	7.241	1.503	5.738
2009	2024	8.312	7.568	744
Total		**3.811.983**	**3.343.314**	**468.669**

The Sogecable Group recognized tax loss carryforwards in respect of losses incurred in launching the satellite pay TV business. The most significant losses in this respect were those recognized by DTS Distribuidora de Televisión Digital, S.A. prior to its inclusion in the Sogecable Group. The Group also recognized tax loss carryforwards in respect of losses incurred in the integration of DTS Distribuidora de Televisión Digital, S.A. and in the launch of the "Cuatro" free-to-air TV channel. The recovery thereof is reasonably assured on the basis of the recent performance of the pay and free-to-air TV businesses and the forecasts contained in the Sogecable Group's business plan.

In this respect, Group management has a long-term business plan, which it has kept updated and in which, among other things, matters relating to the Group's future strategy, studies by independent third parties, experiences of other operators similar to the Group in neighboring countries, and the proven experience in recent years of the Sogecable Group in the pay and free-to-air TV market in Spain were taken into account.

The main assumptions used in this business plan, which are described in Note 6, relate to matters such as the penetration of pay TV in Spain, the Sogecable Group's share of this penetration, the trend in the number of subscribers and in the prices of the services offered by the Group and the general trend in costs, in particular programming costs within the current technological and right exploitation framework in which the Sogecable Group operates. In this respect, the projection for the long-term penetration of pay TV in Spain, as far ahead as 2015, is several points below the current penetration rates in neighboring countries. Consequently, the estimated annual increases at short and medium term in the net subscriber figures are lower than the annual increases achieved in recent years by certain other European operators. This business plan also includes sensitivity studies of the most significant assumptions in order to situate them in pessimistic scenarios.

The main conclusion of the aforementioned business plan is that, despite the fact that the Sogecable Group incurred significant losses in 2003 and 2004, mainly as a result of the restructuring process linked to the integration of DTS, Distribuidora de Televisión Digital, S.A. into the Group, and in 2006, due mainly to the launch of "Cuatro", it will foreseeably report rising earnings figures at medium term which, together with its restructuring (described in Notes 3 and 15), will enable the tax assets recognized by the Sogecable Group to be recovered.

The breakdown, by country, of the tax loss carryforwards of the Group's foreign companies is shown below (in thousands of euros):

	BOLIVIA	PORTUGAL	USA	CHILE	BRAZIL	ARGENTINA	MEXICO	TOTAL
1993	-	-	1,172	-	-	-	-	1,172
1994	-	-	1,197	-	-	-	-	1,197
1995	-	-	1,428	-	-	-	-	1,428
1996	-	-	100	-	-	-	-	100
1997	-	-	1,599	-	-	-	-	1,599
1998	-	-	1,571	-	-	-	-	1,571
1999	-	-	2,679	-	-	-	-	2,679
2000	-	-	3,526	-	-	-		3,526
2001	-	-	2,964	-	-	-	91	3,055
2002	-	-	1,700	-	-	-	161	1,861
2003	-	-	2,592	-	-	-	31	2,623
2004	-	1,550	2,404	-	-	-	28	3,982
2005	-	4,220	1,538	-	-	68	0	5,826
2006	-	6,195	1,743	-	-	114	508	8,560
2007	-	1,895	1,034	-	283	142	160	3,514
2008	269	2,360	2,961	622	250	114	591	7,167
2009	-	44	2,812	14,270	131	35	1,044	18,336
TOTAL	**269**	**16,264**	**33,020**	**14,892**	**664**	**473**	**2,614**	**68,196**
Recognized		3,700						**3,700**
Not recognized	269	12,564	33,020	14,892	664	473	2,614	**64,496**
Period for offset	**No limit**	**6 years**	**20 years**	**No limit**	**No limit**	**5 years**	**10 years**	**-**

Certain investment tax credits which arose at companies in the Spanish group before they joined the Group were not recognized for accounting purposes. The directors consider that the related amounts will be used before the deadline established by the tax authorities expires. The breakdown is as follows (in thousands of euros):

Year earned	Amount	Last year for use
1999	1,424	2009
2000	3,297	2010
2001	5,666	2011
2002	2,218	2012
2003	1,637	2013
2004	101	2014
2005	107	2015
2006	88	2016
2007	36	2017
2008	8	2018
TOTAL	**14,582**	

c) Years open for review by the tax authorities

The years open for review by the tax authorities for the main taxes vary from one consolidated company to another, although they are generally the last four years, with the exceptions discussed below.

The tax authorities audited the years open for review of certain tax and reporting group companies, as a result of which various tax assessments were issued for personal income tax withholdings and prepayments, VAT, the single tax on revaluations and income tax. At the date of presentation of these consolidated financial statements, appeals were being filed for the following companies in relation to the taxes indicated:

Company	Tax	Years
Parent- Promotora de Informaciones, S.A.	Consolidated income tax	1992 to 1996
Subsidiaries- Diario El País, S.L. Sociedad Española de Radiodifusión, S.L.	 Personal income tax withholdings Income tax Withholdings from income from movable capital	 1994 to 1996 1990 and 1992 1993

Since the Group does not concur with the criteria applied by the tax authorities, it has filed appeals at the appropriate instances against virtually all the tax assessments issued. The Supreme Court handed down a decision on the appeal filed against the income tax settlements from 1992 to 1994. The settlements for the other years have not yet been resolved. However, the Company filed an appeal for the protection of constitutional rights at the Spanish Constitutional Court in relation to the settlements from 1992 to 1994, which at the date of preparation of these consolidated financial statements had not yet been resolved, except for the settlement relating to 1992, which was paid by the Company. The disciplinary proceedings relating to consolidated income tax from 1992 to 1994 were suspended in full. However, the Group has recorded a provision of EUR 16,958 thousand (*see Note 14*) to cover, inter alia, any payments that it might have to make in this connection in the future. Guarantees have been provided for the total amount of the assessments, the execution of which was therefore stayed or, where appropriate, paid.

The Antena 3 de Radio, S.A. consolidated tax group was audited by the tax authorities in 2005. The tax authorities reviewed the following years and taxes: 2000, 2001 and 2002 for income tax, and January 2001 to December 2002 for VAT, personal income tax withholdings and prepayments (employees and professionals) and tax on income from movable capital. As a result of the tax audit, an assessment amounting to EUR 3,499 thousand was issued in respect of the consolidated income tax, which was signed on a contested basis. The appropriate pleas were filed against these assessments and a decision upholding the final tax assessments was rendered. The related claim was filed at the Madrid Regional Economic-Administrative Tribunal against the decision, the execution of which was stayed in return for the provision of a guarantee. The Tribunal handed down a decision, partially upholding the claim filed in respect of substantially all of the deficiency and interest and set aside the penalty.

In 2006 the tax authorities completed their audit of the Prisa tax group for consolidated income tax for 1999, 2000, 2001 and 2002 and for VAT, personal income tax withholdings and prepayments (employees and professionals), tax on property income, tax on income from movable capital and non-resident income tax for the following companies and years:

Company	Years
Parent-	
Promotora de Informaciones, S.A.	June 2000 to May 2004
Subsidiaries-	
Diario El País, S.L.	June 2000 to May 2004
Sociedad Española de Radiodifusión, S.L.	June 2000 to May 2004
Gerencia de Medios, S.A.	January 2001 to December 2003
Itaca, S.L.	January 2001 to December 2002
Mateu Cromo Artes Gráficas, S.A.	January 2001 to December 2002
Promotora de Emisoras de Televisión, S.A.	January 2001 to December 2003
Grupo Empresarial de Medios Impresos, S.L.	January 2001 to December 2003
Grupo Santillana de Ediciones, S.L.	January 2001 to December 2003
Santillana Educación, S.L.	January 2001 to December 2003
Santillana Ediciones Generales, S.L.	January 2001 to December 2003

The decisions handed down on the appeals filed against the decisions upholding the final tax assessments issued for each year (1999 to 2002) for income tax (which partially upheld the pleas) confirmed settlements totaling EUR 34,867 thousand (deficiency plus late-payment interest). Appeals were filed at the Central Economic-Administrative Tribunal against these decisions. The decisions handed down by the aforementioned Tribunal, partially upholding the Group's claims and adjudging the settlements relating to all those years to be null and void, were appealed at the National Appellate Court. Payment of this amount was stayed and the related guarantee was provided. At the date of preparation of these consolidated financial statements, the decisions for 1999 and 2000 -partially upholding the Group's claims- had been received, confirming the tax authorities' stance with regard to regularization of the export tax credit which, in the aforementioned years, amounted to EUR 4 million. Since the Company does not agree with the decision of the National Appellate Court, it is going to file the corresponding cassation appeals at the Supreme Court. In view of the varying interpretations that can be made of tax legislation, the outcome of the present review might give rise to tax liabilities which cannot be objectively quantified at the present time. The directors consider that the tax criteria applied by the companies were appropriate and that there are sufficient grounds for defense so as to expect a favorable decision in respect of the disputed items including, inter alia, the export tax credit, within the proceedings in progress in relation to the tax audits. Accordingly, the directors do not expect any material liabilities to arise for the Group as a result of the current tax audit that might have an effect on the consolidated financial statements.

The other taxes audited did not give rise to any assessment or the amount of the assessment was not material and has been paid or appealed against.

At the date of presentation of these consolidated financial statements the tax audit of consolidated income tax for 2003 to 2005 had been completed and the corresponding preliminary assessment was issued containing a deficiency of approximately EUR 16,960 thousand which was signed on a contested basis. The corresponding pleas will be submitted against the aforementioned preliminary assessment. Also, the audits of personal income tax withholdings and prepayments (employees and professionals), tax on property income and tax on income from movable capital for 2004 and 2005 were completed, which gave rise to uncontested assessments that were paid in the year and a contested assessment amounting to EUR 321 thousand. Also, the tax audit of VAT from June 2004 to December 2006 was completed with uncontested assessments amounting to EUR 909 thousand paid in the year and contested assessments amounting to EUR 5,431 thousand, against which appeals have been filed at the Central Economic-Administrative Tribunal.

The directors do not expect any material liabilities to arise for the Group as a result of the current tax audits which could have an effect on the consolidated financial statements.

(22) ALLOCATION OF LOSS

The proposal for the allocation of the losses of Promotora de Informaciones, S.A. for 2009 is to recognize them as a reduction of *"Other Reserves"*.

(23) EARNINGS PER SHARE

Earnings per share were calculated as follows:

	12/31/09	12/31/08
Profit for the year from continuing operations attributable to the Parent (thousands of euros)	52,908	158,342
Loss after tax from discontinued operations (thousands of euros)	(2,429)	(75,346)
Profit for the year attributable to the Parent (thousands of euros)	50,479	82,996
Weighted average number of shares outstanding (thousands of shares)	219,135	219,135
Basic earnings per share of continuing operations (euros)	0.24	0.72
Basic loss per share of discontinued operations (euros)	(0.01)	(0.34)
Basic earnings per share (euros)	0.23	0.38

The dilutive effect of the share option plan of Promotora de Informaciones, S.A., approved by the Board of Directors on December 18, 2008 (*see Note 17*), is not material.

The Group has not performed transactions of any other type that might cause diluted earnings per share to differ from basic earnings per share.

(24) EVENTS AFTER THE BALANCE SHEET DATE

In order to strengthen its capital structure, on March 5, 2010, Prisa entered into an agreement with Liberty Acquisition Holdings Corp. ("Liberty") for the acquisition of all its shares through an exchange of newly-issued shares of Prisa for shares of Liberty, signifying that the shareholders of Liberty will become shareholders of Prisa, although there is no agreement among them.

By virtue of the exchange ratio agreed upon, for each share of Liberty, Prisa will issue 1.547 ordinary shares and 0.358 preference shares without voting rights.

The preference shares without voting rights may be converted into ordinary shares from the second year onwards at the choice of their holders, and from the fifth year onwards at the choice of Prisa, and will pay a preferential yearly dividend of 7%.

The exchange of shares with Liberty is conditional upon at least 50% of its investors approving the transaction and on the total percentage of redemptions not exceeding 30% of the shares. Liberty will have 137 million shares and USD 900 million of cash (EUR 660 million), net of transaction expenses, without taking into account redemptions.

Also, in order to enable Prisa's non-controlling interests to participate in the transaction, the Company will perform a monetary capital increase with pre-emptive subscription rights totaling approximately EUR 150 million, at an issue price of EUR 3.08 per share, which will not be subscribed by the reference shareholder.

The new shares of Prisa, both those issued in the monetary capital increase and those issued in the non-monetary increase, will be listed on the Spanish Stock Exchanges. The new shares issued in the non-monetary capital increase will be held in custody by a custodian in the US, which will issue American Depositary Shares (ADSs), and they will be listed on the US Stock Exchanges.

As a result of the transactions described above, the shares of Prisa's shareholders will have been diluted, although under no circumstances will the ownership interest of the reference shareholders be lower than 30%, and it will not affect the control of the company. To this end, Prisa will make certain amendments to its bylaws and regulations aimed at guaranteeing the aforementioned control, thereby establishing a regime of reinforced majorities for the adoption of certain agreements and a 30% limitation on voting rights for all the shareholders. Once the capital increases have been completed and the preference shares converted into ordinary shares, the percentage of ownership of the shareholders of Liberty of the share capital of Prisa will exceed 50%.

The transactions are subject to declaration of effectiveness of both the Spanish National Securities Market Commission (CNMV) and the Security and Exchange Commission (SEC) and must be ratified by the governing bodies of each of the companies.

(25) RELATED PARTY TRANSACTIONS

The detail of the balances receivable from and payable to associates and related parties in 2009 and 2008 is as follows:

	Thousands of euros	
	12/31/09	12/31/08
Accounts receivable		
Trade receivables	10,890	13,479
Long-term loans	100,473	108,454
Short-term loans	4,083	2,308
Total	**115,446**	**124,241**
Accounts payable		
Trade payables	9,633	26,757
Other payables	167	-
Capital payments payable	-	134
Total	**9,800**	**26,891**

The transactions performed with related parties in 2009 and 2008 were as follows (in thousands of euros):

	12/31/09		12/31/08	
	Directors and executives	Group employees, companies or entities	Directors and executives	Group employees, companies or entities
Services received	9,114	68,296	4,596	78,628
Other expenses	19,023	-	21,016	-
Total expenses	**28,137**	**68,296**	**25,612**	**78,628**
Finance income	-	1,140	-	2,031
Services rendered	-	17,215	-	17,446
Total income	-	**18,355**	-	**19,477**

All the transactions with related parties were carried out on an arm’s length basis.

The aggregate amount of EUR 19,023 thousand relates to the accrued salaries of directors (*see Note 26*) and executives.

Remuneration of senior executives-

At December 31, 2009, senior executives of the Prisa Group are considered to be those persons who are members of the Business Management Committee and the Corporate Committee who are not executive directors, in addition to the internal audit director of Promotora de Informaciones, S.A., namely Ignacio Santillana del Barrio, Fernando Martínez Albacete, Augusto Delkader Teig, Jesús Ceberio Galardi, Miguel Ángel Cayuela Sebastián, Matilde Casado Moreno, Iñigo Dago Elorza, Pedro García Guillén, Oscar Gómez Barbero, Bárbara Manrique de Lara and Virginia Fernández Iribarnegaray. The total remuneration earned by the senior executives of Promotora de Informaciones, S.A. in 2009 and of the Group companies other than the latter, amounted to EUR 5,326 thousand, which will be paid at short term.

Transactions between Group employees, companies or entities-

The aggregate amount of EUR 68,296 thousand includes mainly the printing services provided by various investees of Dédalo Grupo Gráfico, S.L., amounting to EUR 31,388 thousand and the services provided by Compañía Independiente de Noticias de Televisión, S.L. and Canal Club de Distribución de Ocio y Cultura, S.A. to various Sogecable, S.A.U. subsidiaries, amounting to EUR 36,908 thousand.

The detail of other transactions performed with related parties in 2009 and 2008 is as follows (in thousands of euros):

	12/31/09			12/31/08		
	Significant shareholders	Group employees, companies or entities	Other related parties	Significant shareholders	Group employees, companies or entities	Other related parties
Financing agreements: loans	-	99,864	-	-	97,192	-
Guarantees provided (*Note 27*)	-	130,000	28,763	-	74,765	35,688
Commitments/guarantees cancelled (*Note 27*)	-	-	-	-	15,000	-
Dividends and other distributed profits	-	-	-	25,914	-	-
Other transactions	-	-	-	-	-	-

The aggregate amount of EUR 99,864 thousand includes the loan of EUR 92,359 thousand granted to Dédalo Grupo Gráfico, S.L. (*see Note 8*).

(26) REMUNERATION AND OTHER BENEFITS OF DIRECTORS

In 2009 and 2008, the consolidated companies paid the following amounts in respect of remuneration to Prisa's Board members:

	Thousands of euros	
	12/31/09	12/31/08
Fixed remuneration	3,068	3,662
Variable remuneration	2,560	5,689
Attendance fees	2,341	2,837
Bylaw-stipulated directors' emoluments	398	1,806
Other	5,330	153
Total	**13,697**	**14,147**

No credits, advances or loans have been granted to the members of the Board of Directors, and there are no pension obligations to them.

Pursuant to Article 127 ter.4 of the Spanish Public Limited Liability Companies Law, introduced by Law 26/2003, of July 17, which amends Securities Market Law 24/1988, of July 28, and the Consolidated Spanish Public Limited Liability Companies Law, in order to reinforce the transparency of listed corporations, following is a detail of the companies engaging in an activity that is identical, similar or complementary to the activity that constitutes the company object of Promotora de Informaciones, S.A. in which the members of the Board of Directors own equity interests, and of the functions, if any, that they discharge thereat:

Owner	Investee	Percentage of ownership (%)	Functions
Juan Luis Cebrián Echarri	Le Monde, S.A.	-	Director
Juan Luis Cebrián Echarri	Lambrakis Press, S.A.	-	Member of the Board of Directors
Gregorio Marañón y Bertrán de Lis	Universal Music Spain, S.L.	-	Chairman
Borja Pérez Arauna	Tuenti Technologies, S.L.	-	Representative of the director Qualitas Venture Capital, S.A., SCR de régimen simplificado.

This list does not include Prisa Group companies. However, it is hereby stated that the following directors of Promotora de Informaciones, S.A. are part of the managing body of certain Prisa Group companies, as disclosed in the Company's Annual Corporate Governance Report: Ignacio Polanco Moreno, Juan Luis Cebrián Echarri, Alfonso López Casas, Emiliano Martínez Rodriguez, Manuel Polanco Moreno, Gregorio Marañón y Bertrán de Lis, Diego Hidalgo Schnur, Ramón Mendoza Solano, Agnés Noguera Borel, Borja Pérez Arauna and Adolfo Valero Cascante.

Also, in accordance with the above-mentioned Law, it is hereby stated that there is no record that any of the Board members have performed in 2009, or are currently performing, as independent professionals or as employees, any activities that are identical, similar or complementary to the activity that constitutes the company object of Promotora de Informaciones, S.A.

(27) GUARANTEE COMMITMENTS TO THIRD PARTIES

Prisa acts as guarantor for bank loans and credit facilities granted to Promotora de Emisoras de Televisión, S.A. and Iberbanda, S.A. for a maximum amount of EUR 18,000 thousand and EUR 27,584 thousand, respectively.

At December 31, 2009, Prisa had provided bank guarantees amounting to EUR 191,882 thousand and USD 35,500 thousand mainly in relation to the tax assessments issued by the tax authorities that were signed on a contested basis and litigation for soccer rights (*see Note 30*).

Lastly, in 2008 Dédalo Grupo Gráfico, S.L. and its investees entered into a syndicated loan and credit agreement for a maximum amount of EUR 130,000 thousand. In this financing, since November 2009 Prisa has been the guarantor of all the debt and the underlying hedges. Also, in March 2010 Prisa granted the majority shareholders of Dédalo Grupo Gráfico, S.L. a contract of indemnity vis-à-vis third-party claims as a result of actions taken to defend the interests of Prisa or following instructions received therefrom.

The Company's directors consider that the possible effect of the guarantees provided on the accompanying consolidated income statements would in no case be material.

(28) FUTURE COMMITMENTS

The Sogecable Group and the Media Capital Group have entered into certain purchase and sale agreements with various suppliers and consumers for future program broadcasting rights and the exploitation of image rights and sports rights. These commitments partially cover the Sogecable and Media Capital Group companies' programming needs in the years indicated.

In addition, by virtue of an agreement entered into with Indra on December 23, 2009 (*see Note 5*), Prisa assumed payment commitments totaling EUR 267,000 thousand with the aforementioned company for the coming seven years.

At December 31, 2009, the Group had euro and foreign currency payment obligations and collection rights for a net amount payable of approximately EUR 1,325,443 thousand. The net amounts payable in relation to these obligations fall due as follows:

Year	Thousands of euros
2010	570,782
2011	427,645
2012	162,709
2013	46,019
2014	39,792
2015 and subsequent years	78,496
	1,325,443

The obligation to pay the amounts agreed upon in the purchase agreements arises only if the suppliers fulfill all the contractually established terms and conditions.

These future payment obligations were estimated taking into account the agreements in force at the present date. As a result of the renegotiation of certain agreements, these obligations might differ from those initially estimated.

(29) LEGAL MATTERS

As a result of a statement of claim filed in 2004 by a local radio operator at an Argentine court against the Argentine state, the sale of the shares of Radio Continental, S.A. has not yet been approved by the Argentine government. The claimant also applied for injunctive relief whereby the grant of the approval in question should be stayed during the principal proceedings. In December 2004 the court granted the injunctive relief applied for and processing of the approval was stayed.

The decision was appealed against by the Argentine government and by the buying and selling parties, and in April 2007 the Argentine Federal Judicial Review Chamber upheld the decision to grant injunctive relief. An extraordinary appeal was filed at the Supreme Court, on which no decision has yet been handed down. The principal proceeding which should resolve the merits of the case is still in progress, although the operations of the radio stations involved have thus far not been affected.

(30) LITIGATION AND CLAIMS IN PROGRESS

In 2003 and 2004 the cable operators Auna, Telecable, Tenaria, Euskaltel, R Telecomunicaciones de Galicia and R Telecomunicaciones de Coruña filed requests for arbitration with the Spanish Telecommunications Market Commission (CMT), requesting the right to receive an offer to market several channels provided by Sogecable to its subscribers. The CMT announced its decisions in connection with each case - the proceeding brought by Auna in 2004 and the proceedings brought by the other operators in 2005 - partially upholding the requests for arbitration and ordering Sogecable to submit an offer for the Gran Vía and Canal + Deportes channels. Sogecable filed an appeal at the Madrid Provincial Appellate Court to have these awards set aside and during 2006 the Provincial Appellate Court handed down decisions confirming the awards made by the CMT. Subsequent to the offer submitted by Sogecable, S.A.U., in January 2008 the Madrid Court of First Instance no. 43 closed the proceeding brought by Auna with respect to the enforcement of the award handed down by the CMT.

Cableuropa, S.A.U. (Ono) also filed a claim for damage and loss against Sogecable at the Colmenar Viejo Court of First Instance no. 3. In its judgment of December 1, 2009, the Court ordered Sogecable to pay approximately EUR 44 million plus the legal interest from when the claim was filed. An appeal against this judgment was filed at the Madrid Provincial Appellate Court and Cableuropa did not request the provisional enforcement of the judgment. Sogecable estimates that there are well founded reasons for which this judgment at first instance will be revised and the aforementioned indemnity rendered null and void, although the definitive judgment will have to be awaited. Should the judgment be favorable, Cableuropa would be obliged to refund the amounts that had been paid by Sogecable.

The proceedings initiated at the behest of the other operators requesting the execution of the aforementioned awards are still in progress at the respective courts.

In addition, Ono filed a claim against AVS and Sogecable, S.A.U. relating to the “guaranteed minimum" of the pay per-view soccer broadcasting agreements entered into by the members of AUNA and AVS. Sogecable answered the claim on May 26, 2008, and the trail was held on September 15, 2009. The related judgment has not yet been handed down. The previous claims filed by Ono in relation to the “guaranteed minimum” were unsuccessful. However, in its decision of March 4, 2010, Commercial Court No. 7 of Madrid which was hearing the case upheld the claim of Ono, and obliged AVS and Sogecable, S.A.U. to jointly and severally pay approximately EUR 30 million, plus an amount not yet determined for the 2007/2008 and 2008/2009 seasons. AVS and Sogecable, S.A.U. lodged an appeal against the decision and are confident that they will obtain a favorable decision at second instance since, among other reasons, they consider that the guaranteed minimum in question had already been validated in previous proceedings.

The collection societies AIE and AISGE filed a complaint against Sogecable, S.A.U. seeking compensation in connection with intellectual property rights. In 2001 a decision was handed down partially upholding the complaint of these societies. The company filed an appeal which was dismissed by the Madrid Provincial Appellate Court in 2003. Sogecable filed a cassation appeal against the provincial appellate court's judgment in the related appeal, which was granted leave to proceed by the Supreme Court in 2007. AISGE requested the provisional enforcement of the judgment, since the court had issued a writ providing therefor. On April 7, 2009, the Supreme Court handed down a judgment granting Sogecable leave to proceed with the cassation appeal filed, establishing that the setting of the rates for the use of the repertoire of these societies should be calculated based on, among other criteria, the use of the repertoire and the rates applied by these societies to other operators. The aforementioned judgment interrupts the provisional enforcement requested and there are currently discussions underway regarding a possible out-of-court settlement. AIE and AISGE also filed similar complaints against CanalSatélite Digital, S.L. and DTS Distribuidora de Televisión Digital, S.A., which were upheld. The two companies filed appeals against this judgment at the Provincial Appellate Court, which in both cases was dismissed. The aforementioned companies filed cassation appeals at the Supreme Court, which were granted leave to proceed.

Also, in May 2007 Sogecable, S.A.U., CanalSatélite Digital, S.L. and DTS, Distribuidora de Televisión Digital, S.A. filed a complaint against AISGE and AIE at the Spanish Competition Authority (currently Spanish Competition Commission "CNC") for abuse of dominant position. In July 2008 the CNC notified AISGE and AIE that disciplinary proceedings were being initiated against them for possible abuse of their dominant position in the market. On March 5, 2009, a statement of accusations was issued. AISGE and AIE proposed an agreement to terminate proceedings, although a decision has not yet been handed down by the Spanish Competition Commission.

In 2005 the collection society SGAE filed a complaint at the Colmenar Viejo Court of First Instance, against CanalSatélite Digital, S.L. and DTS Distribuidora de Televisión Digital, S.A., seeking compensation in connection with certain intellectual property rights during a period not covered by an agreement with this society. The two companies filed appeals against the decision of the Court of First Instance upholding the claim of SGAE, which were dismissed. In October 2007 the two companies filed a cassation appeal at the Supreme Court.

The Commercial Court has simultaneously been hearing a claim filed by CanalSatélite Digital, S.L. and DTS Distribuidora de Televisión Digital, S.A., against SGAE, requesting the Court to order the aforementioned society to negotiate, under transparent and fair terms and conditions, a new agreement for the period of time since the previous agreement expired. In 2006 the Court partially dismissed the claim filed by CanalSatélite Digital, S.L. and DTS Distribuidora de Televisión Digital, S.A. The two companies filed appeals against this decision which were dismissed by the Madrid Provincial Appellate Court on April 13, 2007.

In addition, in December 2006 SGAE filed a new complaint against Sogecable, S.A.U. seeking compensation in connection with intellectual property rights used by Sogecable in its free-to-air television channel. The Company filed a counterclaim against this proceeding because it considers that the payment for the rights should be reduced by 50%. The hearing was held on October 1, 2008, and a decision is yet to be handed down.

In July 2008 a settlement agreement was reached relating to all of the legal and administrative proceedings involving AGEDI and AIE and the case is currently in the process of being discontinued. These proceedings related mainly to the claim filed by the aforementioned societies against CanalSatélite Digital, S.L. and DTS Distribuidora de Televisión Digital, S.A. seeking compensation in connection with intellectual property rights during a period not covered by an agreement with these societies. The trial was held in June 2007 and the court proposed that the parties apply to the European Court of Justice for a possible preliminary ruling on whether the rights claimed by AGEDI-AIE were compatible with European Community Law.

Also, Sogecable, S.A.U., CanalSatélite Digital, S.L. and DTS, Distribuidora de Televisión Digital, S.A. filed a complaint against AGEDI-AIE at the Spanish Competition Authority (currently Spanish Competition Commission) for abuse of dominant position. In the statement of accusations the Investigation Unit of the Spanish Competition Commission considered AGEDI and AIE guilty of abusing their dominant position for applying different conditions for the same services, since they demand substantially higher amounts from the Group companies than the amounts claimed from other operators. In the light of these facts, in December 2007 the Board of the Spanish Competition Commission gave leave for disciplinary proceedings against AGEDI and AIE to proceed and be examined. On December 9, 2008, the Board of the Spanish Competition Commission handed down a decision in which it fined the collection societies AGEDI and AIE, considering that they had abused their dominant position in the market in the management of the intellectual property rights of phonogram producers, artists or musicians in Spain.

AGEDI-AIE had also filed a claim against Sogecable, S.A.U. for issuing phonograms on Cuatro. This claim was filed at the Commercial Court no. 6 of Madrid although the aforementioned settlement agreement had been reached.

In 2006 Warner Sogefilms, AIE, an economic interest grouping owned on an equal-footing basis by Sogecable and Warner Bros. Entertainment España, S.L. (this AIE ceased to exist on November 30, 2006), filed an appeal for judicial review against the penalty imposed by the Spanish Antitrust Agency for the AIE's purported unfair trade practices.

On July 24, 2006, Audiovisual Sport, S.L., (AVS), Sogecable, S.A.U., TVC Multimedia, S.L. and Mediaproducción, S.L. (Mediapro) entered into an agreement to exploit the rights of the Spanish Soccer League for the 2006/07 and subsequent seasons. The main purpose of the agreement was to maintain the model of exploiting televised soccer that has prevailed in Spain since 1997. After repeated breaches by Mediapro of the various obligations under the agreement, AVS filed a complaint against Mediapro on July 3, 2007, and lodged a supplementary pleading on July 31, 2007.

After the suspension in August 2007 of the delivery of the audiovisual signal by AVS to Mediapro, the latter continued to commit new and serious breaches of the agreement, which led to two further submissions of pleadings supplementing the original complaint, filed on August 27 and on September 12, 2007, the latter accompanied by an application for injunctive relief which was fully upheld by the Madrid Court of First Instance no. 36 in an Order dated October 8, 2007. In compliance with this order, Audiovisual Sport, S.L. deposited a guarantee of EUR 50,000 thousand, secured by Sogecable, S.A.U., to guarantee the performance of the contractual obligations. The Order dated October 8, 2007, was revoked by the Madrid Provincial Appellate Court in July 2008. AVS presented a new application for injunctive relief at the Madrid Court of First Instance no. 36 for the 2008-2009 season which was dismissed by Order of September 12, 2008.

In the aforementioned proceedings, Mediapro filed a counterclaim against the other parties to the agreement. Sogecable, S.A.U. filed its defense with respect to Mediapro's counterclaim. Both Audiovisual Sport, S.L. (AVS) and Sogecable, S.A.U. have filed claims for liability against Mediapro and the third parties cooperating with the latter.

The Court's decision of March 15, 2010, upheld the claim filed by AVS in its entirety, dismissing the counterclaim filed by Mediapro against AVS, Sogecable and Televisión de Cataluña. The Court also ordered Mediapro to pay more than EUR 95 million for the amounts that should have been paid to AVS under the agreement of July 24, 2006, and also for the damage and loss arising from the aforementioned breaches. The Court also ordered Mediapro to provide AVS with the agreements entered into by Mediapro and the football clubs and to notify them of the assignment of the agreements to AVS.

In May 2007 Sogecable, S.A.U. filed a claim against F.C. Barcelona, demanding performance of the agreement executed in 1999 by the Club and Telefónica Media, S.L. (currently Telefónica de Contenidos, S.A.U.), to which Sogecable, S.A.U. had been subrogated in October 2003. Under this agreement, the Club assigned, inter alia, the amounts received from the participation of its teams in international competitions to Sogecable, S.A.U. In this proceeding the Club filed a counterclaim against Sogecable, S.A.U. and Telefónica de Contenidos, S.A.U. On January 12, 2009, a decision was handed down in this proceeding which upheld Sogecable's claims, obliging F.C. Barcelona to settle the appropriate amounts from the 2003/2004 season until the 2007/2008 season. The amounts relating to the seasons up to the 2006/2007 season were the subject of provisional enforcement and were collected by Sogecable. However, Sogecable requested enforcement of the judgment in relation to the amounts for 2007/2008 which was rejected by the court since it considered that in reference to this point the judgment only contained a declaration and that it did not quantify the amounts owed by FCB for this season. Sogecable filed an appeal against this court decision and a judgment thereon is awaited.

On April 8, 2008, the Investigation Unit ("IU") of the Spanish Competition Commission resolved to initiate disciplinary proceedings, ex oficio, against different companies (including Sogecable and AVS) and 39 soccer clubs due to restrictive competitive practices which would affect the market for the acquisition of audiovisual rights relating to Spanish soccer events held on a regular basis and the market for the audiovisual exploitation of such rights. On August 27 the Investigation Unit of the Spanish Competition Commission prepared a statement of accusations in which the factual conclusions of its investigation are summarized. Also, on July 10, 2009, the Investigation Unit issued a resolution proposal. Sogecable and AVS filed pleadings against the aforementioned proposal, although to date a definitive resolution has not been issued.

On December 12, 2008, the CMT issued a resolution imposing a sanction against Sogecable for alleged repeated breaches of the requirements relating to the information prepared by the aforementioned company in relation to compliance with the terms and conditions of the Spanish Cabinet Resolution dated November 29, 2002, on which the integration of Vía Digital with Sogecable was conditional. The CMT also handed down a decision imposing a similar penalty against AVS. Both Sogecable and AVS have filed the corresponding appeals for judicial review against these decisions.

In January 2007 Prisacom, S.A. filed a complaint against Meristation Magazine, S.L. (Meristation) with a view to demanding performance of the terms and conditions of the purchase and sale contract entered into by the parties on January 16, 2002, and allowing the purchase option on the website www.meristation.com to be exercised by Prisacom. In November 2007 a judgment was handed down recognizing Prisacom's right and, in addition, ordered Meristation to pay Prisacom damages. Although Meristation filed an appeal in January 2008 against the judgment handed down at first instance, the Provincial Appellate Court confirmed the decision in June 2008 by allowing Prisacom to exercise the purchase option on the website, at the price agreed by the companies in January 2002. Also, the decision handed down by the Provincial Appellate Court obliged Meristation to take the steps required to enable Prisacom to formalize the purchase under the terms and conditions of the January 2002 agreement. In July 2008 Meristation filed an appeal against the decision of the Provincial Appellate Court at the Supreme Court. In early February 2010 the Supreme Court refused Meristation leave to proceed with the cassation and extraordinary appeals for procedural infringements, with the appellant ordered to pay costs. Meristation did not file an appeal for the protection of its constitutional rights against this decision. The procedures are underway for Prisacom to take control of the portal and the enforcement of the judgment is being prepared. Prisacom wishes to perform a preliminary audit of the company and is holding discussions with Meristation in this connection.

The Group's directors and the internal and external legal advisers do not expect any material liabilities not already recognized to arise for the Group as a result of the outcome of these lawsuits.

(31) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2009

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	December 2009 TAX GROUP (*)
EDUCATION					
Full consolidation					
Aguilar A.T.A., S.A. de Ediciones	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Ediciones Santillana, S.A. (Argentina)	1 share	
			Ítaca, S.L.	5.00%	
			Santillana Ediciones Generales, S.L.	95.00%	
Aguilar Chilena de Ediciones, S.A.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	Ítaca, S.L.	0.03%	
			Santillana Ediciones Generales, S.L.	99.97%	
Avalia Qualidade Educacional Ltda.	Avenida São Gabriel. 201 Andar 14 Cj. 1408-1409. CEP 01435-0001. Sao Paulo. Brazil	Publishing	Santillana Educación, S.L.	91.00%	
Canal de Editoriales, S.A.	Juan Bravo, 38. Madrid	Retail sales	Grupo Santillana de Ediciones, S.L.	99.14%	2/91
Constancia Editores, S.A.	Estrada da Outorela 118, 2795. Carnaxide Linda a Velha. Portugal	Publishing	Ítaca, S.L.	0.00%	
			Santillana Educación, S.L.	100.00%	
Distribuidora y Editora Aguilar A.T.A, S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	Ediciones Grazalema, S.L.	0.01%	
			Edicions Obradoiro, S.L.	0.01%	
			Edicions Voramar, S.A.	0.01%	
			Ítaca, S.L.	5.01%	
			Santillana Ediciones Generales, S.L.	94.97%	
Distribuidora y Editora Richmond, S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	Ediciones Grazalema, S.L.	0.10%	
			Edicions Obradoiro, S.L.	0.10%	
			Edicions Voramar, S.A.	0.10%	
			Ítaca, S.L.	4.80%	
			Santillana Educación, S.L.	94.90%	
Ediciones Aguilar Venezolana, S.A.	Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	Editorial Santillana, S.A. (Venezuela)	100.00%	
Ediciones Grazalema, S.L.	Rafael Beca Mateos, 3. Seville	Publishing	Ítaca, S.L.	0.02%	2/91
			Santillana Educación, S.L.	99.98%	
Ediciones Santillana Inc.	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	Santillana Educación, S.L.	100.00%	
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	Ítaca, S.L.	5.00%	
			Santillana Educación, S.L.	95.00%	
Ediciones Santillana, S.A. (Uruguay)	Constitución, 1889 - 11800. Montevideo. Uruguay	Publishing	Santillana Educación, S.L.	100.00%	
Edicions Obradoiro, S.L.	Ruela de Entrecercos. 2 2º B. 15705. Santiago de Compostela	Publishing	Ítaca, S.L.	0.01%	2/91
			Santillana Educación, S.L.	99.99%	
Edicions Voramar, S.A.	Valencia, 44. 46210. Pincaya. Valencia	Publishing	Ítaca, S.L.	0.01%	2/91
			Santillana Educación, S.L.	99.99%	
Editora Fontanar, Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Municipio do Rio de Janeiro. Brazil	Publishing	Editora Moderna Ltda.	3 shares	
			Editora Objetiva, Ltda.	99.96%	
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brazil	Publishing	Santillana Educación, S.L.	100.00%	
Editora Objetiva Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Municipio do Rio de Janeiro. Brazil	Publishing	Santillana Ediciones Generales, S.L.	75.00%	
Editorial Nuevo México, S.A. de C.V.	Tenayuca N° 107. Col Vértiz Narvarte. Mexico City. Mexico	Publishing	Editorial Santillana, S.A. de C.V. (Mexico)	0.00%	
			Lanza, S.A. de C.V.	100.00%	
Editorial Santillana, S.A. (Colombia)	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	Ediciones Grazalema, S.L.	0.00%	
			Edicions Obradoiro, S.L.	0.00%	
			Edicions Voramar, S.A.	0.00%	
			Ítaca, S.L.	5.10%	
			Santillana Educación, S.L.	94.90%	
Editorial Santillana, S.A. (Guatemala)	7ª Avenida 11-11. Zona 9. Guatemala	Publishing	Ítaca, S.L.	0.01%	
			Santillana Educación, S.L.	99.99%	
Editorial Santillana, S.A. (Honduras)	Colonia Lomas de Tepeyac. Casa No. 1626, contiguo al Autobanco Cuscatlan.	Publishing	Ítaca, S.L.	1.00%	
	Boulevard Juan Pablo II. Tegucigalpa. Honduras		Santillana Educación, S.L.	99.00%	
Editorial Santillana, S.A. (Dominican Republic)	Juan Sánchez Ramírez, 9. Gazcue. Santo Domingo. Dominican Republic	Publishing	Santillana Educación, S.L.	99.95%	
			Other companies Grupo Santillana de Ediciones, S.L.	0.05%	
Editorial Santillana, S.A. (Venezuela)	Rómulo Gallegos. Edificio Zulia 1º. Caracas. Venezuela	Publishing	Santillana Educación, S.L.	100.00%	
Editorial Santillana, S.A. de C.V. (El Salvador)	Siemens, 48 Zona Industrial Santa Elena. La Libertad. El Salvador	Publishing	Ítaca, S.L.	0.05%	
			Santillana Educación, S.L.	99.95%	
Editorial Santillana, S.A. de C.V. (Mexico)	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	Editorial Nuevo México, S.A. de C.V.	1 share	
			Lanza, S.A. de C.V.	100.00%	
Grup Promotor D'Ensenyement i Difussió en Catalá, S.L.	Frederic Mompou, 11. V. Olímpica. Barcelona	Publishing	Promotora de Informaciones, S.A.	0.01%	2/91
			Santillana Educación, S.L.	99.99%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2009

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
Grupo Santillana de Ediciones, S.L.	Torrelaguna, 60. Madrid	Publishing	Ítaca, S.L.	0.00%	2/91
			Promotora de Informaciones, S.A.	100.00%	
Instituto Universitario de Posgrado, S.A.	Torrelaguna, 60. Madrid	Complementary educational services	Santillana Formación, S.L.	52.00%	
Ítaca, S.L.	Torrelaguna, 60. Madrid	Book distribution	Grupo Santillana de Ediciones, S.L.	99.98%	2/91
			Promotora de Informaciones, S.A.	0.02%	
Lanza, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Creation, development and management of companies	Editorial Santillana, S.A. de C.V. (Mexico)	0.00%	
			Santillana Educación, S.L.	100.00%	
N. Editorial, S.L.	Torrelaguna, 60. Madrid	Publishing	Grupo Santillana de Ediciones, S.L.	99.99%	2/91
			Promotora de Informaciones, S.A.	0.01%	
Richmond Educaçâo, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brazil	Publishing	Editora Moderna, Ltda.	100.00%	
			Ítaca, S.L.	1 share	
Richmond Publishing, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	Editorial Santillana, S.A. de C.V. (Mexico)	0.02%	
			Lanza, S.A. de C.V.	99.98%	
Salamandra Editorial, Ltda.	Rua Urbano Santos 160. Sao Paulo. Brazil	Publishing	Editora Moderna, Ltda.	100.00%	
			Ítaca, S.L.	1 share	
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	Ítaca, S.L.	0.01%	
			Santillana Educación, S.L.	99.99%	
Santillana, S.A. (Ecuador)	Avenida Eloy Alfaro. N33-347 y 6 de Diciembre. Quito. Ecuador	Publishing	Santillana Educación, S.L.	100.00%	
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	Ediciones Santillana, S.A. (Argentina)	0.02%	
			Santillana Educación, S.L.	99.98%	
Santillana, S.A. (Peru)	Avenida Primavera 2160. Santiago de Surco. Lima. Peru	Publishing	Santillana Educación, S.L.	95.00%	
Santillana Canarias, S.L.	Urbanización El Mayorazgo. Parcela 14, 2-7B. Santa Cruz de Tenerife	Publishing	Ítaca, S.L.	1.00%	2/91
			Santillana Educación, S.L.	99.00%	
Santillana de Ediciones, S.A.	Avenida Arce. 2333. La Paz. Bolivia	Publishing	Ítaca, S.L.	0.15%	
			Santillana Ediciones Generales, S.L.	0.15%	
			Santillana Educación, S.L.	99.70%	
Santillana del Pacífico, S.A. de Ediciones.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	Ítaca, S.L.	1 share	
			Santillana Educación, S.L.	100.00%	
Santillana Ediciones Generales, S.L.	Torrelaguna, 60. Madrid	Publishing	Grupo Santillana de Ediciones, S.L.	100.00%	2/91
			Ítaca, S.L.	0.00%	
Santillana Ediciones Generales, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	Lanza, S.A. de C.V.	4.78%	
			Santillana Ediciones Generales, S.L.	95.22%	
Santillana Educación, S.L.	Torrelaguna, 60. Madrid	Publishing	Grupo Santillana de Ediciones, S.L.	100.00%	2/91
			Ítaca, S.L.	0.00%	
Santillana Formación, S.L.	Torrelaguna, 60. Madrid	Complementary educational services	Grupo Santillana de Ediciones, S.L.	100.00%	2/91
			Ítaca, S.L.	0.01%	
Santillana Formación, S.L. (Colombia)	Calle 73. Nº 7-31. P8 TO B. Bogotá. Colombia	Consultancy services for the obtainment of quality certification by schools	Distribuidora y Editora Richmond S.A.	1.00%	
			Santillana Educación, S.L.	99.00%	
Santillana USA Publishing Co. Inc.	2105 NW 86th Avenue. Doral. Florida. US	Publishing	Grupo Santillana de Ediciones, S.L.	100.00%	
Uno Educaçâo, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brazil	Publishing	Editora Moderna, Ltda.	100.00%	
			Ítaca, S.L.	1 share	
Zubia Editoriala, S.L.	Polígono Lezama Leguizamon. Calle 31. Etxebarri. Vizcaya	Publishing	Promotora de Informaciones, S.A.	0.10%	2/91
			Santillana Educación, S.L.	99.90%	
Proportionate consolidation					
Historia para Todos, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Worldwide publishing in any language (mainly Spanish), of works preferably related to the history of Mexico and its main figures, particularly the Centenary of the Mexican Revolution and the Bicentenary of Independence, in any format or medium	Santillana Ediciones Generales, S.A. de C.V.	50.00%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2009

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009	
				PERCENTAGE OF OWNERSHIP	TAX GROUP (*)
PRESS					
EL PAÍS					
Full consolidation					
Agrupación de Servicios de Internet y Prensa, A.I.E.	Valentín Beato, 44. Madrid	Administrative, technological and legal services and the distribution of written and digital media	Diario El País, S.L.	93.60%	
			Grupo Empresarial de Medios Impresos, S.L.	5.90%	
			Prisacom, S.A.	0.50%	
Box News Publicidad, S.L. *(formerly Box News Comunicación, S.L.)*	Gran Vía, 32. Madrid	Advertising services and public relations	Diario El País, S.L.	70.00%	2/91
			Grupo Empresarial de Medios Impresos, S.L.	30.00%	
Diario El País, S.L.	Miguel Yuste, 40. Madrid	Publication and operation of El País newspaper	Promotora de Informaciones, S.A.	100.00%	2/91
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina	Diario El País, S.L.	88.81%	
			Diario El País México, S.A. de C.V.	11.19%	
Diario El País Do Brasil Distribuidora de Publicaçoes, LTDA.	Rua Padre Adelino. 758 Belezinho. CEP 03303-904. Sao Paulo. Brazil	Operation of El País newspaper in Brazil	Diario El País, S.L.	99.99%	
			Prisa División Internacional, S.L.	0.01%	
Diario El País México, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Operation of El País newspaper in Mexico	Diario El País, S. L.	88.82%	
			Lanza, S.A. de C.V.	1 share	
			Promotora de Informaciones, S.A.	11.18%	
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper	Diario El País, S.L.	99.99%	2/91
Pressprint, S.L.U.	Miguel Yuste, 40. Madrid	Production, printing, publication and distribution of publishing products in physical and digital format	Diario El País, S.L.	100.00%	2/91
TRADE PRESS					
Full consolidation					
Diario As, S.L.	Albasanz, 14. Madrid	Publication and operation of As newspaper	Grupo Empresarial de Medios Impresos, S.L.	75.00%	2/91
Espacio Editorial Andaluza Holding, S.L.	Gran Vía, 32. Madrid	Ownership of shares of publishing companies	Grupo Empresarial de Medios Impresos, S.L.	100.00%	2/91
Estructura, Grupo de Estudios Económicos, S.A.	Gran Vía, 32. Madrid	Publication and operation of Cinco Días newspaper	Grupo Empresarial de Medios Impresos, S.L.	100.00%	2/91
			Promotora de Informaciones, S.A.	0.00%	
Grupo Empresarial de Medios Impresos, S.L.	Gran Vía, 32. Madrid	Ownership of shares of publishing companies	Promotora de Informaciones, S.A.	100.00%	2/91
Gestión de Medios de Prensa, S.A.	Gran Vía, 32. Madrid	Provision of shared services for regional and local newspapers	Grupo Empresarial de Medios Impresos, S.L.	50.82%	
Promotora General de Revistas, S.A.	Julián Camarillo, 29B. Madrid	Publication production and operation of magazines	Grupo Empresarial de Medios Impresos, S.L.	99.96%	2/91
			Promotora de Informaciones, S.A.	0.04%	
Equity method					
Box News Publicidad, S.L. *(formerly Box News Comunicación, S.L.)*	Gran Vía, 32. Madrid	Advertising services and public relations	Diario El País, S.L.	70.00%	2/91
			Grupo Empresarial de Medios Impresos, S.L.	30.00%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2009

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	December 2009 TAX GROUP (*)
RADIO					
RADIO IN SPAIN					
Full consolidation					
Algarra, S.A.	García Lovera, 3. Cordoba	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	194/09
Antena 3 de Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	64.64%	194/09
			Unión Radio Servicios Corporativos, S.A.	34.78%	
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	99.56%	194/09
Antena 3 de Radio de Melilla, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	194/09
Avante Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Radio Club Canarias, S.A.	3.33%	194/09
			Radio Murcia, S.A.	3.33%	
			Sociedad Española de Radiodifusión, S.L.	93.34%	
Cantabria de Medios, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Propulsora Montañesa, S. A.	100.00%	194/09
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	97.03%	194/09
Corporación Canaria de Información y Radio, S.A.	General Balmes s/n. Las Palmas de Gran Canaria	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	194/09
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	50.00%	
Frecuencia del Principado, S.A.	Jovellanos 1, Gijón	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	194/09
Gestión de Marcas Audiovisuales, S.A.	Gran Vía, 32. Madrid	Production and recording of sound media	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	194/09
Gran Vía Musical de Ediciones, S.L.	Gran Vía, 32. Madrid	Provision of music services	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	194/09
Iniciativas Radiofónicas, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	93.42%	194/09
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	Ediciones LM, S.L.	40.00%	
			Sociedad de Servicios Radiofónicos Unión Radio, S.L.	50.00%	
La Palma Difusión, S.A.	Almirante Díaz Pimienta, 10. Los Llanos de Aridane. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	194/09
Onda La Finojosa, S.A.	Limosna, 2. Hinojosa del Duque. Cordoba	Operation of radio broadcasting stations	Algarra, S.A.	100.00%	194/09
Onda Musical, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	49.01%	194/09
			Sociedad Española de Radiodifusión, S.L.	16.68%	
			Unión Radio Servicios Corporativos, S.A.	34.30%	
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	46.25%	
Propulsora Montañesa, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	90.07%	194/09
Radio 30, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	Radio Murcia, S.A.	100.00%	194/09
Radio Club Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	95.00%	194/09
Radio España de Barcelona, S.A.	Caspe, 6. Barcelona	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	99.32%	194/09
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	83.33%	194/09
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Compañía Aragonesa de Radiodifusión, S.A.	66.00%	194/09
			Sociedad Española de Radiodifusión, S.L.	24.00%	
Radiodifusora de Navarra, S.A.	Polígono Plazaola. Manzana F - 2ºA. Pamplona	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	100.00%	194/09
Sociedad de Servicios Radiofónicos Unión Radio, S.L.	Gran Vía, 32. Madrid	Provision of services to radio broadcasting companies	Promotora de Informaciones, S.A.	73.49%	
Sociedad Española de Radiodifusión, S.L.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	99.99%	194/09
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	74.60%	
Sociedad de Radiodifusión Aragonesa, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	50.00%	
Societat de Comunicacio i Publicidat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany. Andorra	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	100.00%	
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	Antena 3 de Radio, S.A.	50.00%	
Talavera Visión, S.L.	Plaza Cervantes 6 4º. Ciudad Real	Operation of radio broadcasting stations	Valdepeñas Comunicación, S.L.	100.00%	
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Algarra, S.A.	0.95%	194/09
			Compañía Aragonesa de Radiodifusión, S.A.	4.14%	
			Propulsora Montañesa, S. A.	0.95%	
			Radio España de Barcelona, S.A.	1.58%	
			Sociedad Española de Radiodifusión, S.L.	71.64%	
Teleradio Pres, S.L.	Avenida de la Estación, 5 Bajo. Albacete	Media management	Antena 3 de Radio, S.A.	75.10%	
Unión Radio Digital, S.A.	Gran Vía, 32. Madrid	Operation of digital radio broadcasting concession	Antena 3 de Radio, S.A.	40.00%	194/09
			Sociedad Española de Radiodifusión, S.L.	60.00%	
Unión Radio Servicios Corporativos, S.A.	Gran Vía, 32. Madrid	Holdings in radio broadcasting companies	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	100.00%	194/09
Valdepeñas Comunicación, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	50.00%	
Equity method					
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	35.99%	
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32. Andorra	Operation of radio broadcasting stations	Sociedad de Servicios Radiofónicos Unión Radio, S.L.	33.00%	

(*) Consolidated tax group Sociedad de Servicios Radiofónicos Unión Radio, S.L.: 194/09

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: DECEMBER 2009

APPENDIX I

				December 2009	
COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	PERCENTAGE OF OWNERSHIP	TAX GROUP
INTERNATIONAL RADIO					
Full consolidation					
Abril, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Inactive	Comercializadora Iberoamericana Radio Chile, S.A.	0.00%	
			Iberoamericana Radio Chile, S.A.	100.00%	
Aurora, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Inactive	Comercializadora Iberoamericana Radio Chile, S.A.	0.02%	
			Iberoamerican Radio Holding Chile, S.A.	99.98%	
Blaya y Vega, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Advertising sales	Comercializadora Iberoamericana Radio Chile, S.A.	0.00%	
			Radiodifusion Iberoamerican Chile S.A.	100.00%	
Caracol, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	77.05%	
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida, US	Operation of radio broadcasting stations	GLR Broadcasting LLC	100.00%	
Caracol Estéreo, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	77.04%	
CHR, Cadena Hispanoamericana de Radio, S.A.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	48.15%	
			Caracol Estéreo, S.A.	46.79%	
			Compañía de Comunicaciones C.C.C. Ltda.	0.00%	
			Promotora de Publicidad Radial, S.A.	5.06%	
			Radio Mercadeo, Ltda.	0.00%	
Comercializadora Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	GLR Chile Ltda .	99.84%	
			Sociedad Española de Radiodifusión, S.L.	0.16%	
Compañía de Comunicaciones C.C.C. Ltda.	Calle 67 Nº 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	43.45%	
			Caracol Estéreo, S.A.	11.13%	
			Ecos de la Montaña Cadena Radial Andina, S.A.	4.42%	
			Sociedad Española de Radiodifusión, S.L.	16.72%	
			Promotora de Publicidad Radial, S.A.	19.27%	
Compañía de Radios, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Sale of advertising and rental of advertising space	Comercializadora Iberoamericana Radio Chile, S.A.	0.08%	
			Iberoamerican Radio Holding Chile, S.A.	99.92%	
Comunicaciones del Pacífico, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation and management of TV channels and radio stations	Comercializadora Iberoamericana Radio Chile, S.A.	66.66%	
			Iberoamericana Radio Chile, S.A.	33.33%	
Comunicaciones Santiago, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Iberoamericana Radio Chile, S.A.	25.00%	
			Sociedad Radiodifusora del Norte, Ltda.	75.00%	
Consorcio Radial de Panamá, S.A	Urbanización Obarrio, Calle 54 Edificio Caracol. Panama	Advisory services and commercialisation of services and products in general, and in particular to Green Emerald Business Inc.	Sociedad Española de Radiodifusión, S.L.	100.00%	
Corporación Argentina de Radiodifusión, S.A.	Beazley 3860. Buenos Aires. Argentina	Operation of radio broadcasting stations	Ediciones Santillana, S.A. (Argentina)	0.60%	
			GLR Services Inc.	99.40%	
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	76.80%	
Emisora Mil Veinte, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	75.72%	
Fast Net Comunicaciones, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Telecommunications and radio broadcasting services	Comunicaciones Santiago, S.A.	99.00%	
			Iberoamericana Radio Chile, S.A.	1.00%	
GLR Broadcasting, LLC	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami. FL 33137. US	Operation of radio broadcasting stations	GLR Services Inc.	100.00%	
GLR Chile Ltda	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Caracol, S.A.	0.00%	
			Sociedad Española de Radiodifusión, S.L.	100.00%	
GLR Colombia, Ltda.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Provision of services to radio broadcasting companies	Sociedad Española de Radiodifusión, S.L.	99.00%	
			Prisa División Internacional, S.L.	1.00%	
GLR Midi France, S.A.R.L.	Immeuble Le Periscope, 83-87 Av. d´Italie. Paris. France	Radio broadcasting	Sociedad Española de Radiodifusión, S.L.	40.00%	
			Prisa División Internacional, S.L.	20.00%	
GLR Networks, LLC	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami. FL 33137. US	Provision of services to radio broadcasting companies	GLR Services Inc.	100.00%	
GLR Services Inc.	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami. FL 33137. US	Provision of services to radio broadcasting companies	Sociedad Española de Radiodifusión, S.L.	100.00%	
GLR Southern California, LLC	3500 Olive Avenue Suite 250 Burbank, CA 91505. US	Provision of services to radio broadcasting companies	GLR Broadcasting LLC	100.00%	
Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Sale of advertising	Grupo Latino de Radiodifusion Chile Ltda.	100.00%	
			Sociedad Española de Radiodifusión, S.L.	0.00%	
Iberoamerican Radio Holding Chile, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Holdings and sale of advertising space	Comercializadora Iberoamericana Radio Chile, S.A.	0.00%	
			Iberoamericana Radio Chile, S.A.	100.00%	
La Voz de Colombia	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	0.01%	
			Sociedad Española de Radiodifusión, S.L.	75.64%	
LS4 Radio Continental, S.A	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	Corporación Argentina de Radiodifusión, S.A.	30.00%	
			GLR Services Inc.	70.00%	
Promotora de Publicidad Radial, S.A.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Sociedad Española de Radiodifusión, S.L.	77.04%	
Publicitaria y Difusora del Norte Ltda.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Radio broadcasting	Comercializadora Iberoamericana Radio Chile, S.A.	99.00%	
			Iberoamericana Radio Chile, S.A.	1.00%	
Radiodifusion Iberoamerican Chile S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Holdings	Iberoamericana Radio Chile S.A.	100.00%	
Radio Estéreo, S.A	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	Corporación Argentina de Radiodifusión, S.A.	30.00%	
			GLR Services Inc.	70.00%	

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: December 2009

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	December 2009 TAX GROUP (*)
Radio Mercadeo, Ltda.	Calle 67. Nº 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	Caracol, S.A.	29.85%	
			Caracol Estéreo, S.A.	0.35%	
			Ecos de la Montaña Cadena Radial Andina, S.A.	0.01%	
			Emisora Mil Veinte, S.A.	0.35%	
			Sociedad Española de Radiodifusión, S.L.	48.40%	
			Promotora de Publicidad Radial, S.A.	0.35%	
Sociedad Radiodifusora del Norte, Ltda.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	Comercializadora Iberoamericana Radio Chile, S.A.	80.00%	
			Iberoamericana Radio Chile S.A	20.00%	
Sociedad de Radiodifusión El Litoral, S.A.	Eliodoro Yañex. Nº 1783. Comuna Providencia Santiago. Chile	Rental of equipment and advertising sales	Comercializadora Iberoamericana Radio Chile, S.A.	0.10%	
			Radiodifusion Iberoamerican Chile S.A.	99.90%	
W3 Comm Inmobiliaria, S.A. de C.V.	Carretera Libre Tijuana. Ensenada 3100. Rancho Altamira Blvd Popotla y Camino al FRACC Misión del Mar. Playas de Rosarito. Baja California. US	Real estate development services	Prisa División Internacional, S.L.	1 share	
			Sociedad Española de Radiodifusión, S.L.	99.99%	
Proportionate consolidation					
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.01%	
			Sistema Radiópolis, S.A. de C.V.	99.99%	
GLR Costa Rica, S.A.	Llorente de Tibás. Edifico La Nación. San José. Costa Rica	Radio broadcasting	Sociedad Española de Radiodifusión, S.L.	50.00%	
Radio Comerciales, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	0.03%	
			Sistema Radiópolis, S.A. de C.V.	99.97%	
Radio Melodía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%	
			Radio Comerciales, S.A. de C.V.	1.00%	
Radio Tapatía, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%	
			Radio Comerciales, S.A. de C.V.	1.00%	
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.01%	
			Sistema Radiópolis, S.A. de C.V.	99.99%	
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.00%	
			Sistema Radiópolis, S.A. de C.V.	100.00%	
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	Radio Comerciales, S.A. de C.V.	0.00%	
			Xezz, S.A. de C.V.	100.00%	
Sistema Radiópolis, S.A. de C.V.	Avenida Vasco de Quiroga 2000. Mexico City. Mexico	Operation of radio broadcasting stations	Sociedad Española de Radiodifusión, S.L.	50.00%	
Xezz, S.A. de C.V.	Rubén Darío nº 158. Guadalajara. Mexico	Operation of radio broadcasting stations	Cadena Radiodifusora Mexicana, S.A. de C.V.	99.00%	
			Radio Comerciales, S.A. de C.V.	1.00%	
Equity method					
El Dorado Broadcasting Corporation	2100 Coral Way. Miami. Florida. US	Development of the Latin radio market in the US	GLR Services INC.	25.00%	
Green Emerald Business Inc.	Calle 54. Obarrio Nº 4. Ciudad de Panamá. Panama	Development of the Latin radio market in Panama	Sociedad Española de Radiodifusión, S.L.	34.95%	
WSUA Broadcasting Corporation	2100 Coral Way. Miami. Florida. US	Radio broadcasting	El Dorado Broadcasting Corporation	100.00%	
W3 Comm Concesionaria, S.A. de C.V.	Carretera Libre Tijuana. Ensenada 3100. Rancho Altamira Blvd Popotla y Camino al FRACC Misión del Mar. Playas de Rosarito. Baja California. US	Advisory services on business administration and organisation	Sociedad Española de Radiodifusión, S.L.	48.98%	
MUSIC					
Full consolidation					
Compañía Discográfica Muxxic Records, S.A.	Gran Vía, 32. Madrid	Production and recording of sound media	Gran Vía Musical de Ediciones, S.L.	100.00%	194/09
			Nova Ediciones Musicales, S.A.	1 share	
Gran Vía Musical, S.A.S.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Provision of music services	Gran Vía Musical de Ediciones, S.L.	100.00%	
Lirics and Music, S.L.	Gran Vía, 32. Madrid	Music publishing	Gran Vía Musical de Ediciones, S.L.	100.00%	194/09
Media Festivals, S.A.	Gran Vía, 32. Madrid	Production and organisation of shows and events	Gran Vía Musical de Ediciones, S.L.	99.97%	194/09
			Nova Ediciones Musicales, S.A.	0.03%	
Merchandising On Stage, S.L.	Ulises, 49. 28043. Madrid	Production and/or import of textile articles, jewellery, graphic materials, phonographic and/or audiovisual media and the related silkscreen printing, embossing or printing by any means or process	Gran Vía Musical de Ediciones, S.L.	70.00%	
Nova Ediciones Musicales, S.A.	Gran Vía, 32. Madrid	Music publishing	Gran Vía Musical de Ediciones, S.L.	100.00%	194/09
			Promotora de Informaciones, S.A.	1 share	
Planet Events, S.A.	Gran Vía, 32. Madrid	Production and organisation of shows and events	Gran Vía Musical de Ediciones, S.L.	70.00%	
			Nova Ediciones Musicales, S.A.	0.01%	
RLM Colombia, S.A.S.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Production and organisation of shows and events	RLM, S.A.	100.00%	
RLM, S.A.	Puerto de Santa María, 65. 28043. Madrid	Production and organisation of shows and events	Gran Vía Musical de Ediciones, S.L.	70.00%	
Sogecable Música, S.L.	Gran Vía, 32. Madrid	Creation, broadcasting, distribution and operation of thematic television channels	Gran Vía Musical de Ediciones, S.L.	100.00%	

(*) Consolidated tax group Sociedad de Servicios Radiofónicos Unión Radio, S.L.: 194/09

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: December 2009

APPENDIX I

COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	December 2009 TAX GROUP (*)
AUDIOVISUAL					
SOGECABLE					
Full consolidation					
Audiovisual Sport, S.L.	Calle Diagonal, 477. Barcelona	Management and distribution of audiovisual rights	Sogecable, S.A.U.	80.00%	2/91
CanalSatélite Digital, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	Compañía Independiente de Televisión, S.L.	2 shares	2/91
			Sogecable, S.A.U.	100.00%	
Centro de Asistencia Telefónica, S.A.	Campezo,1. Madrid	Provision of services	Compañía Independiente de Televisión, S.L.	0.39%	2/91
			Sogecable, S.A.U.	99.61%	
Compañía Independiente de Televisión, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management and exploitation of audiovisual rights	Sociedad General de Cine, S.A.	0.05%	2/91
			Sogecable, S.A.U.	99.95%	
Cinemanía, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Operation of thematic television channels	Compañía Independiente de Televisión, S.L.	90.00%	2/91
			Sogecable, S.A.U.	10.00%	
DTS, Distribuidora de Televisión Digital, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	Compañía Independiente de Televisión, S.L.	0.00%	2/91
			Sogecable, S.A.U.	100.00%	
Promotora Audiovisual de Colombia PACSA, S.A.	Calle 70. Nº 4-60. 11001. Bogotá. Colombia	Audiovisual and communication activities	Grupo Latino de Publicidad Colombia, Ltda.	1.00%	
			Promotora de Actividades Audiovisuales de Colombia, Ltda.	1.00%	
			Sogecable, S.A.U.	53.00%	
Sociedad General de Cine, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Production and management of audiovisual rights	Compañía Independiente de Televisión, S.L.	0.00%	2/91
			Sogecable, S.A.U.	100.00%	
Sogecable, S.A.U.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Operation of TV activities	Promotora de Informaciones, S.A.	100.00%	2/91
Sogecable Editorial, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management of intellectual property rights	Compañía Independiente de Televisión, S.L.	0.07%	2/91
			Sogecable, S.A.U.	99.93%	
Sogecable Media, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Sale of advertising space	Sogecable, S.A.U.	100.00%	2/91
Sogepaq, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management and distribution of audiovisual rights	Sociedad General de Cine, S.A.	0.00%	2/91
			Sogecable, S.A.U.	100.00%	
Vía Atención Comunicación, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Provision of digital TV services	DTS, Distribuidora de Televisión Digital, S.A.	100.00%	2/91
Equity method					
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalogue sales	Sogecable, S.A.U.	25.00%	
Canal + Investment Inc.	Beverly Hills. California. US	Film production	Sogecable, S.A.U.	60.00%	
Compañía Independiente de Noticias de TV, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	Sogecable, S.A.U.	50.00%	
LOCAL TELEVISION					
Full consolidation					
Axarquía Visión, S.A.	Paseo de Reding, 7. Malaga	Provision of local television services	Málaga Altavisión, S.A.	80.00%	
Canal 4 Navarra, S.L.	Avenida Sancho el Fuerte, 18. Pamplona	Production and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Canal 4 Navarra Digital, S.A.	Polígono Industrial Cordovilla. Navarra	Provision of local television services	Canal 4 Navarra, S.L.	100.00%	2/91
Collserola Audiovisual, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Provision of local television services	Legal Affairs Consilium, S.L.	92.00%	2/91
			Promotora de Emisoras de Televisión, S.A.	0.50%	
Comunicación Radiofónica, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Comunicaciones y Medios Audiovisuales Tele Alcalá, S.L.	Encomienda, 33. Alcalá de Henares. Madrid	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Legal Affairs Consilium, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Localia TV Madrid, S.A.	Gran Vía, 32. Madrid	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
			Promotora de Emisoras, S.L	1 share	
Localia TV Valencia, S.A.	Don Juan de Austria 3. 46002. Valencia	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Málaga Altavisión, S.A.	Paseo de Reding, 7. Malaga	Production and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A.	87.24%	2/91
Marbella Digital Televisión, S.A.	Paseo de Reding, 7. Malaga	Provision of local television services	Málaga Altavisión, S.A.	100.00%	2/91
Productora Asturiana de Televisión, S.A.	Asturias, 19. Oviedo	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	59.99%	
Productora Audiovisual de Badajoz, S.A.	Ramón Albarrán, 2. Badajoz	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	61.45%	
Productora Audiovisual de Mallorca, S.A.	Puerto Rico, 15. Palma de Mallorca	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	99.84%	2/91
Productora de Comunicación Toledo, S.A.	Carreteros, 1. Toledo	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Productora de Televisión de Córdoba, S.A.	Amatista s/n. Polígono El Granadall. Cordoba	Provision of local television services	Localia TV Madrid, S.A.	0.01%	2/91
			Promotora de Emisoras de Televisión, S.A.	99.99%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION: December 2009

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	December 2009 TAX GROUP (*)
Productora Digital de Medios Audiovisuales, S.A.	Juan de la Cierva, 72. Polígono Industrial Prado Regordoño. Móstoles. Madrid	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Productora Extremeña de Televisión, S.A.	J. M. R. "Azorín". Edificio Zeus. Polígono La Corchera. Mérida. Badajoz	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	66.00%	
Promociones Audiovisuales Sevillanas, S.A.	Rafael González Abreu, 3. Seville	Production and broadcasting of videos and TV programmes	Promotora de Emisoras de Televisión, S.A.	100.00%	
Promoción de Actividades Audiovisuales en Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	TV communication activities in the Canary Islands	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Promotora Audiovisual de Zaragoza, S.L.	Emilia Pardo Bazán, 18. Zaragoza	Provision of local television services	Localia TV Madrid, S.A.	0.10%	2/91
			Promotora de Emisoras de Televisión, S.A.	99.90%	
Promotora de Emisoras, S.L	Gran Vía, 32. Madrid	Radio broadcasting services	Promotora de Informaciones, S.A.	100.00%	2/91
Promotora de Emisoras de Televisión, S.A.	Gran Vía, 32. Madrid	Operation of TV channels	Promotora de Emisoras, S.L.	75.00%	2/91
			Promotora de Informaciones, S.A.	25.00%	
Telecomunicaciones Antequera, S.A.	Aguardenteros, 15. Antequera. Malaga	Provision of local television services	Málaga Altavisión, S.A.	100.00%	2/91
Televisión Ciudad Real, S.L.	Ronda Carmen, 4. Ciudad Real	Production, broadcasting, publication and distribution of all manner of communication media and advertising activities	Promotora de Emisoras de Televisión, S.A.	75.10%	2/91
Televisión, Medios y Publicidad, S.L.	Quitana, 38. Alicante	Provision of television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
TV Local Eivissa, S.L.	Avenida San Jordi s/n. Edificio Residencial. Ibiza	Provision of television services	Promotora de Emisoras de Televisión, S.A.	100.00%	2/91
Equity method					
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.	Calle País Valenciano 5. Ciudad Real	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	33.33%	
Riotedisa, S.A.	Avenida de Portugal, 12. Logroño	Audiovisual productions for TV	Promotora de Emisoras de Televisión, S.A.	49.00%	
Televisión Digital de Baleares, S.L.	Avenida Setze de Juliol, 53. Palma de Mallorca	Provision of local television services	Promotora de Emisoras de Televisión, S.A.	0.09%	
			Televisión, Medios y Publicidad, S.L.	39.91%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	December 2009 TAX GROUP (*)
MEDIA CAPITAL					
Full consolidation					
Agenciamiento e Produçao de Espectáculos, Lda. (EVENTOS SPOT)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Production and promotion of concerts and musical events in Portugal and abroad	Produçao de Eventos, Lda. (MEDIA CAPITAL ENTERTAINMENT)	50.00%	
Argumentos para Audiovisual, Lda. (CASA DA CRIAÇAO)	Avenida Liberdade. Nº 144/156 - 6º Dto. 1250-146. Lisbon. Portugal	Creation, development, translation and adaptation of texts and ideas for television programmes, films, entertainment, advertising and theatre	Plural Entertainment Portugal, S.A.	100.00%	
Chip Audiovisual, S.A.	Coso, 100 . Planta 3ª puerta 4-50001. Zaragoza	Audiovisual productions for TV	Factoría Plural, S.L.	50.00%	
Desenvolvimento de Sistemas de Comunicaçao, S.A. (MEDIA CAPITAL TECHNOLOGIES)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Development, maintenance and commercial operation of computer hardware and programs; management of multimedia content (images, sound, text and data)	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Editora Multimédia, S.A. (MULTIMEDIA)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, multimedia production, distribution, consultancy, sales (mail order, telephone and other) of goods and services as well as the acquisition, supply, preparation and dissemination of journalism by any means	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Emissoes de Radiodifusao, S.A. (REGIONAL RADIO OF LISBON)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting	Media Capital Rádios, S.A (MCR II)	100.00%	
Empresa de Meios Audiovisuais, Lda. (EMAV)	Quinta Do Olival Das Minas. Lote 9. Vialonga. 2625-577. Vialonga. Portugal	Purchase, sale and rental of audiovisual media (cameras, videos, special filming and lighting equipment, cranes, rails, etc.)	Plural Entertainment Portugal, S.A.	100.00%	
Empresa Portuguesa de Cenários, Lda. (EPC)	Quinta Do Olival Das Minas. Lote 9. Vialonga. 2625-577. Vialonga. Portugal	Design, construction and installation of decorating accessories	Plural Entertainment Portugal, S.A.	100.00%	
Factoría Plural, S.L.	Calle Biarritz, 2. 50017 Zaragoza	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	51.00%	
Grupo Media Capital, SGPS, S.A.	Rua Mário Castlhano nº 40. Queluz de Baixo. Portugal	Holdings	Vertix, SGPS, S.A	94.69%	
Kimberley Trading, S.A. (KIMBERLEY)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Performance of any TV-related activity such as the installation, management and operation of any TV channel or infrastructure	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Lúdicodrome Editora Unipessoal, Lda.	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, multimedia production, distribution, consultancy, sale (mail order, telephone or other) of goods and services disseminated via catalogues, magazines, newspapers, printed or audiovisual media	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Música e Entretenimento, S.A (MCME)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, graphic arts and the reproduction of recorded media: magazines, audio publication, video reproduction and the provision of services related to music, the radio, television, film, theatre and literary magazines	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Produçoes, S.A. (MCP)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Design, development, production, promotion, sale, acquisition, exploitation rights, recording, distribution and dissemination of audiovisual media	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Capital Produçoes - Investimentos, SGPS, S.A.	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Holdings	Media Capital Produçoes, S.A. (MCP)	100.00%	
Media Capital Rádios, S.A (MCR II)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Provision of services in the areas of accounting and financial consultancy; performance of radio broadcasting activities in the areas of the production and transmission of radio programmes	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Media Global, SGPS, S.A. (MEGLO)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Holdings	Grupo Media Capital, SGPS, S. A.	100.00%	
Multimedia, S.A. (CLMC)	Rua de Santo Amaro à Estrela. Nº 17 A. 1249-028. Lisbon. Portugal	Distribution of film activities, video, radio, television, audiovisual and multimedia production and commercial exploitation thereof	Media Global, SGPS, S.A.(MEGLO)	90.00%	
NBP Brasil, S.A.	Rua Padre Adelino. Nº 758, 3º andar, Quarta Parada. CEP 03303-904. Brazil	Inactive	Media Capital Produçoes - Investimentos, SGPS, S.A. Plural Entertainment Portugal, S.A.	0.01% 99.99%	
Plural Entertainment Canarias, S.L.	Dársena Pesquera. Edificio Plató del Atlántico. San Andrés 38180. Santa Cruz de Tenerife	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	100.00%	
Plural Entertainment España, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	Media Capital Produçoes - Investimentos, SGPS, S.A.	100.00%	2/91
Plural Entertainment Inc.	1680 Michigan Avenue. Suite 730. Miami Beach. US	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	100.00%	
Plural Entertainment Portugal, S.A.	R. José Falcao. 57 - 3º Dt. 1000-184. Lisbon. Portugal	Production of video and film, organisation of shows, rental of sound and lighting, advertising, sales and representation of registered videos	Media Capital Produçoes - Investimentos, SGPS, S.A.	100.00%	
Produçao de Eventos, Lda. (MEDIA CAPITAL ENTERTAINMENT)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Publication, graphic art and reproduction of recorded media: magazines, audio publication, video reproduction; and provision of services related to music, radio, television, film, theatre and literary magazines	Media Capital Música e Entretenimento, S.A (MCME)	100.00%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

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Producciones Audiovisuales, S.A. (NBP IBÉRICA)	Almagro 13. 1º Izquierda. 28010. Madrid	Inactive	Plural Entertainment Portugal, S.A.	100.00%	
Productora Canaria de Programas, S.A.	Enrique Wolfson, 17. Santa Cruz de Tenerife	Development of a promotional TV channel for the Canary Islands	Plural Entertainment España, S.L.	40.00%	
Produçoes Audiovisuais, S.A. (RADIO CIDADE)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting, production of audio or video advertising spots Advertising, production and recording of discs. Development and production of radio programmes	Media Capital Rádios, S.A (MCR II)	100.00%	
Projectos de Media e Publicidade Unipessoal, Lda. (PUPLIPARTNER)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Design, preparation and performance of advertising projects (advisory services, promotion, supply, marketing and the distribution of media goods and services)	Serviços de Consultoria e Gestao, S.A. (MEDIA CAPITAL SERVIÇOS)	100.00%	
Promoçao de Projectos de Media, S.A. (UNIDIVISA)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Design, preparation and performance of advertising projects (advisory, promotion, supply, marketing and distribution of media goods and services)	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Radio Comercial, S.A. (COMERCIAL)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting in the areas of programme production and transmission	Media Capital Rádios, S.A (MCR II)	100.00%	
RADIO XXI, Lda. (XXI)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting in the areas of programme production and transmission	Radio Comercial, S.A. (COMERCIAL)	100.00%	
Rede Teledifusora Independente, S.A. (RETI)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Installation, management and operation of the telecommunication network or networks including transport, signal transmission for TV, radio, computer data, etc.	Televisao Independente, S.A. (TVI)	100.00%	
Serviços de Consultoria e Gestao, S.A. (MEDIA CAPITAL SERVIÇOS)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Advisory services, guidance services and operational assistance to public relations companies and organisations	Media Global, SGPS, S.A. (MEGLO)	100.00%	
Serviços de Internet, S.A. (IOL NEGÓCIOS)	Rua Tenente Valadim. Nº 181. 4100-479. Porto. Portugal	Services, publication and sale of electronic goods and services Media publication, production and distribution activities	Editora Multimédia, S.A. (MULTIMÉDIA)	100.00%	
Sociedad Canaria de Televisión Regional, S.A.	Avenida de Madrid s/n. Santa Cruz de Tenerife	Audiovisual productions for TV	Plural Entertainment España, S.L.	40.00%	
Sociedade de Produçao e Ediçao Audiovisual, Lda. (FAROL MÚSICA)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Production of multimedia, audiovisual and phonogram storage media	Media Capital Música e Entretenimento, S.A (MCME)	100.00%	
Televisao Independente, S.A. (TVI)	Rua Mário Castelhano. Nº 40. 2734-502. Barcarena. Portugal	Performance of any TV-related activity such as the installation, management and operation of any TV channel or infrastructure	Kimberley Trading, S.A. (KIMBERLEY)	100.00%	
Tesela Producciones Cinematográficas, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	100.00%	2/91
Vertix, SGPS, S. A.	Rua de las Amoreiras, 107. Lisbon. Portugal	Holdings	Promotora de Informaciones, S.A.	100.00%	
Equity method					
Empresa Europeia de Produçao de Documentários, Lda. (NANNOK)	Avenida Elias García 57 - 7º. 1000-148. Lisbon. Portugal	Advertising, production, sale and distribution of storage media and other multimedia content	Plural Entertainment Portugal, S.A.	26.00%	
Uniao de Leiria, SAD. (UNIAO DE LEIRIA)	Estádio Dr. Magalhaes Pessoa. 2400-000. Leiria. Portugal	Football team management	Media Global, SGPS, S.A. (MEGLO)	20.16%	
Proportionate consolidation					
Plural - Jempsa, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	Plural Entertainment España, S.L.	50.00%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

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COMPANY	REGISTERED OFFICE	LINE OF BUSINESS	COMPANY HOLDING THE OWNERSHIP INTEREST	December 2009 PERCENTAGE OF OWNERSHIP	December 2009 TAX GROUP (*)
DIGITAL					
Full consolidation					
Infotecnia 11824, S.L.	Ronda de Poniente 7. Tres Cantos. Madrid	Provision of telecommunication services	Prisacom, S.L.	60.00%	
Prisacom, S.L.	Gran Vía, 32. Madrid	Provision of internet services	Oficina del Autor, S.L. Promotora de Informaciones, S.A.	1 share 100.00%	2/91
PRINTING					
Full consolidation					
Prisaprint, S.L.	Gran Vía, 32. Madrid	Management of printing companies	Grupo Empresarial de Medios Impresos, S.L. Promotora de Informaciones, S.A.	0.00% 100.00%	2/91
Equity method					
Altamira, S.A.	Carretera de Pinto a Fuenlabrada, Km. 20,8. Madrid	Printing of publishing products	Dédalo Heliocolor, S.A.	100.00%	225/04
Bidasoa Press, S.L.	Calle Malilla Nº 134. 46026. Valencia	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Dédalo Grupo Gráfico, S.L.	Carretera de Pinto a Fuenlabrada, Km. 20,8. Madrid	Printing of publishing products	Prisaprint, S.L.	40.00%	
Dédalo Heliocolor, S.A.	Ctra. Nacional II. Km. 48, 500 Polígono Industrial Nº I. 19171. Cabanillas del Campo. Guadalajara	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Dédalo Offset, S.L.	Carretera de Pinto a Fuenlabrada, Km. 20,8. Madrid	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Distribuciones Aliadas, S.A.	Polígono Industrial La Isla. Parcela 53. 41700 Dos Hermanas. Seville	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04
Gráficas Integradas, S.A.	Calle Camino de los Afligidos S/N. Alcalá de Henares. Madrid	Printing of publishing products	Dédalo Heliocolor, S.A.	100.00%	225/04
Norprensa, S.A.	Parque Empresarial IN-F. Calle Costureiras. s/n 27003. Lugo	Printing of publishing products	Dédalo Grupo Gráfico, S.L.	100.00%	225/04

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

(*) Consolidated tax group Dédalo Grupo Gráfico, S.L.: 225/04

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DISTRIBUTION					
Full consolidation					
Aldipren, S.L.	Polígono Campollano. Calle de Distribución. Número 34-38. 02006 Albacete	Storage and distribution of publishing products	Grupo Cronos Distribución Integral, S.L.	65.00%	
Cronodís Logística Integral, S.L.	Calle El Rayo. Parcela 2,4,2. Polígono Industrial La Quinta /R2. 19171. Cabanillas del Campo. Guadalajara	Storage and distribution of publishing products	Grupo Cronos Distribución Integral, S.L.	95.00%	
Districuen, S.L.	Polígono La Cerrajera. Parcela 36. Cuenca	Storage and distribution of publishing products	Grupo Cronos Distribución Integral, S.L.	65.00%	
Distritoledo, S.L.	Polígono Industrial de Toledo II Fase. Calle Arrollo Gadea, 9. 45007. Toledo	Distribution and sale of publishing products	Grupo Cronos Distribución Integral, S.L.	79.50%	
Gelesa Gestión Logística, S.L.	Almanaque Nº 5. Polígono Fin de Semana. 28022. Madrid	Distribution of publications	Grupo Cronos Distribución Integral, S.L.	100.00%	
Grupo Cronos Distribución Integral, S.L.	Almanaque Nº 5. Polígono Fin de Semana. 28022. Madrid	Distribution and sale of publishing products	Redprensa, S.L.U.	50.00%	
Redprensa, S.L.U.	Gran Vía, 32. Madrid	Holdings	Promotora de Informaciones, S.A.	100.00%	2/91
Equity method					
Beralán, S.L.	Igarategi Industrialdea. Nº 58. 20130. Urnieta. Guipúzcoa	Distribution of publishing products	Redprensa, S.L.U.	22.25%	
Cirpress, S.L.	Polígono Tazaba II. Parcela 31. Logrezana - Carreño. 33438. Asturias	Distribution of publishing products	Redprensa, S.L.U.	24.70%	
Dima Distribución Integral, S.L.	Calle Confianza, 1. Polígono Industrial Los Olivos. 28065. Getafe. Madrid	Distribution of publishing products	Redprensa, S.L.U.	33.66%	
Diserpe, S.R.L.U.	Calle Dels Argenters 4. P.I. Vara de Quart. 46014. Valencia	Distribution of publishing products	Val Disme, S.L.	100.00%	
Distribuciones Papiro, S.L.	C/Pasteur 15. Polígono Industrial El Montalbo. 37008 Salamanca	Distribution of publishing products	Redprensa, S.L.U.	25.14%	
Distribuciones Ricardo Rodríguez, S.L.	Polígono Asegra. Calle Córdoba. 18-20. 18210. Peligros. Granada	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distribuidora Almeriense de Publicaciones, S.L.	Sierra Cabrera, 1. Polígono Industrial La Juaida. Viator. Almeria	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distribuidora Cordobesa de Medios Editoriales, S.L.	Calle Prolongación Ingeniero Torres Quevedo s/n. Polígono Industrial de la Torrecilla. 14013. Cordoba	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distribuidora de Publicaciones Boreal, S.L.	Rua Alcalde Ramón Añón. Parcela 79-81. 15199. Culleredo. A Coruña	Distribution of publishing products	Redprensa, S.L.U.	29.00%	
Distribuidora Extremeña de Publicaciones, S.L.	Polígono Industrial Prado. Calle Valencia 14. 06800 Mérida. Badajoz	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Distribuidora Jienense de Publicaciones, S.L.	Polígono Industrial Los Olivares. Calle 5. Parcela 526. Jaen	Distribution of publishing products	Distrimedios, S.L.	100.00%	
Distrigalicia, S.L.	Carretera de Catabais Km. 3,300 de Ferrol. A Coruña	Storage and distribution of publishing products	Distribuidora de Publicaciones Boreal, S.L.	100.00%	
Distrimedios, S.L.	Agricultura. Parcela D-10 (P. Empresarial). Jeréz. Cadiz	Distribution of publishing products	Redprensa, S.L.U.	29.00%	
Marina BCN Distribucions, S.L. (*fomerly Marina Press Distribuciones, S.L.)*	Calle E. Nº 1. Esquina Calle 6 (Sector E). 08040. Barcelona	Distribution of publishing products	Redprensa, S.L.U.	30.00%	
Prensa Serviodiel, S.L.	Polígono Tartessos 309, Calle A. 21610. San Juan del Puerto. Huelva	Distribution of publishing products	Distrimedios, S.L.	70.00%	
Souto, S.L.	Polígono Industrial Oceao, Calle Da Industria, 107. 27003. Lugo	Distribution of publications	Distribuidora de Publicaciones Boreal, S.L.	100.00%	
Suscripciones de Medios Editoriales, S.L.	Calle de la Agricultura, Parque Empresarial Parcela D10. 11407. Jeréz de la Frontera. Cadiz	Distribution of publishing products	Distrimedios, S.L.	100.00%	
Trecedis, S.L.	Calle Avenida de Bruselas, 5. Arrollo de la Vega. 28108. Alcobendas. Madrid	Distribution of publications	Beralán, S.L.	8.14%	
			Cirpress, S.L.	8.14%	
			Distribuciones Papiro, S.L.	8.14%	
			Distribuidora de Publicaciones Boreal, S.L.	8.14%	
			Distrimedios, S.L.	8.14%	
			Grupo Cronos Distribución Integral, S.L.	8.14%	
			Marina Press Distribuciones, S.L.	8.14%	
			Val Disme, S.L.	8.14%	
Val Disme, S.L.	Calle Dels Argenters 4. P.I. Vara de Quart. 46014. Valencia	Distribution of publishing products	Redprensa, S.L.U.	23.75%	
MEDIA ADVERTISING SALES					
Full consolidation					
Gerencia de Medios, S.A.	Gran Vía, 32. Madrid	Contracting of advertising exclusives	Promotora de Informaciones, S.A.	100.00%	2/91
			Redprensa, S.L.U.	0.01%	
Prisa Innova, S.L.	Gran Vía, 32. Madrid	Management of promotional products and services	Diario El País, S.L.	0.05%	2/91
			Gerencia de Medios, S.A.	99.95%	
Solomedios, S.A.	Gran Vía, 32. Madrid	Advertising management	Gerencia de Medios, S.A.	99.97%	2/91
			Promotora de Informaciones, S.A.	0.03%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

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OTHER					
Full consolidation					
GLP Colombia, Ltda	Carrera 9, 9907 Oficina 1200. Bogotá. Colombia	Operation and sale of all manner of advertising	Prisa División Internacional, S.L.	100.00%	
Oficina del Autor, S.L.	Gran Vía, 32. Madrid	Management of publishing rights and author representation	Prisacom, S.A.	1 share	2/91
			Promotora de Informaciones, S.A.	100.00%	
Prisa División Inmobiliaria, S.L.	Gran Vía, 32. Madrid	Lease of commercial and industrial premises	Grupo Santillana de Ediciones, S.L.	0.00%	2/91
			Promotora de Informaciones, S.A.	100.00%	
Prisa División Internacional, S.L.	Gran Vía, 32. Madrid	Holdings in foreign companies	Grupo Empresarial de Medios Impresos, S.L.	0.00%	2/91
			Promotora de Informaciones, S.A.	100.00%	
Prisa Finance (Netherlands) BV	Gran Vía, 32. Madrid	Holdings in and financing of companies	Promotora de Informaciones, S.A.	100.00%	
Prisa Inc.	5300 First Union Finacial Centre. Miami. Florida. US	Management of companies in the US and North America	Prisa División Internacional, S.L.	100.00%	
Promotora de Actividades América 2010, S.L.	Gran Vía, 32. Madrid	Production and organisation of activities and projects marking the bicentenary of American Independence	Promotora de Informaciones, S.A.	99.00%	2/91
			Prisa División Internacional, S.L.	1.00%	
Promotora de Actividades América 2010 Colombia, Ltda.	Carrera 9. Nº 74-08. Oficina 504. Bogotá. Colombia	Development, co-ordination and management of all manner of international and national projects marking the bicentenary of American Independence	Promotora de Actividades América 2010, S.L.	98.33%	
			Prisa División Internacional, S.L.	1.67%	
Promotora de Actividades América 2010 - México, S.A. de C.V.	Avenida Paseo de la Reforma 300. Piso 9. Col. Juárez. 06600. Mexico City. Mexico	Development, co-ordination and management of all manner of international and national projects marking the bicentenary of American Independence	Promotora de Actividades América 2010, S.L.	100.00%	
			Prisa División Internacional, S.L.	1 share	
Promotora de Actividades Audiovisuales de Colombia, Ltda.	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual content	Prisa División Internacional, S.L.	99.00%	
			Promotora de Informaciones, S.A.	1.00%	

(*) Consolidated tax group Promotora de Informaciones, S.A.: 2/91

KEY FINANCIAL AGGREGATES OF THE COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

APPENDIX II

INVESTEE	December 2009				December 2008			
	TOTAL ASSETS	EQUITY	OPERATING INCOME	NET PROFIT (LOSS)	TOTAL ASSETS	EQUITY	OPERATING INCOME	NET PROFIT (LOSS)
RADIO								
RADIO IN SPAIN								
Radio Jaén, S.L.	1,671	1,437	1,376	(94)	2,050	1,530	1,750	72
Unión Radio del Pirineu, S.A.	588	417	469	84	541	334	524	105
INTERNATIONAL RADIO								
El Dorado Broadcasting Corporation	416	(1,184)	-	-	423	(1,198)	-	7
Green Emerald Business Inc.	1,034	(1,718)	647	(256)	1,202	(1,484)	731	(286)
WSUA Broadcasting Corporation	3,775	(3,671)	312	(381)	3,920	(3,329)	290	(173)
W3 Comm Concesionaria, S.A. de C.V.	1,009	(694)	460	45	1,024	(834)	463	(435)
AUDIOVISUAL								
SOGECABLE								
Canal Club de Distribución de Ocio y Cultura, S.A.	5,845	5,446	14,139	788	5,795	4,909	18,097	279
Canal + Investment Inc.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Compañía Independiente de Noticias de TV, S.L.	12,398	(5,673)	37,459	(303)	10,845	(5,371)	38,269	(900)
LOCAL TELEVISION								
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.	1,455	(130)	n/a	(451)	1,607	322	n/a	(93)
Riotedisa, S.A.	386	(478)	n/a	(84)	490	(394)	61	(173)
Televisión Digital de Baleares, S.L.	n/a	1,176	n/a	(12)	1,202	1,176	-	(5)
MEDIA CAPITAL								
Empresa Europeia de Produçao de Documentários, Lda. (Nannok)	n/a	n/a	n/a	n/a	442,500	(123,868)	n/a	n/a
Uniao de Leiria, SAD. (UNIAO DE LEIRIA)	n/a	n/a	n/a	n/a	8,726	3,357	4,552	(1,966)
PRINTING								
Dédalo Grupo Gráfico, S.L. y sociedades dependientes	224,934	(47,502)	97,680	(34,047)	254,932	(13,301)	118,097	(26,320)
DISTRIBUTION								
Beralán, S.L.	16,063	6,456	140,726	2,604	13,675	4,652	142,901	1,665
Cirpress, S.L.	6,223	1,845	30,336	609	5,608	1,543	31,037	751
Dima Distribución Integral, S.L.	500	500	-	-	n/a	-	-	-
Diserpe, S.R.L.U.	1,038	573	3,423	128	1,126	568	4,294	322
Distribuciones Papiro, S.L.	5,390	1,997	52,072	600	6,562	1,392	58,250	691
Distribuciones Ricardo Rodríguez, S.L.	3,466	175	26,934	295	4,436	246	30,962	596
Distribuidora Almeriense de Publicaciones, S.L.	2,606	418	14,808	138	3,126	427	16,606	299
Distribuidora Cordobesa de Medios Editoriales, S.L.	4,496	151	22,375	143	4,640	85	23,876	150
Distribuidora de Publicaciones Boreal, S.L.	17,275	7,931	39,917	566	16,876	7,461	43,070	746
Distribuidora Extremeña de Publicaciones, S.L.	10,252	1,605	34,634	557	12,114	1,438	37,081	696
Distribuidora Jienense de Publicaciones, S.L.	1,956	331	12,273	36	2,159	286	13,844	15
Distrigalicia, S.L.	6,547	2,314	27,874	475	6,499	1,808	30,311	336
Distrimedios, S.L.	36,492	3,053	99,960	2,077	22,506	2,607	111,080	2,731
Marina BCN Distribucions, S.L. *(formerly Marina Press Distribuciones, S.L.)*	28,727	5,727	140,235	1,161	17,581	4,566	141,899	1,493
Prensa Serviodiel, S.L.	1,779	277	11,863	275	2,079	122	12,206	302
Souto, S.L.	2,230	827	8,478	129	2,114	697	8,904	221
Suscripciones de Medios Editoriales, S.L.	2,014	440	5,861	90	4,771	316	7,164	174
Trecedis, S.L.	13,351	2,853	168,656	190	14,801	2,613	160,849	162
Val Disme, S.L.	25,019	6,188	154,426	1,102	24,222	5,139	168,456	1,900

PROMOTORA DE INFORMACIONES, S.A. (PRISA) AND SUBSIDIARIES

Consolidated Directors' Report for 2009

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

AND SUBSIDIARIES

CONSOLIDATED DIRECTORS' REPORT FOR 2009

1. BUSINESS PERFORMANCE

Organizational matters

The Group's activities are organized into four main areas: Audiovisual, Education-Publishing, Radio and Press. This structure is supported by the Digital area, which operates across all the areas.

Audiovisual activities bring together the Sogecable and Media Capital businesses, which in the case of the latter include the audiovisual production businesses in Spain and Portugal. In 2009 the Group entered into the US Spanish-speaking television market through the acquisition of 12% of V-me Media Inc.

Education-Publishing comprises the Santillana business in Spain, Portugal, United States and South America.

Radio activities encompass the Radio business in Spain and abroad (Colombia, Mexico, United States, Argentina, Chile, Panama and Costa Rica) as well as the Gran Vía Musical business.

Press activities include the El País, As, Cinco Días and Magazine businesses in Spain and Portugal. In 2009, the Group exchanged its shares in the international press business in Bolivia for the 12% ownership interest in V-me Media Inc.

The ***most significant events*** in the period from January to December 2009 were as follows:

- The Prisa Group obtained EBITDA totaling EUR 623.75 million in 2009. EBIT was EUR 368.98 million and net profit amounted to EUR 50.48 million.

- Santillana increased its revenue by 1.5% to EUR 616.89 million and EBITDA by 13.2% to EUR 152.12 million. The margin increased close to three points to 24.7%.

- Radio billed EUR 377.17 million and contributed EUR 100.03 million to EBITDA. International Radio increased EBITDA by 53.5% and the margin increased by seven points to 20.3%. SER ended 2009 as leader with 4,819,000 listeners.

- Advertising income represented 28% of total operating income and decreased by 15.8%. Prisa's media businesses outperformed the market, which shrank by around 21.0%.

- El País reaffirmed its leadership position concluding 2009 with an average daily circulation of 391,816 copies. Its EBITDA was EUR 39.34 million and net profit amounted to EUR 12.05 million.

- Digital + closed the year with EBITDA of EUR 307.18 million and its margin increased to 24.5%. At December 31, 2009, Canal+ Liga had close to 700,000 subscribers.

- ELPAIS.com had year-on-year growth of 25.4%, AS.com increased by 44.2% and CincoDías.com was the Spanish financial website that showed the greatest increase in its audience.

- In 2009 the Group implemented a cost containment policy whereby operating costs, excluding depreciation and amortization charges and provisions, fell by 15.3%. Of particular note was the reduction in Capex of 32.8%. Group management accepted a pay cut of 8%, which will continue to apply in 2010.

- Interest on borrowings (EUR 173.15 million) decreased by 37.3%.

The ***strategic agreements*** entered into in 2009 were as follows:

- Prisa entered into an agreement with Telefónica and Mediaset for the sale of 22% of Digital+ to each company. The enterprise value of the related assets was established to be EUR 2,350 million.

- Prisa and Gestevisión Telecinco, S.A. entered into an agreement to integrate their free-to-air TV businesses Cuatro and Telecinco. Prisa will have an ownership interest in the resulting company of 18.3%.

- Prisa entered into an agreement with the Portuguese company Ongoing Strategy Investments SGPS, S.A., for the sale of a holding of up to 35% of the share capital of Grupo Media Capital SGPS, S.A., the enterprise value of which was established to be EUR 450 million.

- Prisa entered into an agreement with DLJ South American Partners LC, for the sale of a holding of 25% of the share capital of Grupo Santillana de Ediciones, S.L., the enterprise value of which was established to be USD 1,450 million.

- Prisa acquired 12% of the fourth largest operator on the US Spanish-speaking television market, V-me Media Inc, in exchange for the ownership interest that it held in the international press business in Bolivia (Inversiones Grupo Multimedia Comunicaciones, S.A.).

- Prisa and the US company In-store Broadcasting Network, LLC (IBN) entered into an exclusive agreement to develop the retail media business in Spain and South America.

Other ***significant events*** in 2009:

- Sogecable entered into an agreement with Mediapro to screen soccer. Through Digital + and the new channel, Canal+ Liga, subscribers may watch all the League and Cup matches over the next three seasons.

- Prisa entered into an agreement with Indra for the implementation of a new model for the provision of global information and communications technologies services (TIC), aimed at improving the group's efficiency, flexibility and cost control and at making it possible to apply synergies, economies of scale and best practices.

- Prisa began to implement a new strategy at its businesses and a change of model in its consumer-oriented development in order to strengthen the digital business and promote the transversal nature and synergies existing in its business areas.

2. EVENTS AFTER THE BALANCE SHEET DATE

In order to strengthen its capital structure, on March 5, 2010, Prisa entered into an agreement with Liberty Acquisition Holdings Corp. ("Liberty") for the acquisition of all its shares through an exchange of newly-issued shares of Prisa for shares of Liberty, signifying that the shareholders of Liberty will become shareholders of Prisa, although there is no agreement among them.

By virtue of the exchange ratio agreed upon, for each share of Liberty, Prisa will issue 1.547 ordinary shares and 0.358 preference shares without voting rights.

The preference shares without voting rights may be converted into ordinary shares from the second year onwards at the choice of their holders, and from the fifth year onwards at the choice of Prisa, and will pay a preferential yearly dividend of 7%.

The exchange of shares with Liberty is conditional upon the fact that at least 50% of its investors approve the transaction and that the total percentage of redemptions does not exceed 30% of the shares. Liberty will have 137 million shares and cash of USD 900 million (EUR 660 million), net of transaction expenses, without taking into account redemptions.

Also, in order to enable Prisa's non-controlling interests to participate in the transaction, the company will perform a monetary capital increase with pre-emptive subscription rights totaling approximately EUR 150 million, at an issue price of EUR 3.08 per share, which will not be subscribed by the reference shareholder.

The new shares of Prisa, both those issued under the monetary capital increase and those under the non-monetary increase, will be listed on the Spanish Stock Exchanges. The new shares issued under the non-monetary capital will be held in custody by a custodian in the US, which will issue American Depositary Receipts (ADRs), and they will be listed on the US Stock Exchanges.

As a result of the transactions described above, the shares of Prisa's shareholders will have been diluted, although under no circumstances will those of the reference shareholders be lower than 30%, and it will not affect the control of the company. To this end, Prisa will make certain amendments to its bylaws and regulations aimed at guaranteeing the aforementioned control, thereby establishing a regime of reinforced majorities for the adoption of certain agreements and a 30% limitation on voting rights for all the shareholders. Once the capital increases have been completed and the preference shares converted into ordinary shares, the percentage of the shareholders of Liberty in the share capital of Prisa will exceed 50%.

The transactions must be ratified by the governing bodies of each of the companies and are subject to the authorization of both the Spanish National Securities Market Commission (CNMV) and the Security and Exchange Commission (SEC).

3. PRINCIPAL RISKS ASSOCIATED WITH THE BUSINESS

The activities of the Group subsidiaries, and hence its operations and results, are exposed to risks inherent to the environment in which it operates, and also to risks arising from external factors, such as the macroeconomic situation, the performance of its markets (advertising, publishing, audiovisual, etc.), regulatory changes, the emergence of new competitors and the performance of its competitors. The activities carried on by the Group's business units abroad, mainly in America, are exposed to additional risks associated with exchange rate fluctuations and with the economic and political situation of the country.

For risk management and monitoring purposes, the Group classifies the main risks to which it is exposed in the following categories:

a. Strategic risks
b. Business process risk
c. Financial management risks
d. Financial reporting reliability risks
e. Technological risks

The Annual Corporate Governance Report *(see section 5)* provides more details on each risk category and on the bodies and specific actions in place to detect, measure, monitor and manage these risks.

4. MAIN FINANCIAL RISKS AND USE OF FINANCIAL INSTRUMENTS

Exposure to foreign currency risk

The Group is exposed to fluctuations in exchange rates in the various countries in which it operates. The foreign currency risk assumed by the Group relates primarily to the following transactions:

- In 2009 close to 77% of the Prisa Group's consolidated income was generated in the domestic market and 23% in the international market, mainly in South America and Portugal.
- Results from activities carried on in non-euro area countries which are tied to the performance of their respective currencies: around 21% of the Group's profit from operations at December 31, 2009, was generated in the Americas.
- Financial investments made to acquire ownership interests in foreign companies: these are long-term investments aimed at maintaining stable ownership interests in companies, although such investments are exposed to changes in their net asset value, not only as a result of their activity, but also due to the effect of exchange rate fluctuations.
- Debt denominated in foreign currency: only 0.75% of the Group's total bank borrowings at December 31, 2009, was denominated in foreign currency.

In order to mitigate this risk, the Group arranges hedges to cover the risk of changes in exchange rates (mainly foreign currency hedges, forwards and options) on the basis of its projections and budgets.

If the hedging strategy is inadequate or the counterparties of the hedging agreements become insolvent, the Company may not be capable of fully or partially neutralizing the risks associated with the changes in the exchange rate, which would have the subsequent adverse effect on the financial situation and profit or loss of Prisa.

Exposure to interest rate risk

The Group is exposed to fluctuations in interest rates as its entire bank borrowings are at floating interest rates. Consequently, the Group arranges interest rate hedges; basically through contracts providing for interest rate caps (swaps, IRS and combinations of options) *(see Note 12)*. If the hedging strategy is inadequate or the counterparties of the hedging agreements become insolvent, the Company may not be capable of fully or partially neutralizing the risks associated with the changes in the interest rate, which would have the subsequent adverse effect on Prisa's financial situation and profit or loss.

5. ANNUAL CORPORATE GOVERNANCE REPORT

(See Appendix II)

6. TREASURY SHARES

At December 31, 2009, Promotora de Informaciones, S.A. owned 867,306 treasury shares, representing 0.40% of its share capital. The total cost of these shares was EUR 3,044 thousand, with a cost per share of EUR 3.51.

In 2009 the Company sold 10,273,319 shares, which gave rise to a gain of EUR 3,888 thousand.

At December 31, 2009, the Company did not hold any shares on loan.

7. INVESTMENT AND DEVELOPMENT ACTIVITIES

Prisa's audiovisual business, through Sogecable, adapted its services and processes to the new technologies on an ongoing basis in cooperation with its technological suppliers, with the objective at being at the forefront of service provision to its subscribers and customers at all times. Accordingly, in 2008 high definition broadcasts began at Digital+, with the launch of Canal+HD, the first TV station in Spain to broadcast in high definition and whose broadcasts may be seen with the iPlus set-top box with an increased offering of new channels in 2008 and 2009.

In addition, the Group continually adapts its management applications and processes to changes in the Group's businesses and technological changes in its sphere of operation. In order to achieve this, the Group participates in national and international associations and forums which enable it to identify any improvements or opportunities for innovation and development in its services, processes and management systems.

8. 2010 REMUNERATION POLICY

The Board of Directors and the Corporate Governance, Nomination and Remuneration Committee of Promotora de Informaciones, S.A. (PRISA), within the scope of their respective powers, approved the 2010 remuneration policy for Board members and the management team.

This policy addresses the following matters:

8.1. REMUNERATION POLICY OF DIRECTORS (ARTICLE 19 OF THE BYLAWS)

- EUR 1,257 thousand to be paid in the year, pursuant to Article 19 of the bylaws, under the agreed terms and conditions.

- Fees for attending Board and Committee meetings, estimated at EUR 1,717 thousand for 2010.

- The Board members will also be entitled to the private health insurance taken out by the Company to cover any risks affecting the directors in this connection.

Additionally, PRISA's directors may earn other fees as members of the Boards of Directors of other Group companies, in accordance with the respective bylaws.

8.2. 2010 MANAGEMENT TEAM REMUNERATION POLICY

The management team consists of the executive directors[1] and senior executives[2]. The remuneration of the executive directors was approved by the Board of Directors at the proposal of the Corporate Governance, Nomination and Remuneration Committee and that of the senior executives was approved by the latter.

- **Fixed remuneration**: the fixed remuneration of the management team in 2010 will amount to EUR 6,875 thousand, the detail being as follows:

	Thousands of euros
	2010 fixed remuneration
Executive directors	2,610
Senior executives	4,265
	6,875

  As previously stated in the 2009 Remuneration Policy report, the Company froze the fixed remuneration of Group executives earning EUR 80 thousand or more. This freeze on fixed remuneration will remain in force in 2010.

  Also, at the Annual General Meeting held on 18 June 2009 a proposal was announced to reduce the remuneration of executives earning more than EUR 100 thousand, without compensation, and of employees under labour agreements, compensated by a reduction in working hours. This reduction, which was on a voluntary basis, amounted to 8% of the fixed remuneration was effective from 1 July 2009 and will remain in force in 2010.

- **Short-term variable remuneration**: which consists of a bonus tied to achievement of all the management objectives communicated formally to each member of the management team.

  The objectives are of a quantitative nature and relate to the consolidated Group (revenue, EBIT and cash generation) and, where applicable, to the business unit in which the member of the management team discharges his/her duties (business-unit specific objectives, such as circulation, audience, revenue, EBIT or productivity ratio objectives).

  The annual incentive amount is directly related to a performance scale that links the level of objective achievement to the percentage reward applicable to the reference bonus. No bonus is paid if objective achievement is below 60%. Also, the maximum variable

[1] The executive directors of Promotora de Informaciones, S.A. are Ignacio Polanco Moreno, Juan Luis Cebrián Echarri, Alfonso López Casas, Emiliano Martínez Rodríguez and Manuel Polanco Moreno.

[2] In accordance with the Unified Code, senior executives include those executives that report directly to Chief Executive Officer (members of the Management Committee, Business Committee and Corporate Committee who are not executive directors) and the internal audit director of Promotora de Informaciones, S.A., namely Ignacio Santillana del Barrio, Fernando Martinez Albacete, Augusto Delkader Teig, Jesús Ceberio Galardi, Miguel Angel Cayuela Sebastián, Matilde Casado Moreno, Iñigo Dago Elorza, Pedro García Gillén, Oscar Gómez Barbero, Kamal M. Bherwani, Andrés Cardó, Bárbara Manrique de Lara and Virginia Fernández Iribarnegaray.

remuneration is 130% of the reference bonus amount, which corresponds to a level of objective achievement of 120%.

The bonus for 2010 will be paid after year-end once the Group's consolidated financial statements have been authorised for issue.

The reference bonus of the management team for 2010 is as follows:

	Thousands of euros
	2010 reference bonus
Executive directors	2,141
Senior executives	2,120
	4,261

- **Share plan**: the shareholders at the Annual General Meeting of PRISA of 18 June 2009 resolved to deliver Company shares to employees for no consideration in 2010 and managers in the professional categories stated in the aforementioned resolution of the Annual General Meeting, the limit per beneficiary being EUR 12,000, taking as a reference the average closing price of the shares on the Spanish Stock Market Interconnection System in the seven trading days immediately prior to the date of delivery.

  The shares have yet to be delivered.

- **In-kind remuneration plan:** the Group has taken out an insurance policy with an insurance company to cover the risks of death or serious accident with an insured sum equal to one year's total remuneration of the beneficiary. The Group also provides private health insurance, under the expense refund system, for members of the management team and their families.

- **Share option plans:** in 2008, Promotora de Informaciones, S.A. implemented a remuneration plan through which options on the Company's shares were delivered so that the executive directors and executives of the Prisa Group might enter into or increase their ownership interests in the Company, pursuant to the authorisation granted by the shareholders at the Annual General Meeting held on 13 March 2008, under the amendment approved by the Shareholders at the Extraordinary General Meeting of 5 December 2008. The options grant entitlement to acquire an equal number of Company shares and may be exercised from 31 December 2009 to 31 March 2010, inclusive, with an exercise price EUR 2.94 per option which is equal to the simple arithmetic mean of the closing price of the Company's shares on the Spanish Stock Market Interconnection System in the 30 trading days immediately prior to the Extraordinary General Meeting held on 5 December 2008.

  At the proposal of the Corporate Governance, Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 18 December 2008, approved the inclusion of 243 participants in this plan with a total of 1,550,000 options.

  At 31 December 2009, the following options had been granted to the members of the management team:

	Number of options
Executive directors	152,500
Senior executives	215,000
	367,500

8.3. OTHER ASPECTS RELATING TO THE REMUNERATION OF THE MANAGEMENT TEAM

- **Long-term incentive plan (LTI):** at its meeting held on 18 September 2008, the Corporate Governance, Nomination and Remuneration Committee approved a new long-term incentive plan related to objectives tied to the fulfilment of the Group's strategic plan for 2008-2010. The long-term incentive plan involves the 22 Group executives most closely linked with the achievement of these objectives and totals EUR 11,025 thousand.

  It also includes the executive directors who discharge executive duties at other Group companies.

- **Guarantee clauses:** the management team includes five members (one executive director and four senior executives) whose contracts include a special clause which provides in general for a termination benefit in the event of termination without just cause for an amount of one years' total remuneration (fixed salary + last bonus received).

8.4. MOST SIGNIFICANT CHANGES IN REMUNERATION POLICY WITH RESPECT TO THE REMUNERATION POLICY APPLIED IN 2009 AND OVERVIEW OF THE REMUNERATION POLICY APPLIED IN 2009.

- **Overview of the remuneration policy applied in 2009:**
  The differences illustrated are due to two circumstances: i) to the 8% reduction in the fixed remuneration of the members of the management team as part of the measures of a cost containment plan adopted by the PRISA Group and ii) to changes in the composition of the management team in 2009.

	Thousands of euros	
	Projected 2009 fixed remuneration	**Actual 2009 fixed remuneration**
Executive directors	3,577	3,068
Senior executives	3,926	3,564
	7,503	**6,632**

	2009 reference bonus	2009 actual bonus
Executive directors	2,660	2,709
Senior executives	1,836	1,705
	4,496	**4,414**

- **Most significant changes in the 2010 remuneration policy with respect to that applied in 2009:**

	Thousands of euros	
	2009	**2010**
Directors' remuneration	1,170	1,257
Directors' attendance fees	1,811	1,717
	2,981	**2,974**

	Thousands of euros	
	Actual 2009 fixed remuneration	**2009 fixed remuneration**
Executive directors	3,068	2,610
Senior executives	3,564	4,265
	6,632	**6,875**

	Thousands of euros	
	2009 Actual bonus	**2010 Reference bonus**
Executive directors	2,709	2,141
Senior executives	1,705	2,120
	4,414	**4,261**

The other aspects of the remuneration policy will be in line with those of 2009, taking into account points 2 and 3 of this section in relation to the new share option plan and the new LTI.

The differences between the actual remuneration in 2009 and the projected remuneration for 2010 are due to changes in the composition of senior management in 2010.

9. ADDITIONAL DISCLOSURES FOR THE PURPOSES OF ARTICLE 116 BIS OF THE SPANISH SECURITIES MARKET LAW

The Board of Directors of Prisa, for the purposes envisages in Article 116 bis of the Spanish Securities Market Law, disclosed the following information, which was included in the directors' report accompanying the Company's financial statements.

a) The structure of the share capital, including the securities that are not traded on a regulated Community market, indicating, where appropriate, the various classes of shares and, for each class of shares, the rights and obligations that they confer and the percentage of share capital that they represent.

Prisa's share capital amounts to EUR 21,913,550, and is represented by 219,135,500 ordinary shares of EUR 0.10 each.

b) Any restriction on the transferability of securities.

There are no restrictions on the transferability of securities.

c) Significant direct or indirect ownership interests in the share capital.

Rucandio, S.A. has a significant indirect ownership interest in Prisa of 155,469,694 shares, representing 70.947% of the subscribed share capital with voting rights.

Rucandio, S.A.'s indirect ownership interest is instrumented, inter alia, through the following direct holdings:

- Promotora de Publicaciones, S.L., holder of 91,005,876 shares, representing 41.529% of the subscribed share capital with voting rights.
- Timón, S.A., holder of 7,928,140 shares, representing 3.618% of the subscribed share capital with voting rights.
- Asgard Inversiones, S.L.U., holder of 35,487,164 shares, representing 16.194% of the subscribed share capital with voting rights.
- Sabara Investment, S.L., holder of 20,709,420 shares, representing 9.451% of the subscribed share capital with voting rights.

d) Restrictions on voting rights.

There are no restrictions on voting rights.

e) Shareholders agreements.

Prisa is aware of the existence of two shareholder agreements at Rucandio, S.A. and Promotora de Publicaciones, S.A., by which it is affected:

- *Shareholder agreement at Rucandio, S.A. (December 23, 2003)*

  Ignacio Polanco Moreno, Isabel Polanco Moreno –deceased– (whose children have succeeded to her position in this agreement), Manuel Polanco Moreno, Mª Jesús Polanco Moreno, and to their now deceased father, Jesús de Polanco Gutiérrez, and mother Isabel Moreno Puncel ("the Polanco Family"), entered into a family succession plan, which includes as a schedule a Share Syndication Agreement in relation to the shares of Rucandio, S.A., the object of which is to prevent third parties outside the Polanco Family from gaining an ownership interest in Rucandio, S.A., and which establishes that:

(i) The syndicated shareholders and directors must meet prior to the holding of General and Board Meetings to decide upon how the syndicated shareholders will vote, being bound to vote in the same manner in the General Meeting, on the basis of the vote determined by the meeting of the syndicated shareholders;

(ii) Should express agreement of the syndicate not be obtained on any of the proposals presented at the General Meeting, it shall be considered that sufficient agreement does not exist in the syndicate and, in consequence, each syndicated shareholder may cast his or her vote freely;

(iii) The members of the syndicate are obliged to attend the meetings of the shareholders in person, or to delegate their voting rights to the person agreed upon by the syndicate, unless expressly agreed otherwise by the syndicate, and to vote in accordance with the instructions agreed upon by the syndicate, and not exercise on an individual basis any right as a shareholder unless previously debated and agreed upon at the syndicated shareholder meeting; and

(iv) The members of the syndicate undertake not to transfer or dispose of, in any way, the shares of Rucandio, S.A. until ten years have elapsed from the death of Jesús de Polanco Gutiérrez, the consensus of all the shareholders being required, in all cases, for any type of transfer to a third party. Any exception to the aforementioned term requires the unanimous agreement of all the shareholders. This limitation is also established in the specific case of the shares of Promotora de Informaciones, S.A. which are directly or indirectly held by Rucandio, S.A.

- *Shareholder agreement at Promotora de Publicaciones, S.L. (May 21, 1992)*

Timón, S.A. and certain Prisa shareholders entered into a shareholders' agreement to govern the contribution of shares of the aforementioned company to Promotora de Publicaciones, S.L. and the regime governing its ownership interest therein. Basically, the ties established in the agreement are as follows:

(i) Each majority shareholder shall have, as a minimum, one representative on Prisa's Board of Directors and, as far as possible, the managing body of Promotora de Publicaciones, S.A. shall have the same composition as that of Prisa;

(ii) The use of the voting rights of the shares of Promotora de Publicaciones, S.L. in the General Meetings of Prisa shall be that determined previously by the majority shareholders and the shareholders of Promotora de Publicaciones, S.L. who are members of the Board of Directors of Prisa shall vote in the same way following the instructions of the majority shareholders; and

(iii) Should Timón, S.A. sell its holding in Promotora de Publicaciones, S.L., the other majority shareholders shall have the right to sell their ownership interests in Promotora de Publicaciones, S.L. under the same terms and conditions and to the same buyers.

f) The rules applicable to the nomination and replacement of the members of the managing body and to the amendment of the Company's bylaws.

The members of the managing body are designated by the shareholders at the General Meeting or, provisionally, by the Board of Directors in conformity with the provisions laid down in the Spanish Public Limited Liability Companies Law and the Company bylaws.

The proposals in relation to the nomination of directors are preceded by a mandatory report from the Corporate Governance, Nomination and Remuneration Committee, which will not be binding. In the case of independent directors, nominations must be proposed by the Corporate Governance, Nomination and Remuneration Committee.

Neither the appointment nor the re-election of persons who have reached 75 years of age or who are going to reach the aforementioned age within one year may be proposed.

The Board of Directors and the Corporate Governance, Nomination and Remuneration Committee shall ensure, within the scope of their respective powers, that persons of acknowledged competence and experience are elected as non-executive directors.

The directors' term of appointment is five years and they may be re-elected. The proposals for re-election of directors shall be subject to a formal preparation process, which will necessarily include a report issued by the Corporate Governance, Nomination and Remuneration Committee assessing the performance and dedication to office of the directors proposed during the previous mandate.

Board members shall be removed from their positions when the period for which they were appointed has expired, when they reach 75 years or age or when so decided by the General Meeting, using the authority conferred upon it by the law and the bylaws.

Notwithstanding the foregoing, the Board may request that a director who reaches 75 years of age during the exercise of his or her mandate continue to hold the position for the period that he or she deems fit -as a maximum over the mandate period- when it considers it to be appropriate for the interests of the Company, at the proposal of the Chairman and following a report of the Corporate Governance, Nomination and Remuneration Committee, which will not be binding.

The directors shall tender their resignation to the Board of Directors, should the latter deem it appropriate, (i) when they are involved in any of the situations of incompatibility or legal prohibition established in law; (ii) when as a result of willful misconduct a firm order to prosecute in felony-type proceedings has been handed down for serious offences or conviction in a fast-track court procedure; (iii) when they have been seriously reprimanded by the Board of Directors for having infringed their duties as directors; (iv) when the reasons why they were appointed cease to exist and, in particular, when an independent director or a nominee director loses his or her respective condition as such, and (v) when, in the course of one year, they cease to attend more than three Board Meetings without just cause.

g) The powers of the members of the Board of Directors and, in particular, those relating to the possibility of issuing or repurchasing shares.

Ignacio Polanco Moreno and Juan Luis Cebrián Echarri have been delegated, jointly and severally, with all the powers conferred on the Board of Directors by the Company bylaws, except for those not delegable in law.

Also, Manuel Polanco Moreno has been conferred powers of attorney for the exercise of certain powers.

The powers for the development and execution of programmes for issuing and repurchasing shares are conferred on the Board of Directors, within the framework of the plans for the issuance and repurchase of shares agreed upon by the shareholders at the Annual General Meeting, of which the following are currently in force:

- Resolution on derivative acquisition of Prisa shares, adopted by the shareholders at the Annual General Meeting on June 18, 2009, in force until June 18, 2014.

- Resolution on the remuneration plan adopted by the shareholders at the Annual General Meeting on March 13, 2008, through the delivery of share options for the Company's executive directors and management, with authorization and delegation by the Board of Directors to increase capital and the power to disapply the pre-emption right. The options, which were delivered in December 2008, give entitlement to acquire additional Company shares. The exercise period commenced on December 31, 2009, and will end on March 31, 2010.

- Resolution by the Board of Directors adopted by the shareholders at the General Meeting held on December 5, 2008, and in force until December 2013, to delegate the power to increase capital, with the power to exclude, where applicable, any pre-emption rights.

- Resolution by the Board of Directors, adopted by the shareholders at the General Meeting held on December 5, 2008, and in force until December 2013, to delegate the power to issue fixed-income securities, both non-convertible and convertible into newly-issued shares and/or exchangeable for outstanding shares of Prisa or other companies, warrants (options to subscribe new shares or acquire outstanding shares of Prisa or other companies), promissory notes and preference shares, and delegation of the power to increase capital by the amount required to cover the requests to convert debentures or to exercise warrants, and to disapply the pre-emption right of the shareholders and holders of convertible debentures or warrants on newly-issued shares.

h) The significant agreements that have been entered into by the Company and which come into force, are modified or which are terminated in the event of a change in control of the Company as a result of a takeover bid, and the effects thereof, except when the disclosure thereof is seriously detrimental to the Company. The aforementioned exception will not apply when the Company is legally obliged to disclose this information.

- Shareholders agreement entered into by Prisa and Grupo Godó de Comunicación, S.A. (June 2006).
    - The Godó de Comunicación Group has a put option on its entire ownership interest in Unión Radio, exercisable during the following three months.

- Shareholders agreement entered into by Prisa and Telefónica, S.A. (November 2009).
    - Telefónica, S.A. would have a call option on all of Prisa's ownership interest in DTS Distribuidora de Televisión Digital, S.A., exercisable in the event that

there was a change in control. The agreement provides for the specific cases that are considered to be a change in control.

- Syndicated financing agreements entered into by Prisa, HSBC Plc. Sucursal en España (agent of the syndicated financing) and other banks (May 2006, and substitution by novation in June 2007).
  - The financing agreements include causes for early repayment, which include the change of control at Prisa, which would give entitlement to demand early repayment and cancel the credit lines or a portion thereof, subject to the usual rules governing financing of this nature.

- The financing agreements entered into by Prisa and HSBC Plc. Sucursal en España (December 2007 and substitution by novation in February, May, June, July and November 2008 and March, April and May 2009).
  - The financing agreements include causes for early repayment, which include the change of control at Prisa, which would give entitlement to demand early repayment and cancel the credit lines or a portion thereof, subject to the usual rules governing financing of this nature.

i) The agreements between the Company and its directors and executives or employees that provide for benefits when the latter resign or are terminated without just cause or if the employment relationship comes to an end as a result of a takeover bid.

The management team includes five members (one executive director and four senior executives) whose contracts include a special clause which provides for a general termination benefit in the event of termination without just cause for an amount ranging from one year's total remuneration to two years' total remuneration (fixed salary + last bonus received) of the member concerned.

Prisa's shareholders at the Annual General Meeting were informed of these agreements.

10. OUTLOOK

The media industry is sensitive to trends in the main macroeconomic variables and, in particular, to the advertising cycle, which is very closely related to GDP. However, the Prisa Group's exposure to the performance of the advertising market is limited, due to the diversification of its revenue sources, with advertising revenue representing only 28% of total revenue in 2009. Also, the leadership of its brands enables it to constantly perform above the market average.

Also, Prisa has solid businesses that are not affected by the economic cycle, such as Educational-Publishing, which in 2009 represented 19% of the Group's total revenue (compared with 15% in 2008). In addition, revenue from the international area in 2009 accounted for 23% of the Group's total revenue (19% in 2008), which enables it to diversify country risk.

This business model, together with the consolidation of the cost-containment policy implemented in 2009 and the strengthening of the synergies existing among the business units will enable the Group to respond flexibly and efficiently to the changes in the industry, at a time when the overall recovery of the economy has begun to come into view.

APPENDIX II: ANNUAL CORPORATE GOVERNANCE REPORT

ANNUAL REPORT ON CORPORATE GOVERNANCE

LISTED COMPANIES

DATA IDENTIFYING ISSUER

FINANCIAL YEAR 31.12.2009

TAX ID CODE: A-28297059

Corporate Name:

PROMOTORA DE INFORMACIONES, S.A.

A OWNERSHIP STRUCTURE

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

Date Last Modified	Share Capital (€)	Number of Shares	Number of Voting Rights
14-03-2008	21,913,550	219,135,500	219,135,500

Indicate whether there are different classes of shares having different rights:

NO

A.2. Indicate the direct or indirect owners of significant holdings in your organization at the end of the financial year, excluding Board Members:

Shareholder's Name	Number of Direct Voting Rights	Number of Indirect Voting Rights (*)	Total % of Voting Rights
RUCANDIO, S.A.	0	155,469,694	70.947
PROMOTORA DE PUBLICACIONES, S.L.	91,005,876	0	41.529
ASGARD INVERSIONES, SLU	35,487,164	0	16.194
SABARA INVESTMENT, S.L.	20,709,420	0	9.451
TIMON, S.A.	7,928,140	0	3.618

Indirect Shareholder's Name	Through: direct Shareholder's Name	Number of direct Voting Rights	Total % of Voting Rights
RUCANDIO, S.A.	ASGARD INVERSIONES, SLU	35,487,164	16.194
RUCANDIO, S.A.	PROMOTORA DE PUBLICACIONES, S.L.	91,005,876	41.529
RUCANDIO, S.A.	SABARA INVESTMENT, S.L.	20,709,420	9.451
RUCANDIO, S.A.	TIMON, S.A.	7,928,140	3.618

Indicate the most significant changes in shareholder structure during the financial year:

Shareholder's Name	Date of Transaction	Description of Transaction
RUCANDIO, S.A.	13/03/2009	has acquired over 70% of share capital
TIMON, S.A.	18/03/2009	has acquired over 3% of share capital
PROMOTORA DE PUBLICACIONES, S.L.	09/03/2009	has acquired over 40% of share capital

A.3. Complete the following tables concerning members of the Board of Directors who hold voting rights in the Company:

Name or Corporate Name of Board Member	Number of Direct Voting Rights	Number of Indirect Voting Rights (*)	Total % of Voting Rights
IGNACIO POLANCO MORENO	93,041	39,012	0.060
JUAN LUIS CEBRIÁN ECHARRI	1,010,714	248,591	0.575
ADOLFO VALERO CASCANTE	47,716	208,701	0.117
AGNES NOGUERA BOREL	100	500	0.000
ALFONSO LOPEZ CASAS	32,834	0	0.015
BORJA JESÚS PÉREZ ARAUNA	8,000	40,350	0.022
DIEGO HIDALGO SCHNUR	150	0	0.000
EMILIANO MARTINEZ RODRIGUEZ	41,781	0	0.019
FRANCISCO JAVIER DIEZ DE POLANCO	16,500	120	0.008
GREGORIO MARAÑÓN BERTRÁN DE LIS	75	118,225	0.054
JOSÉ BUENAVENTURA TERCEIRO LOMBA	300	0	0.000
MANUEL POLANCO MORENO	2,863	65,266	0.031
MATÍAS CORTÉS DOMÍNGUEZ	75	0	0.000
RAMÓN MENDOZA SOLANO	120	0	0.000

Total % of Voting Rights controlled by the Board of Directors	0,901

Complete the following table concerning Members of the Board of Directors holding stock options in the Company:

Director's Name	Number of Direct Stock Options	Number of Indirect Stock Options	Number of Equivalent Shares	Total % of Voting Rights

IGNACIO POLANCO MORENO	60,000	0	60,000	0.027
JUAN LUIS CEBRIÁN ECHARRI	60,000	0	60,000	0.027
ALFONSO LOPEZ CASAS	7,500		7,500	0.003
FRANCISCO JAVIER DIEZ DE POLANCO	25,000	0	25,000	0.011
MANUEL POLANCO MORENO	25,000	0	25,000	0.011

A.4. Indicate, if applicable, any family, commercial, contractual or corporate relationships existing between the owners of significant shareholdings that are known to the Company, unless they are irrelevant or derive from ordinary commercial transactions:

Type of Relationship
Corporate

Brief Description:
Promotora de Publicaciones, S.L. controls directly 99.99% of the share capital of Sabara Investment, S.L.

Names of the Related Persons or Entities
SABARA INVESTMENT, S.L

Type of Relationship
Corporate

Brief Description:
Rucandio, S.A. controls directly 56.53% of the share capital of Timón, S.A.

Names of the Related Persons or Entities
TIMON, S.A.

Type of Relationship
Corporate

Brief Description:
Timón, S.A. controls directly 49.54% and Rucandio, S.A. controls directly 4.97% of the share capital of Promotora de Publicaciones, S.L. Consequently, Rucandio, S.A. controls direct and indirectly 54.50% of the share capital of Promotora de Publicaciones, S.L.

Names of the Related Persons or Entities
PROMOTORA DE PUBLICACIONES, S.L.

Type of Relationship
Corporate

Brief Description:
Timón, S.A. directly controls 100% of Asgard Inversiones, S.L.U.

Names of the Related Persons or Entities
ASGARD INVERSIONES, SLU

A.5. Indicate, if applicable, any commercial, contractual or corporate relationships existing between significant shareholders and the Company and/or its Group, unless they are of little relevance or derive from ordinary commercial transactions:

A.6. Indicate whether relevant shareholders agreements have been disclosed to the company pursuant to Article 112 of the Securities Market Law. If applicable, describe briefly and list the shareholders bound by those agreements:

YES

% of share capital
100

Brief Description of the Agreement
Shareholders´ Agreement in Rucandio, S.A. (See the note in section G)

Parties to the Shareholders' Agreement
IGNACIO POLANCO MORENO
ISABEL MORENO PUNCEL
MARIA JESÚS POLANCO MORENO
MARTA LOPEZ POLANCO
ISABEL LOPEZ POLANCO
MANUEL POLANCO MORENO
JAIME LOPEZ POLANCO
LUCIA LOPEZ POLANCO

% of share capital
85.709

Brief Description of the Agreement
Shareholders´ Agreement in Promotora de Publicaciones, S.L. (See the note in section G)

Parties to the Shareholders' Agreement
EVIEND SARL
MANUEL VARELA UÑA
MANUEL VARELA ENTRECANALES
ISABEL VARELA ENTRECANALES
MARTA VARELA ENTRECANALES
Mª CRUZ VARELA ENTRECANALES
ANDRÉS VARELA ENTRECANALES
ANA VARELA ENTRECANALES
CARMEN DEL MORAL RUIZ
RUCANDIO, S.A.
TIMÓN, S.A.
LIBERTAS 7, S.A.
INVERSIONES MENDOZA SOLANO, S.L.

Indicate, if applicable, any concerted actions among company shareholders that are known to the Company:

NO

Expressly indicate any change or breach of those agreements or concerted actions during the financial year.

NO

A.7. Indicate whether any individual or corporate entity controls or may control the Company pursuant to Article 4 of the Securities Market Law:

YES

Name
RUCANDIO, S.A.

Observations

A.8. Complete the following tables concerning the Company's treasury stock:

At year's end:

Number of Direct Shares	Number of Indirect Shares (*)	Total % of Share Capital
867,306	0	0.395

(*) Through:

Total:	0

Indicate any significant variations during the financial year with respect to the provisions of Royal Decree 1362/2007:

Gains/(losses) of sales of treasury stock during the financial year	**0**

A.9. Indicate the conditions and terms of any powers conferred upon the Board of Directors at the Shareholders' Meeting to purchase or transfer treasury stock.

The Annual Shareholders' Meeting held on June 18, 2009 passed the following resolution:

To authorize the derivative acquisition of treasury shares, either directly or through any of the company's subsidiaries, by means of purchase or by any other inter vivos act for valuable consideration, during the maximum term legally permitted.

To revoke any unexercised powers in that regard granted at the Shareholders' Meeting of March 13, 2008.

To approve the following limits or requisites with regard to these acquisitions:

- When added to those that the Company and its subsidiaries already hold, the nominal value of the shares acquired cannot exceed the maximum legally permitted.
- The acquired shares must be free of all encumbrances and charges, fully paid in and not subject to compliance with any type of obligation.

- Non-distributable reserves equivalent to the price of the treasury shares reflected on the assets side should be added to the liabilities side of the Company balance sheet. This reserve must be maintained until the shares are transferred or redeemed.
- The purchase price may not be lower than face value nor more than 20% higher than the quoted value. Transactions to acquire treasury shares must conform to the securities markets' standard rules and practices.

Express authorization is hereby granted to use all or part of the shares acquired by the Company or its subsidiaries by virtue of this power, as well as the shares that already belong to the Company on the date the Shareholders' Meeting is held for:

i) the Option Plan to deliver stock options, approved at the Shareholders' Meeting of March 13, 2008.

ii) a plan to grant shares during the 2010 financial year which, as part of the Company's remuneration policy and up to a maximum of 0.5% of the present share capital, is intended for the following personnel categories: executive directors, directors general, communications media directors, secretaries of the boards of directors and other directors of the company and its group who carry out similar functions, and who meet the conditions set forth by the Board of Directors. The shares granted to each person in question shall be free-of-charge and shall not exceed 12,000 € annually, based on the average value of the shares on the Continuous Market during the seven trading days prior to their delivery. The Board of Directors is granted broad powers to further define and implement this share plan.

A.10. Indicate, if applicable, any legal restrictions or limitations in the company bylaws on voting rights, or any legal restrictions on the acquisition or transfer of share capital holdings:

NO

Maximum percent of voting rights that a shareholder may exercise pursuant to legal restrictions	0

Indicate any restrictions in the bylaws on the exercise of voting rights:

NO

Maximum percent of voting rights that a shareholder may exercise pursuant to restrictions in the bylaws	**0**

Indicate whether there are legal restrictions on the acquisition or transfer of shares:

NO

A.11 Indicate whether shareholders at the Annual Meeting have resolved to adopt any anti-takeover measures pursuant to Law 6/2007.

NO

If applicable, explain the measures passed and the terms in which restrictions would not apply:

B COMPANY MANAGEMENT STRUCTURE

B.1 Board of Directors

B.1.1. Indicate the maximum and minimum number of directors provided for in the Bylaws:

Maximum Number of Directors	21
Minimum Number of Directors	3

B.1.2. Complete the following table providing information concerning Board Members:

Director's Name	Representative	Position on the Board	Date of First Appointment	Date of Last Appointment	How Elected
IGNACIO POLANCO MORENO		CHAIRMAN	18 Mar 93	13 March 08	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
JUAN LUIS CEBRIÁN ECHARRI		CHIEF EXECUTIVE OFFICER	15 Jun 83	18 June 09	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
ADOLFO VALERO CASCANTE		DIRECTOR	20 Oct 88	18 June 09	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
AGNES NOGUERA BOREL		DIRECTOR	20 Apr 06	22 March 07	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
ALFONSO LOPEZ CASAS		DIRECTOR	17 Apr 08	5 Dec 08	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
BORJA JESÚS PÉREZ ARAUNA		DIRECTOR	18 May 00	17 March 05	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
DIEGO HIDALGO SCHNUR		DIRECTOR	17 Jun 82	13 March 08	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
EMILIANO MARTINEZ RODRIGUEZ		DIRECTOR	15 Jun 89	18 June 09	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
FRANCISCO JAVIER DIEZ DE POLANCO		DIRECTOR	18 May 00	17 March 05	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
GREGORIO MARAÑÓN BERTRÁN DE LIS		DIRECTOR	15 Jun 83	18 June 09	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING

JOSÉ BUENAVENTURA TERCEIRO LOMBA		DIRECTOR	15 Nov 90	23 March 06	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MANUEL POLANCO MORENO		DIRECTOR	19 Apr 01	23 March 06	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
MATÍAS CORTÉS DOMÍNGUEZ		DIRECTOR	25 Mar 77	18 June 09	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING
RAMÓN MENDOZA SOLANO		DIRECTOR	19 Apr 01	23 March 06	APPOINTED AT THE ANNUAL SHAREHOLDERS' MEETING

Total Number of Board Members	14

Indicate any Members retiring from the Board of Directors during the financial year

Board Member	Board member status upon retirement	Retirement Date
MR. MANUELVARELA UÑA	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS	18/06/2009
MR. FRANCISCO PEREZ GONZALEZ	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS	18/06/2009
MR. JESUS DE LA SERNA GUTIERREZ REPIDE	INDEPENDENT	18/06/2009
MR. JUAN SALVAT DALMAU	INDEPENDENT	18/06/2009

B.1.3 Complete the following tables concerning the Members of the Board and their functions:

EXECUTIVE DIRECTORS

Director's Name	Committee Proposing His/Her Appointment	Post or Functions
MR. IGNACIO POLANCO MORENO	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	CHAIRMAN
MR. JUAN LUIS CEBRIÁN ECHARRI	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	CEO
MR. ALFONSO LOPEZ CASAS	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	DIRECTOR
MR. EMILIANO MARTÍNEZ RODRÍGUEZ	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	DIRECTOR
MR. MANUEL POLANCO MORENO	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	DIRECTOR

Total Number of Executive Directors	5
% of the Board	35.714

EXTERNAL DIRECTORS REPRESENTING SIGNIFICANT SHAREHOLDINGS

Director's Name	Committee that Proposed His/Her Appointment	Name of Significant Shareholder Who He/She Represents or Who Proposed His/Her Appointment
MR. ADOLFO VALERO CASCANTE	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	TIMÓN, S.A.
MRS. AGNES NOGUERA BOREL	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	PROMOTORA DE PUBLICACIONES, S.L.
MR. BORJA JESÚS PÉREZ ARAUNA	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	TIMÓN, S.A.
MR. DIEGO HIDALGO SCHNUR	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	PROMOTORA DE PUBLICACIONES, S.L.
MR. FRANCISCO JAVIER DIEZ DE POLANCO	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	TIMÓN, S.A.
MR. RAMÓN MENDOZA SOLANO	CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	PROMOTORA DE PUBLICACIONES, S.L.

Total number of external directors representing significant shareholdings	6
% of the Board	42.857

INDEPENDENT EXTERNAL DIRECTORS

Director's Name	Profession
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	LAWYER
MR. JOSÉ BUENAVENTURA TERCEIRO LOMBA	PROFESSOR OF APPLIED ECONOMICS
MR. MATÍAS CORTÉS DOMÍNGUEZ	LAWYER

Total number of independent external directors	3
% of the Board	21.429

OTHER EXTERNAL DIRECTORS

Explain why they may not be considered significant shareholders or independent and their relationships with the company, its directors or shareholders:

If applicable, indicate any changes that have occurred during the year in each director's status:

Director’s Name	Date	Previous status	Current Status
MR. FRANCISCO JAVIER DIEZ DE POLANCO	11/05/2009	EXECUTIVE	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

B.1.4 Explain, if applicable, why directors representing significant shareholdings have been appointed at the request of shareholders whose stake is less than 5% of share capital:

Indicate whether formal requests for representation on the board have been denied shareholders whose stake is equal or higher than others whose requests to appoint a director to represent a significant shareholding was granted. If so, explain why such requests were denied:

NO

B.1.5 Indicate whether any board member has left his post before the end of his mandate, whether he explained his reasons to the board and by what means, and if expressed in writing to the entire board, provide the reasons given:

Director´s Name
MR. JESUS DE LA SERNA GUTIERREZ REPIDE

Reasons

On June 18, 2009, the Board of Directors resolved to amend its working Regulation and set a maximum age limit (75) for board members.

In view of the amendment of the Regulation and in said meeting of the Board, Mr. Jesús de la Serna, who was over 75, tendered his resignation as board member.

Director´s Name
MR JUAN SALVAT DALMAU

Reasons

On June 18, 2009, the Board of Directors resolved to amend its working Regulation and set a maximum age limit (75) for board members.

In view of this amendment of the Regulation and in said meeting of the Board, Mr. Juan Salvat Dalmau, who was over 75, tendered his resignation as board member.

B.1.6. If applicable, indicate the powers delegated to members of the Board of Directors:

Board Member’s Name	Brief Description
IGNACIO POLANCO MORENO	HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW
JUAN LUIS CEBRIÁN ECHARRI	HE HAS BEEN DELEGATED ALL POWERS OF THE BOARD OF DIRECTORS EXCEPT THOSE THAT CANNOT BE DELEGATED BY LAW

B.1.7. If applicable, identify board members who hold posts as directors or officers in subsidiary companies within the listed company's group:

Director's Name	Name of the Group Company	Position
IGNACIO POLANCO MORENO	DIARIO EL PAIS, S.L.	CHAIRMAN
IGNACIO POLANCO MORENO	SOCIEDAD DE SERVICIOS RADIOFÓNICOS UNIÓN RADIO, S.L.	CHAIRMAN
IGNACIO POLANCO MORENO	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.	CHAIRMAN
IGNACIO POLANCO MORENO	SOGECABLE, S.A.	DIRECTOR
JUAN LUIS CEBRIAN ECHARRI	DIARIO EL PAIS, S.L.	CHIEF EXECUTIVE OFFICER
JUAN LUIS CEBRIAN ECHARRI	GRUPO MEDIA CAPITAL, SGPS, S.A.	DIRECTOR
JUAN LUIS CEBRIAN ECHARRI	PRISA DIVISION INTERNACIONAL, S.L.	REPRESENTATIVE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER PRISA
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010 COLOMBIA LTDA.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010 MEXICO, S.A. DE CV.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	PROMOTORA DE ACTIVIDADES AMERICA 2010, S.L.	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	SOCIEDAD DE SERVICIOS RADIOFÓNICOS UNIÓN RADIO, S.L.	DIRECTOR
JUAN LUIS CEBRIAN ECHARRI	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.	DIRECTOR EXERCISING DELEGATED POWERS
JUAN LUIS CEBRIAN ECHARRI	SOGECABLE, S.A.	DEPUTY CHAIRMAN
ADOLFO VALERO CASCANTE	DIARIO EL PAIS, S.L.	DIRECTOR
ADOLFO VALERO CASCANTE	GRUPO SANTILLANA DE EDICIONES, S.L.	DIRECTOR
AGNES NOGUERA BOREL	DIARIO EL PAÍS, S.L.	DIRECTOR
AGNES NOGUERA BOREL	SOCIEDAD DE SERVICIOS RADIOFONICOS UNION RADIO, S.L.	DIRECTOR
AGNES NOGUERA BOREL	SOGECABLE, S.A.	DIRECTOR
ALFONSO LOPEZ CASAS	CANTABRIA COMUNICACION, S.L.	JOINT DIRECTOR
ALFONSO LOPEZ CASAS	CANTABRIA RADIO, S.L.	JOINT DIRECTOR
ALFONSO LOPEZ CASAS	COMPAÑÍA ARAGONESA DE RADIODIFUSIÓN, S.A.	JOINT DIRECTOR

ALFONSO LOPEZ CASAS	CORPORACION CANARIA DE INFORMACION Y RADIO, S.A.	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	DIARIO AS, S.L.	DIRECTOR
ALFONSO LOPEZ CASAS	GESTION DE MARCAS AUDIOVISUALES, S.A.	JOINT DIRECTOR
ALFONSO LOPEZ CASAS	GRUPO LATINO DE RADIO, S.L.	JOINT DIRECTOR
ALFONSO LOPEZ CASAS	INICIATIVAS RADIOFONICAS DE CASTILLA LA MANCHA, S.A.	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	INVERSIONES GODÓ, S.A.U	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	ONDAS GALICIA, S.A.	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	PLURAL ENTERTAINMENT INC	DIRECTOR
ALFONSO LOPEZ CASAS	PROMOTORA DE EMISORAS DE TELEVISION, S.A.	DIRECTOR
ALFONSO LOPEZ CASAS	PROMOTORA DE EMISORAS, S.L.	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	RADIO 30, S.A.	JOINT DIRECTOR
ALFONSO LOPEZ CASAS	RADIO CLUB CANARIAS, S.A.	JOINT DIRECTOR
ALFONSO LOPEZ CASAS	RADIO MURCIA, S.A.	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	RADIO ZARAGOZA, S.A.	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	SOCIEDAD CANARIA DE TELEVISION REGIONAL, S.A.	DIRECTOR
ALFONSO LOPEZ CASAS	SOCIEDAD DE SERVICIOS RADIOFONICOS UNION RADIO, S.L.	GENERAL SECRETARY AND SECRETARY OF THE BOARD
ALFONSO LOPEZ CASAS	SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	SECRETARY DIRECTOR
ALFONSO LOPEZ CASAS	UNION RADIO DIGITAL, S.A.	JOINT DIRECTOR
ALFONSO LOPEZ CASAS	UNION RADIO SERVICIOS CORPORATIVOS, S.A.	SECRETARY DIRECTOR
BORJA PEREZ ARAUNA	SOCIEDAD DE SERVICIOS RADIOFONICOS UNION RADIO, S.L.	DIRECTOR
BORJA PEREZ ARAUNA	SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	DIRECTOR
DIEGO HIDALGO SCHNUR	DIARIO EL PAIS, S.L.	DIRECTOR
DIEGO HIDALGO SCHNUR	SOGECABLE, S.A.	DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	AVALIA QUALIDADE EDUCATIONAL LTDA-BRASIL	DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	CANAL DE EDITORIALES, S.A.	JOINT DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	CONSTANCIA EDITORES, S.A.- PORTUGAL	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	DIARIO EL PAÍS, S.L.	DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	EDICIONES SANTILLANA, S.A. –	CHAIRMAN

	ARGENTINA-	
EMILIANO MARTINEZ RODRIGUEZ	EDITORA MODERNA LTDA..- BRASIL	DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	EDITORA SANTILLANA, S.A.- COLOMBIA	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	EDITORIAL SANTILLANA, S.A. DE C.V.- MÉXICO	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	EDITORIAL SANTILLANA, S.A.- VENEZUELA	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	GRUPO SANTILLANA DE EDICIONES, S.L.	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	INSTITUTO UNIVERSITARIO DE POSGRADO, S.A.	DEPUTY CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	ITACA, S.L.	JOINT DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	LANZA, S.A. DE C.V.- MÉXICO	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	SANTILLANA DEL PACÍFICO, S.A. DE EDICIONES-CHILE	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	SANTILLANA EDICIONES GENERALES, S.A. DE CV- MÉXICO-	DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	SANTILLANA EDICIONES GENERALES, S.L.	JOINT DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	SANTILLANA EDUCACION, S.L.	JOINT DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	SANTILLANA USA PUBLISHING COMPANY INC	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	SANTILLANA, S.A.- ECUADOR	CHAIRMAN
EMILIANO MARTINEZ RODRIGUEZ	SANTILLANA, SA. — PERÚ	CHAIRMAN
GREGORIO MARAÑÓN BERTRÁN DE LIS	SOCIEDAD DE SERVICIOS RADIOFÓNICOS UNIÓN RADIO, S.L.	DIRECTOR
GREGORIO MARAÑÓN BERTRÁN DE LIS	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L.	DIRECTOR
GREGORIO MARAÑÓN BERTRÁN DE LIS	SOGECABLE, S.A.	DIRECTOR
MANUEL POLANCO MORENO	DIARIO AS, S.L.	DIRECTOR
MANUEL POLANCO MORENO	DIARIO EL PAIS, S.L.	DIRECTOR
MANUEL POLANCO MORENO	GRUPO MEDIA CAPITAL, SGPS, S.A.	DIRECTOR
MANUEL POLANCO MORENO	INSTITUTO UNIVERSITARIO DE POSGRADO, S.A.	DIRECTOR
MANUEL POLANCO MORENO	MCP MEDIA CAPITAL PRODUCOES, S.A	CHAIRMAN
MANUEL POLANCO MORENO	MED CAP TECHNOLOGIES - DESENVOLVIMENTO ECOMERCIALIZAÇÃO E SISTEMAS DE COMUNICAÇÃO, SA.	CHAIRMAN
MANUEL POLANCO MORENO	MEDIA CAPITAL PRODUCOES INVESTIMENTOS SGPS, S.A.	CHAIRMAN
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT CANARIAS, S.L.U	JOINT DIRECTOR
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT ESPAÑA, S.L.U	JOINT DIRECTOR
MANUEL POLANCO MORENO	PLURAL ENTERTAINMENT PORTUGAL, S.L.U	JOINT DIRECTOR
MANUEL POLANCO MORENO	PRISA DIVISION INTERNACIONAL, S.L.	DIRECTOR

MANUEL POLANCO MORENO	PRISACOM, S.L.	DIRECTOR
MANUEL POLANCO MORENO	PRODUCTORA CANARIA DE PROGRAMAS, S.A.	DIRECTOR
MANUEL POLANCO MORENO	SOCIEDAD CANARIA DE TELEVISION REGIONAL, S.A.	DIRECTOR
MANUEL POLANCO MORENO	SOCIEDAD DE SERVICIOS RADIOFONICOS UNION RADIO, S.L.	DIRECTOR
MANUEL POLANCO MORENO	SOCIEDAD ESPAÑOLA DE RADIODIFUSION, S.L.	DIRECTOR
MANUEL POLANCO MORENO	SOGECABLE, S.A.	DIRECTOR
MANUEL POLANCO MORENO	TVI - TELEVISÃO INDEPENDENTE, SA	CHAIRMAN
MANUEL POLANCO MORENO	VERTIX, SGPS, S.A.	CHAIRMAN
RAMÓN MENDOZA SOLANO	DIARIO EL PAÍS, S.L.	DIRECTOR
RAMÓN MENDOZA SOLANO	SOGECABLE, S.A.	DIRECTOR

B.1.8. If applicable, indicate the directors of your company who are members of the boards of directors of other companies listed on official Spanish securities markets, other than companies in your own group, which have been reported to the company:

Director's Name	Name of Listed Company	Position
IGNACIO POLANCO MORENO	RUCANDIO INVERSIONES SICAV, S.A.	CHAIRMAN
IGNACIO POLANCO MORENO	NOMIT INVERSIONES SICAV, S.A	CHAIRMAN
IGNACIO POLANCO MORENO	EURE K INVERSIONES SICAV, S.A.	CHAIRMAN
IGNACIO POLANCO MORENO	NOMIT IV GLOBAL SICAV, S.A.	CHAIRMAN
IGNACIO POLANCO MORENO	NOMIT III INTERNACIONAL SICAV,S.A	CHAIRMAN
JUAN LUIS CEBRIAN ECHARRI	SAPRI INVERSIONES 2000 SICAV, S.A	CHAIRMAN
ADOLFO VALERO CASCANTE	RUCANDIO INVERSIONES SICAV, S.A.	DIRECTOR
ADOLFO VALERO CASCANTE	NOMIT INVERSIONES SICAV, S.A	DIRECTOR
ADOLFO VALERO CASCANTE	NOMIT IV GLOBAL SICAV, S.A.	DIRECTOR
ADOLFO VALERO CASCANTE	NOMIT III INTERNACIONAL SICAV,S.A	DIRECTOR
ADOLFO VALERO CASCANTE	EURE K INVERSIONES SICAV, S.A.	DIRECTOR
ADOLFO VALERO CASCANTE	INVERSIONES BANIAR SICAV, S.A.	CHAIRMAN
AGNES NOGUERA BOREL	LIBERTAS 7, S.A.	CHIEF EXECUTIVE OFFICER
BORJA JESUS PEREZ ARAUNA	NOMIT III INTERNACIONAL	DIRECTOR

	SICAV,S.A	
BORJA JESUS PEREZ ARAUNA	NOMIT IV GLOBAL SICAV, S.A.	DIRECTOR
BORJA JESUS PEREZ ARAUNA	EURE K INVERSIONES SICAV, S.A.	DIRECTOR
BORJA JESUS PEREZ ARAUNA	NOMIT INVERSIONES SICAV, S.A	DIRECTOR
BORJA JESUS PEREZ ARAUNA	VALSEL INVERSIONES SICAV, S.A.	DIRECTOR
BORJA JESUS PEREZ ARAUNA	CARAUNA INVERSIONES SICAV, S.A.	CHAIRMAN
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	VISCOFAN, S.A.	DIRECTOR
JOSÉ BUENAVENTURA TERCEIRO LOMBA	IBERIA LINEAS AEREAS DE ESPAÑA, S.A.	DIRECTOR
JOSÉ BUENAVENTURA TERCEIRO LOMBA	EFFICIENT ASSET ALLOCATION INVESTMENTS, SICAV, S.A	DIRECTOR
MATIAS CORTES DOMINGUEZ	SACYR VALLEHERMOSO	DIRECTOR

B.1.9 Indicate, and if applicable explain, whether the company has established rules regarding the number of boards on which its directors may sit:

NO

B.1.10 In accordance with Recommendation 8 of the Unified Code, indicate the general company policies and strategies that must be approved by the board in full:

Investment and financing policy	YES
Definition of group company structure	YES
Corporate governance policy	YES
Corporate social responsibility policy	YES
Strategic or business plan, as well as management goals and annual budgets	YES
Remuneration policy and assessment of performance of senior management	YES
Risk management and control policy, as well as periodic monitoring of internal information and control systems	YES
Dividends policy, and treasury stock policy, particularly with regard to limitations thereon	YES

B.1.11. Complete the following tables concerning the aggregate remuneration of directors paid during the financial year:

a) In the Company that is the subject of this report:

Payments	Euros 000
Fixed Salaries	2,010
Variable Salaries	1,588
Allowances	1,811
Remuneration Stipulated in the Bylaws	0
Stock Options and/or Options in Other Financial Instruments	0
Others	1,886
Total:	**7,295**

Other Benefits	Euros 000
Advances	0
Loans	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Obligations Assumed	0
Life Insurance Premiums	24
Guarantees assumed by the Company in the benefit of Directors	0

b) To Company Board Members for serving on the boards of directors and/or exercising management functions in the Group's subsidiary companies:

Payments	Euros 000
Fixed Salaries	1,058
Variable Salaries	972
Allowances	530
Remuneration Stipulated in the Bylaws	398
Stock Options and/or Options in Other Financial Instruments	0
Others	3,444
Total:	**6,402**

Other Benefits	Euros 000
Advances	0
Loans	0
Pension Funds and Plans: Contributions	0
Pension Funds and Plans: Obligations Assumed	0
Life Insurance Premiums	11
Guarantees assumed by the Company to benefit the Directors	0

c) Total Remuneration for Each Category of Director:

Category	By Company	By Group
Executive Directors	5,556	6,044
External Directors Representing Significant Shareholdings	1,025	275
Independent External Directors	714	83
Other External Directors	0	0
Total	**7,295**	**6,402**

d) In relation to Profits Attributed to the Parent Company:

Total Directors' Remunerations (in Euros 000)	13,697
Total Directors' Remunerations/Profits Attributed to the Parent Company (in %)	27,1%

B.1.12. Identify members of senior management who are not executive directors and indicate the total remunerations paid in their favor during the financial year:

Name	Position
MIGUEL ANGEL CAYUELA SEBASTIAN	CHIEF EXECUTIVE OFFICER OF GRUPO SANTILLANA
IGNACIO SANTILLANA DEL BARRIO	GENERAL MANAGER
PEDRO GARCÍA GUILLÉN	CHIEF EXECUTIVE OFFICER OF SOGECABLE
AUGUSTO DELKADER TEIG	CHIEF EXECUTIVE OFFICER OF UNION RADIO
MATILDE CASADO MORENO	CHIEF FINANCIAL OFFICER
JESUS CEBERIO GALARDI	GENERAL PRESS DIRECTOR AND GENERAL DIRECTOR OF EL PAIS
VIRGINIA FERNANDEZ IRIBARNEGARAY	INTERNAL AUDIT DIRECTOR
FERNANDO MARTINEZ ALBACETE	GENERAL SECRETARY
IÑIGO DAGO ELORZA	SECRETARY OF THE BOARD OF DIRECTORS AND CHIEF LEGAL ADVISOR
OSCAR GOMEZ BARBERO	CHIEF ORGANIZATION, TECHNOLOGY AND LOGISTICS OFFICER
BARBARA MANRIQUE DE LARA	COMMUNICATION MANAGER

Total Senior Management Salaries (in Euros 000)	**5,326**

B.1.13. Indicate in general terms if there are any guarantee or "golden parachute" clauses benefiting senior managers (including executive directors) of the Company and its Group in the event of dismissal or changes in control. Indicate whether such contracts must be reported and/or approved by the governing bodies of the Company or Group:

Number of Beneficiaries	**5**

	Board of Directors	Shareholders' Meeting
Body authorizing these clauses	YES	NO

Are the participants at the Shareholders' Meeting informed of these clauses?	YES

B.1.14. Indicate the process for determining the remuneration of members of the Board of Directors and any relevant clauses in the bylaws.

In accordance with the provisions of Article 19 of the Company Bylaws, Directors' compensation shall consist of an annual amount provided for in the terms set forth by the board of directors, within limits established by shareholders at the annual shareholders meeting. The remuneration of individual directors may differ depending on the offices they hold and their service on board committees, and shall be compatible with per diem expenses paid for attendance at meetings. When approving the annual accounts at the annual shareholders meeting, shareholders may amend the limit set on directors' remuneration and, if not amended, the current limit shall automatically be revised at the beginning of the fiscal year, based on any variation in the total national Consumer Price Index.

The board shall determine the exact amount of per diem expenses and individual compensation to be paid to each director, within the limit set at the annual shareholders meeting.

Without prejudice to the remuneration set forth above, directors' compensation may also include stock or stock options, or amounts pegged to share value. Such compensation shall require the approval of shareholders at the annual meeting, indicating the number of shares to be awarded, the exercise price for stock options, the value of shares taken as a reference, and the duration of this compensation system. Likewise, the company may subscribe a civil liability insurance policy for its directors.

According to the provisions of Article 28 of the Company Bylaws, the Chairman's remuneration and, if applicable, the remuneration of the Deputy Chairmen and Chief Executive Officer shall be determined by the Board of Directors, without prejudice to any amounts that may be due them pursuant to Article 19 of the Company Bylaws.

Likewise and as set forth in Article 25 of the Company Bylaws, the remuneration for directors provided for in the bylaws is compatible with and independent of any salaries, payments, indemnification, pensions or compensation of any nature established either generally or individually for members of the Board of Directors who hold a paid post or position of responsibility (whether under a contract of employment or otherwise) in the Company or the companies within its Group, i.e., those defined as such within the scope of Article 42 of the Commercial Code.

Indicate whether the full board has reserved the right to approve the following decisions:

At the proposal of the chief executive officer of the company, the appointment and possible termination of senior managers, as well as their compensation clauses.	NO
Remuneration of directors as well as in the case of executive directors, additional remuneration for those duties and other conditions provided for in their contracts.	YES

B.1.15 Indicate whether the board of directors approves a detailed remuneration policy and specify the matters on which it issues an opinion:

YES

Amount of fixed remuneration with a breakdown, if applicable, of per diem allowances for serving on the board and board committees, and an estimate of the resulting fixed annual remuneration	YES
Variable remuneration	YES
Main features of benefits system, with an estimate of its annual cost or equivalent	NO
Conditions that must be respected in the contracts of executive directors who perform senior management duties	YES

B.1.16. Indicate whether the board submits to a non-binding vote at the shareholders meeting and as a separate item on the agenda, a report on the remuneration policy of directors. If so, explain aspects of the report describing the remuneration policy approved by the board for the following years, the most significant changes in that policy vis-à-vis the policy applied this year, and a summary of how this year's policy was applied. Describe the role played by the Remuneration Committee and, if external advice was sought, the names of the external consultants who provided such advice:

YES

Issues Addressed in the Remuneration Policy Report

The report on remuneration policy included in the Management Report addresses the following issues: 1.-Remuneration policy for the board of directors (Article 19); 2.- Remuneration policy with respect to the management team: fixed salary; Variable short-term remuneration; Stock plan; Remuneration in kind plan; Stock option plan; 3.- Other aspects of management remuneration; Long-term incentives; Guarantee clauses; 4.-Summary of the application of the remuneration policy in 2009 and the most significant changes in remuneration policy for 2010 vs. the policy applied in 2009. The latter includes:

- Summary of the application of the remuneration policy in 2009

The differences shown below are due to two factors: i) an 8% decrease in fixed compensation for management personnel, as per the Expense Adjustment Plan adopted by Grupo PRISA and ii) changes in the management team during the 2009 financial year.

	2009 Forecast Fixed Remuneration	2009 Actual Fixed Remuneration
Executive Directors	3,576,535 €	3,068,428 €
Senior Managers	3,926,201 €	3,563,691 €
	7,502,736 €	**6,632,119 €**

	2009 Reference Bonuses	Actual 2009 Bonuses
Executive Directors	2,660,081 €	2,708,766 €
Senior Managers	1,835,828 €	1,705,562 €
	4,495,909 €	**4,414,328 €**

- The most significant changes in remuneration policy for 2010 vs. the policy applied in 2009:

	2009	2010
Remuneration for the Board	1,170,000 €	1,257,379 €
Per diem allowances	1,811,000 €	1,717,000 €
	2,981,000 €	**2,974,379 €**

	2009 Actual Fixed Remuneration	2010 Fixed Remuneration
Executive Directors	3,068,428 €	2,610,362 €
Senior Managers	3,563,691 €	4,265,141 €
	6,632,119 €	**6,875,504 €**

	Actual 2009 Bonuses	2010 Reference Bonuses
Executive Directors	2,708,766 €	2,141,048 €
Senior Managers	1,705,562 €	2,120,285 €
	4,414,328 **€**	**4,261,333 €**

Other aspects of the remuneration policy are similar to last year's, taking into account the observations in paragraphs 2 and 3 of this section concerning the new stock option plan and the new long-term incentives plan.

The difference between real compensation paid in 2009 and compensation forecasted for 2010 reflects the new composition of senior management for 2010.

Role of the Remuneration Committee
The committee prepared the remuneration policy and proposed the corresponding resolutions to the board of directors in all cases in which this is required under the Bylaws and Board of Directors' Regulation.

Was outside advice sought?	
Name of external consultants	

B.1.17. If applicable, identify the members of the Board of Directors who are likewise members of the boards of directors, managers or employees of companies that have significant shareholdings in the listed company and/or in companies within its group:

Director's Name	Significant Shareholder's Corporate Name	Position
IGNACIO POLANCO MORENO	RUCANDIO, S.A.	CHAIRMAN
IGNACIO POLANCO MORENO	PROMOTORA DE PUBLICACIONES, S.L.	CHAIRMAN
IGNACIO POLANCO MORENO	ASGARD INVERSIONES, SLU	JOINT DIRECTOR
IGNACIO POLANCO MORENO	TIMÓN, S.A.	CHAIRMAN
JUAN LUIS CEBRIÁN ECHARRI	PROMOTORA DE PUBLICACIONES, S.L.	CHIEF EXECUTIVE OFFICER
JUAN LUIS CEBRIÁN ECHARRI	TIMÓN, S.A.	DIRECTOR
ADOLFO VALERO CASCANTE	RUCANDIO, S.A.	DIRECTOR
ADOLFO VALERO CASCANTE	PROMOTORA DE PUBLICACIONES, S.L.	CHIEF EXECUTIVE OFFICER
ADOLFO VALERO CASCANTE	ASGARD INVERSIONES, SLU	JOINT DIRECTOR
ADOLFO VALERO CASCANTE	SABARA INVESTMENT, S.L.	JOINT DIRECTOR
ADOLFO VALERO CASCANTE	TIMÓN, S.A.	CHIEF EXECUTIVE OFFICER
AGNES NOGUERA BOREL	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR (REPRESENTATIVE OF LIBERTAS 7, S.A.)
ALFONSO LOPEZ CASAS	TIMON, S.A.	DIRECTOR
BORJA PÉREZ ARAUNA	ASGARD INVERSIONES, SLU	JOINT DIRECTOR
BORJA PÉREZ ARAUNA	TIMÓN, S.A.	DEPUTY CHAIRMAN
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR

EMILIANO MARTINEZ RODRIGUEZ	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR
EMILIANO MARTINEZ RODRIGUEZ	TIMÓN, S.A.	DIRECTOR
FRANCISCO JAVIER DIEZ DE POLANCO	TIMÓN, S.A.	DIRECTOR
MANUEL POLANCO MORENO	RUCANDIO, S.A.	DIRECTOR
MANUEL POLANCO MORENO	PROMOTORA DE PUBLICACIONES, S.L	DIRECTOR
MANUEL POLANCO MORENO	TIMÓN, S.A.	DEPUTY CHAIRMAN
RAMON MENDOZA SOLANO	PROMOTORA DE PUBLICACIONES, S.L.	DIRECTOR

If applicable, indicate the relevant relationships (other than those listed in the previous table) existing between members of the Board of Directors and significant shareholders and/or companies in the group:

Director's Name	Significant Shareholder's Name	Description of the Relationship
IGNACIO POLANCO MORENO	RUCANDIO, S.A.	THE DIRECTOR OWNS 13.55% OUTRIGHT AND IS THE NAKED OWNER OF 11.45% OF THE SHARE CAPITAL OF RUCANDIO, S.A.
JUAN LUIS CEBRIÁN ECHARRI	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS BOTH DIRECT HOLDINGS (0.02% OWNED OUTRIGHT AND 0.01% IN NAKED OWNERSHIP) AND INDIRECT (0.25%) HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
ADOLFO VALERO CASCANTE	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT (0.0048%) HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
ADOLFO VALERO CASCANTE	TIMÓN, S.A.	THE DIRECTOR HAS INDIRECT (0.59%) HOLDINGS IN THE SHARE CAPITAL OF TIMÓN, S.A.
ADOLFO VALERO CASCANTE	TIMÓN, S.A.	THE DIRECTOR HAS AN EMPLOYMENT RELATIONSHIP WITH TIMÓN, S.A.
AGNES NOGUERA BOREL	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR IS THE CHIEF EXECUTIVE OFFICER OF LIBERTAS 7, S.A., A COMPANY BOUND BY THE SHAREHOLDERS' AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L. DESCRIBED IN PARAGRAPH A.6. LIBERTAS 7, S.A. HAS DIRECT HOLDINGS (10.75%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
BORJA JESÚS PÉREZ ARAUNA	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT HOLDINGS (0.0048%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
BORJA JESÚS PÉREZ ARAUNA	TIMÓN, S.A.	THE DIRECTOR HAS AN EMPLOYMENT RELATIONSHIP WITH TIMÓN, S.A.
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS INDIRECT HOLDINGS (11.5632%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
DIEGO HIDALGO SCHNUR	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR CONTROLS EVIEND SARL, A COMPANY BOUND BY THE SHAREHOLDERS AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L.

		DESCRIBED IN SECTION A.6.
EMILIANO MARTÍNEZ RODRIGUEZ	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT (0.084%) AND INDIRECT (0.31%) HOLDINGS IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
EMILIANO MARTÍNEZ RODRIGUEZ	TIMÓN, S.A.	THE DIRECTOR HAS INDIRECT HOLDINGS (6.12%) IN THE SHARE CAPITAL OF TIMÓN, S.A.
FRANCISCO JAVIER DIEZ POLANCO	TIMÓN, S.A.	THE DIRECTOR HAS DIRECT HOLDINGS (1%) IN THE SHARE CAPITAL OF TIMÓN, S.A.
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS INDIRECT HOLDINGS (0.44%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
JOSÉ BUENAVENTURA TERCEIRO LOMBA	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT HOLDINGS (0.25%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
MANUEL POLANCO MORENO	RUCANDIO, S.A.	THE DIRECTOR OWNS 13.55% OUTRIGHT AND IS THE NAKED OWNER OF 11.45% OF THE SHARE CAPITAL OF RUCANDIO, S.A.
MATÍAS CORTÉS DOMINGUEZ	PROMOTORA DE PUBLICACIONES, S.L.	THE DIRECTOR HAS DIRECT HOLDINGS (0.06%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.
RAMÓN MENDOZA SOLANO	RUCANDIO, S.A.	THE DIRECTOR IS THE CHAIRMAN OF INVERSIONES MENDOZA SOLANO, S.L., A COMPANY BOUND BY THE SHAREHOLDER'S AGREEMENT IN PROMOTORA DE PUBLICACIONES, S.L. DESCRIBED IN PARAGRAPH A.6. INVERSIONES MENDOZA SOLANO, S.L. HAS DIRECT SHAREHOLDINGS (5,49%) IN THE SHARE CAPITAL OF PROMOTORA DE PUBLICACIONES, S.L.

B.1.18. Indicate if the Board Regulation has been amended during the year.

YES

Description of Amendments
The Board of Directors held on June, 18, 2009, and with the previous favorable report of the Corporate Governance, Appointments and Remunerations Committee, resolved to amend its working Regulation. In addition to other minor amendments, the Board set a maximum age limit for board members (75), while creating the post of "Honorary Director". Likewise, the members of the Executive Committee were established in 8 and with respect to financial information, was also provided that the intermediate first quarter and third quarter reports may be approved by either the Board of Directors or the Executive Committee. In the same session of the Board of Directors and in view of the aforementioned amendments in its working Regulation, Mr. Francisco Pérez Gonzalez was appointed Honorary Director, based on his merits and extraordinary devotion to the Company.

B.1.19. Indicate the procedures for the appointment, reelection, evaluation and removal of directors. Describe the bodies empowered to do so, the steps to be taken and the criteria to be applied in each of those procedures.

According to Article 17 of the Company Bylaws, the Board of Directors shall consist of a minimum of three and a maximum of twenty-one Directors, and the participants at the Shareholders' Meetings are empowered to appoint and determine the number of Directors. The Directors will appoint a Chairman from among them, and may also appoint one or several Deputy Chairmen. They may likewise appoint from among their members an executive committee or one or more chief executive officers. The Board will also appoint a secretary, who may or not be a board member, and may also appoint a vice secretary, who likewise may or may not be a board member.

Chapter VI of the Board Regulations provides for the following procedures for appointing, reelection, evaluating and removing Directors:

- Appointment of Directors: Directors shall be appointed by the participants at the Shareholders' Meeting or, provisionally, by the Board of Directors in accordance with the provisions of the Corporations Law and the Company Bylaws.

Proposed appointments submitted by the Board of Directors at the Shareholders' Meeting and board appointments made by virtue of its legally-attributed powers to do so should comply with the provisions of the Board Regulations and be accompanied by the corresponding report from the Corporate Governance, Appointments and Remuneration Committee, which is nevertheless not binding. The appointment of Independent Directors must be necessarily proposed by the Corporate Governance, Appointments and Remuneration Committee.

Persons who are 75 years of age or who will be 75 during the current year may not be proposed for appointment as board members.

Within the scope of their respective powers, the Board of Directors and the Corporate Governance, Appointments and Remuneration Committee shall endeavor to ensure that the candidates elected are persons of recognized capacity and experience.

Honorary Directors: The Board of Directors may confer the title of Honorary Director on those directors who have served on the board for over 25 years and who, based on their merit and extraordinary devotion to the Company, deserve being included in that category after leaving the board.

The Corporate Governance, Appointments and Remuneration Committee shall issue a non-binding opinion prior to the Board's appointment of Honorary Directors.

The title of Honorary Director is a purely honorary distinction and, thus, Honorary Directors are not members of the Board of Directors.

The Board may withdraw this distinction, based on the circumstances of each case.

Honorary Directors may attend board meetings, and may voice their opinions but may not vote, and shall duly receive notice of meetings from the Chairman.

Honorary Directors have the right to receive compensation as determined by the Board of Directors.

- Reelection and Evaluation of Directors: Proposals for the reelection of Directors that the Board of Directors decides to submit at the Shareholders' Meeting shall be subject to a formal procedure which shall include a report issued by the Corporate Governance, Appointments and Remuneration Committee, which shall evaluate the diligence and commitment of the Directors to their duties during their previous term.

Persons who are 75 years of age or who will be 75 during the current year may not be proposed for reelection as board members.

- Term of Office: The Directors will serve for a term of five (5) years, and may be reelected. Directors designated by the Board may exercise their duties until the date of the next Shareholders' Meeting.

- Termination of Directors: Directors will cease in their functions when the term for which they have been appointed expires, when they reach 75 years of age, or when the participants at the Shareholders' Meeting so decide, by virtue of the powers conferred upon them in that regard by law or in the Company Bylaws.

The foregoing notwithstanding, at the proposal of the Chairman and after having received the non-binding opinion of the Corporate Governance, Appointments and Remuneration Committee, the Board may ask a director who reaches 75 during his term in office to continue for as long as deemed necessary or until his term expires, if this is warranted in the interest of the Company.

Directors must tender their resignation to the Board of Directors and formally resign if the Board deems it warranted, in the circumstances provided for in Article 21.2 of the Board Regulations, which are described in paragraph B.1.20 below.

- Objectivity and Secrecy of the Voting Process: In compliance with the Board Regulations with respect to possible conflicts of interest, the Directors proposed for reelection or removal shall absent themselves from any deliberations or voting that directly affect them.

B.1.20. Indicate under what circumstances Directors are obliged to resign.

As set forth in Article 21.2 of the Board Regulations, Directors must tender their resignation to the Board of Directors and formally resign if the Board deems their resignation warranted in the following circumstances:

a) When they incur in circumstances legally defined as incompatible or prohibited.
b) When in relation to an accusation of criminal offense they have been formally indicted in ordinary felony proceedings or have been adjudged guilty in summary criminal proceedings.
c) When they have been seriously reprimanded by the Board of Directors for having breached their obligations as Directors.
d) When the reasons for their appointments have ceased to exist and, specifically, when an independent director or a director representing a significant shareholding no longer represents those interests.
e) When for the period of a year they fail to attend more than three board meetings without justification.

B.1.21. Indicate whether the functions of Chief Executive Officer of the Company are also performed by the Chairman of the Board of Directors. If so, explain the measures adopted to limit the risks of conferring those powers upon a single person:

NO

Risk-Limiting Measures
The CEO bears ultimate responsibility for the management of the company and chairs the Executive Committee. The Chairman of the Board monitors and supervises management, defining strategies and promoting corporate governance. The Chairman likewise has the power to propose appointments and changes in board membership, including the chief executive.

Indicate, and if so explain, whether rules have been passed to enable an independent director to request that a board meeting be held or that new items be included on the agenda, to coordinate and reflect the concerns of external directors and to direct assessment by the board of directors.

NO

B.1.22. Are reinforced majorities required for taking certain types of decisions, other than those required by law?

NO

Describe how board decisions are taken, indicating at least the minimum attendance quorum required and the types of majorities required to pass resolutions:

Type of Resolution:
Any type

Quorum	%
Attendance at the meeting, either in person or by proxy, of half plus one of the board members	55.55

Majority Required	%
An absolute majority of the votes of all directors in attendance or represented by proxy, unless a reinforced majority is required by law.	55.55

B.1.23. Indicate whether the requirements for being elected Chairman differ from those required for election to the Board:

NO

B.1.24. Indicate whether the Chairman may exercise a casting vote:

YES

Matters in which the Chairman has a Casting Vote
Pursuant to Article 23 of the Company Bylaws and Article 16.2 of the Board Regulations, the Chairman may exercise a casting vote to break any possible ties that may arise concerning any matter.

B.1.25. Indicate whether the Bylaws of the Board Regulations set an age limit for Directors:

YES

Age limit for the Chairman	0
Age limit for the Chief Executive Officer	0
Age limit for Directors	75

B.1.26. Indicate whether the Bylaws or Board Regulations limit the term of office of independent directors:

NO

Maximum Term of Office	0

B.1.27. If there are few or no female directors, explain the reasons and the measures adopted to correct this situation.

Explanation of reasons and measures
Article 8.2 of the Board Regulation provides that as vacancies arise, the Board shall ensure that the majority group of external directors includes both those proposed by owners of significant stable shareholdings (owner-directors) and professionals of recognized prestige who have no links to the executive team or significant shareholders that would compromise their independence (independent directors).

Specifically indicate whether the Appointments and Remuneration Committee has established procedures to ensure that selection processes are not implicitly biased against the selection of female directors and that they deliberately seek female candidates the meet the required profile:

YES

Description of the principal procedures
The selection process is based solely on the suitability and prestige of the candidates. No ad hoc procedure for selecting female directors has been implemented, precisely due to the non-sexist nature of the company's procedures.

B.1.28. Indicate whether there are formal procedures for delegating votes on the Board of Directors. If so, describe them briefly:

Article 23 of the Company Bylaws and Article 16 of the Board Regulations provide that directors may delegate their votes to another director. In that regard, proxies must be in writing and are valid only for the specific board meeting in question.

B.1.29. Indicate the number of meetings that were held by the Board of Directors during the financial year. Likewise indicate, if applicable, the number of meetings held in the absence of the Board's President:

Number of Board Meetings	7
Number of Meetings That the President Did Not Attend	0

Indicate the number of meetings held by the Board's committees:

Number of meetings of the Executive or Delegated Committee	11
Number of meetings of the Audit Committee	4
Number of meetings of the Remuneration and Appointments Committee	5
Number of meetings of the Strategy and Investments Committee	0
Number of meetings of the ____ Committee	0

B.1.30. Indicate the number of meetings held by the Board of Directors during the financial year in which all members were not in attendance. Proxies in attendance without specific instructions should be counted as absent:

Number of absences of board members during the year	1
% of absences with respect to the total number of votes during the year	0.877

B.1.31. Indicate whether the individual and consolidated annual accounts submitted to the Board for its approval are previously certified:

NO

Identify, if applicable, the person or persons who certified the individual and consolidated annual accounts of the Company, for submission to the Board:

B.1.32. Explain, if they exist, the mechanisms established by the Board of Directors to prevent the annual and consolidated accounts from being submitted at the Shareholders' Meeting with provisos in the Auditor's Report.

In accordance with the provisions of Article 24.4.c) of the Board Regulations, the Audit Committee reviews the company accounts, and ensures compliance with legal requirements and the correct application of generally-accepted accounting practices.

B.1.33. Is the Secretary of the Board of Directors likewise a Director?

NO

B.1.34 Explain the procedures for the appointment and removal of the Secretary to the Board, indicating whether the Appointments Committee issued an opinion and the Board approved his appointment and removal.

Procedure for appointment and removal
Pursuant to Article 13 of the Board of Directors Regulation, the Board of Directors appoints a secretary, who must be a lawyer and need not be a member of the Board. The Board of Directors may appoint a Deputy Secretary, who need not be a director, to assist the Secretary to the Board of Directors. Likewise, and in accordance with Article 25.b.2 of the Board of Directors Regulation, one of the main responsibilities of the Corporate Governance, Appointments and Remuneration Committee is to issue an opinion concerning the Board of Directors' proposal for the appointment of the secretary to the board.

Does the Appointments Committee issue an opinion concerning the appointment?	**YES**
Does the Appointments Committee issue an opinion concerning the removal?	**NO**
Is the appointment approved by the full Board?	**YES**
Is the removal approved by the full Board?	**YES**

Is the Secretary to the Board specifically responsible for overseeing compliance with good governance recommendations?

YES

Observations
Yes, with regard to the recommendations accepted by the Company and including in its internal regulations.

B.1.35. Indicate, if applicable, the mechanisms established by the Company to preserve the independence of auditors, financial analysts, investment banks and rating agencies.

Article 38 of the Board Regulations stipulates that:

1. The Board of Directors shall refrain from proposing the appointment or renewal of a firm of auditors when the fees paid by the Company for all of its services represent more than 5% of the annual income of that auditing firm, based on the average for the last five years.

2. The Board of Directors shall publicize the total fees that the Company has paid to the auditors, differentiating between fees for auditing company accounts and those paid for other services rendered. The Annual Report of company accounts must likewise include a breakdown of the fees paid to auditors, as well as those paid to any company belonging to the firm of auditor's corporate group or to any company sharing common property, management or control with the Company's auditors.

In other respects, paragraph 4a) of Article 24 of the Board Regulations stipulates that the Audit and Compliance Committee is responsible for providing the Board of Directors with information and proposals concerning contract terms, the scope of appointment and, when applicable, the revocation or non-renewal of external auditors, as well as supervising compliance with the terms of the audit contract.

Paragraph 3e) of the aforementioned Article 24 likewise provides that the Audit and Compliance Committee shall be responsible for maintaining contact with the external auditors, in order to receive information concerning issues that could jeopardize their independence or other information related to the progress of the account auditing process, as well as other communications provided for in legislation governing audits and in technical auditing practices.

B.1.36 Indicate whether during the financial year the company has changed external auditors. If so, specify the former and present auditors:

NO

Former auditor	Current auditor

In the event there were discrepancies with the former auditor, explain the nature of those discrepancies:

NO

B.1.37. Indicate whether the auditing firm renders other non-auditing services to the Company and/or its corporate group and, if so, state the amount of fees paid for those services and the percent that this represents of the total fees invoiced to the Company and/or its group.

YES

	Company	Group	Total
Amount paid for non-auditing services (Euros 000)	293	992	1,285
Amount paid for non-auditing services / Total amount invoiced by the auditing firm (%)	68.2	36.290	40.620

B.1.38. Indicate whether the report on the audit of the annual accounts for the previous year contained any reservations or qualifications. If so, indicate the reasons provided by the chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

NO

B.1.39. Indicate the number of consecutive years that the present auditing firm has audited the annual accounts of the Company and/or its group. Likewise indicate the percent that the number of years with this auditing firm represents with respect to the total number of years that the annual accounts have actually been audited.

	Company	**Group**
Number of consecutive years	19	18

	Company	**Group**
Number of years audited by the present auditing firm / Number of years that the Company has been audited (%)	100.000	100.000

B.1.40. Indicate the shareholdings that members of the Board of Directors of the Company have in entities engaged in the same, similar or complementary activities as those comprising the Company or the Company's group's corporate purpose, of which the Company has been informed. Likewise indicate the positions that they hold or functions that they perform in those entities:

Director's Name	Name of the entity in question	% Share	Position or functions
JUAN LUIS CEBRIÁN ECHARRI	LAMBRAKIS PRESS, S.A.	0.000	MEMBER OF THE BOARD OF DIRECTORS
JUAN LUIS CEBRIÁN ECHARRI	LE MONDE, S.A.	0.000	DIRECTOR
BORJA JESUS PEREZ ARAUNA	TUENTI TECHNOLOGIES, S.L.	0.000	REPRESENTATIVE OF THE DIRECTOR QUALITAS VENTURE CAPITAL, S.A. SRC DE REGIMEN SIMPLIFICADO
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	UNIVERSAL MUSIC SPAIN, S.L.	0.000	CHAIRMAN

B.1.41. Indicate whether there is a procedure for Directors to obtain outside counsel and, if so, describe that procedure.

YES

Description of the Procedure
The Board Regulations incorporate this principle in the following terms: "Directors shall have broad powers to obtain information and counsel that they may need with regard to any aspect of the Company, provided that it is required in the fulfillment of their duties." (Article 26). Likewise articles 14 and 23 of said Regulation respectively establish that the Executive Committee and the Committees may seek outside advice when they deem it necessary for the fulfillment of their obligations.

B.1.42. Indicate whether there is a procedure for Directors to obtain the information they need in sufficient time to enable them to prepare for the meetings of the governing bodies and, if so, describe that procedure:

YES

Description of the Procedure
Pursuant to Article 13 of the Board Regulations, the Secretary of the Board of Directors must ensure that the Board functions properly, and must specifically provide the necessary counsel and information required by the Directors. Article 15 of the Regulations likewise provides that the announcement of board meetings, which must be made at least seven days in advance, shall always include an agenda for the meeting. It is the responsibility of the Chief Executive Officer to prepare and provide the rest of the Directors with information concerning the progress of the Company and that which is necessary to adopt the resolutions proposed on the agenda of each board and Executive Committee meeting. In other respects, Article 26 of the Regulations provides that Directors shall have broad powers to seek the information and counsel they may require concerning any aspect of the Company, provided that such information is required in the course of fulfilling their duties. The right to information extends to subsidiary companies, whether domestic or foreign, and shall be channeled through the President, who will respond to the Director’s requests, providing them with information directly, referring them to the appropriate sources, or arbitrating in the measures necessary to examine the documents requested. Among the general obligations of Directors, Article 30 of the Board Regulations includes the duty to inform themselves and adequately prepare for Board Meetings and the meetings of the committees of which they are members.

B.1.43. Indicate whether the company has rules (and if so, describe those rules) compelling directors to inform and, if warranted, resign in circumstances that may damage the prestige and reputation of the company:

YES

Description of the Procedure
As established in section 21.2. of the Rules of the Board of Directors, Directors shall offer their resignations to the Board of Directors and, if deemed appropriate, formally resign in the following cases: a) When they are subject to any of the legally-established prohibitions or grounds for disqualification. b) When based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a misdemeanor proceeding. c) When they have received a serious reprimand from the Board of Directors for failure to fulfill their obligations as Directors. d) When the reasons for which they were appointed have ceased to exist and, in particular, when an independent director or an owner-director looses his respective status as such. e) When in the course of a year they fail to attend more than three meetings of the Board of Directors without just cause.

B.1.44. Indicate whether any member of the Board of Directors has informed the company that he has been prosecuted or that proceedings have been brought against him for any of the offenses listed in Article 124 of the Corporations Law:

NO

Indicate whether the Board of Directors has analyzed the case. If so, explain the grounds for the decision as to whether the director should continue in his post.

NO

Decision adopted	Grounds for the decision

B.2. Committees of the Board of Directors

B.2.1. List all Committees of the Board of Directors and their members:

EXECUTIVE COMMITTEE

Name	Position	Classification
MR. JUAN LUIS CEBRIÁN ECHARRI	CHAIRMAN	EXECUTIVE DIRECTOR
MR. ADOLFO VALERO CASCANTE	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MRS. AGNES NOGUERA BOREL	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. DIEGO HIDALGO SCHNUR	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. GREGORIO MARAÑON Y BERTRAN DE LIS	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. JOSE BUENAVENTURA TERCEIRO LOMBA	MEMBER	INDEPENDENT EXTERNAL DIRECTOR
MR. MANUEL POLANCO MORENO	MEMBER	EXECUTIVE DIRECTOR
MR. MATIAS CORTES DOMINGUEZ	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

AUDIT COMMITTEE

Name	Position	Classification
MR. JOSE BUENAVENTURA TERCEIRO LOMBA	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MRS. AGNES NOGUERA BOREL	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. BORJA JESÚS PÉREZ ARAUNA	MEMBER	EXTERNAL DIRECTOR REPRESENTING

		SIGNIFICANT SHAREHOLDINGS
MR. RAMON MENDOZA SOLANO	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS

CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Position	Classification
MR. GREGORIO MARAÑÓN Y BERTRÁN DE LIS	CHAIRMAN	INDEPENDENT EXTERNAL DIRECTOR
MR. ADOLFO VALERO CASCANTE	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. DIEGO HIDALGO SCHNUR	MEMBER	EXTERNAL DIRECTOR REPRESENTING SIGNIFICANT SHAREHOLDINGS
MR. JOSE BUENAVENTURA TERCEIRO LOMBA	MEMBER	INDEPENDENT EXTERNAL DIRECTOR

B.2.2 Indicate whether the Audit Committee performs the following duties:

Supervision of the preparation and integrity of the company's, and if applicable, the group's financial information, monitoring compliance with regulatory requirements, the appropriate composition of the consolidation perimeter and the correct application of accounting rules	YES
Periodic review of internal control and risk management systems, so that the main risks are adequately identified, managed and notified	YES
Ensuring the independence and accuracy of the operations of the internal audit department; proposing the selection, appointment, reelection and removal of the head of the internal audit department; receiving periodic information concerning audit activities; and verifying that senior managers take into account the conclusions and recommendations contained its reports	YES
Setting up and supervising a mechanism whereby employees may confidentially and, if deemed appropriate, anonymously notify the company of any potentially relevant irregularities within the company, particularly financial or accounting irregularities, of which they may be aware	NO
Submission to the Board of Directors of proposals for the selection, appointment, reelection and substitution of the external auditor, as well as the conditions of its contract	YES
Receiving regularly from the external auditor information concerning the audit plan and the results of its application, and verifying that senior managers take its recommendations into account	YES
Ensuring the independence of the external auditor	YES

In the case of group companies, encouraging the group auditor to assume responsibility for auditing group companies.	YES

B.2.3. Describe the rules governing the organization and functions, as well as the responsibilities attributed to each of the board committees.

Executive Committee

The rules governing the organization and operations of the Executive Committee that are described below are contained in articles 5 and 14 of the Board of Directors Regulations:

The Executive Committee shall comprise eight board members, which shall always include the Chief Executive Officer, who shall preside this Committee, Chairman of the Audit Committee and Chairman of the Corporate Governance, Appointments and Remuneration Committee. Appointment of the members of the Executive Committee shall be made upon a proposal from the Chairman of the Board of Directors and a two-thirds favorable vote of board members.

The composition of the Executive Committee with regard to the type of directors shall be similar to that of the Board of Directors.

Members of the Executive Committee shall cease in their functions when they cease to be board members or upon a decision of the Board of Directors.

Without prejudice to the powers vested in the Chairman of the Board and the Chief Executive Officer, all powers of the Board of Directors that may legally be delegated shall be delegated to the Executive Committee.

Likewise, and without prejudice to the decisions vested in the Board of Directors pursuant to Article 5 of the Board of Directors Regulation, some of them may be adopted for reasons of urgency by the Executive Committee. These are: i) Financial information related to listed securities that the Company must disclose periodically, ii) The undertaking of investments, assumption of financial obligations or the granting of any financial commitments that derive, among others, from loans, credits, sureties or other guarantees, as well as entering into contracts that are of significant importance to the Company or its subsidiary and/or controlled companies, except for cases of extreme urgency in which it is impossible for the Board of Directors to meet, iii) Any transfer or encumbrance of assets relating to the Company or its subsidiary or controlled companies, iv) Strategic alliances of the Company or its controlled companies, v) The creation or acquisition of interests in entities domiciled in countries or territories considered tax havens and iv) Authorization of linked transactions in the terms provide for in the Regulation of The Board of Directors. Likewise, concerning the financial information, intermediate first quarter and third quarter reports may be approved by either the Board of Directors or the Executive Committee.

The Secretary of the Board of Directors shall serve as Secretary of the Executive Committee, and the provisions of Article 13 above shall likewise apply to the procedures of the Executive Committee.

The Executive Committee shall meet at least six times a year and at anytime that, in the opinion of the Chief Executive Officer, company interests warrant a meeting or when two or more members of the Executive Committee request that a meeting be called, the Chairman being obliged to give notice of meetings sufficiently in advance.

A Committee meeting may be validly held when a majority of the directors on the committee are present or represented by proxy, and members not in attendance may give their proxies to another director who is a committee member.

Resolutions shall be passed by an absolute majority vote of the Executive Committee members present or represented by proxy.

When there are no specific procedures, those set forth in this Regulation for the Board of Directors shall apply to the Executive Committee, provided that they are compatible with the Committee’s nature and functions.

When requested to do so, other directors who are not committee members, as well as managers whose reports are necessary for company operations, may attend committee meetings, having voice but no vote.

The Executive Committee shall keep minutes of its meetings in the terms provided for the Board of Directors.

The Executive Committee shall report on its activities at the first full board meeting following its sessions, and shall be accountable for the work it undertakes. The Board shall always be informed of all matters discussed and all resolutions adopted by the Executive Committee. All board members shall receive a copy of the minutes of the Executive Committee's meetings.

The Executive Committee may seek outside expert advice when it is deemed necessary for the fulfillment of its functions.

Corporate Governance, Appointments and Remuneration Committee:

The rules governing the organization and operations of the Remuneration and Appointments Committee that are described below are contained in Article 25 of the Board Regulations:

The Corporate Governance, Appointments and Remuneration Committee shall consist of a minimum of three (3) and a maximum of (5) external directors to be determined in a resolution of the Board of Directors upon nomination by its Chairman.

The Corporate Governance, Appointments and Remuneration Committee is empowered to request the assistance at its meetings of the Chief Executive Officer of the Company.

Members of the Corporate Governance, Appointments and Remuneration Committee shall cease to be committee members when they cease in their functions as Directors or if the Board of Directors so decides.

The Chairman of the Committee shall be selected by the Board of Directors from among its independent directors.

In addition to any other tasks that may be assigned to it by the Board of Directors, the Corporate Governance, Appointments and Remuneration Committee has the following basic responsibilities:

1)To issue opinions concerning proposals for the appointment of directors and honorary directors, and to propose the appointment of independent directors.

2) To issue opinions on the proposal for the appointment of the Secretary to the Board.

3) To make proposals to the Board concerning: i) the general remuneration policies affecting directors and senior management and ii) the individual remuneration of executive directors and other conditions set forth in their contracts and iii) the individual remuneration of honorary directors.

4) To ensure compliance with the company's remuneration policies

5) To approve standard senior management contracts.

6) To issue opinions on the proposals for the appointment of the members of the other committees of the Board of Directors.

7) To issue opinions on proposals for appointment of company representatives on the governing bodies of subsidiaries.

8) To propose the Annual Report on Corporate Governance to the Board of Directors.

9) To present a report to the Board of Directors, evaluating the performance and composition of the Board.

10) To verify compliance with the Internal Code of Conduct concerning securities markets, this Regulation and, in general, the Company's rules of governance, and to make the proposals required to ensure such compliance. In that regard it shall be the duty of the Corporate Governance, Appointments and Remuneration Committee to receive information and, if warranted, issue reports concerning disciplinary measures taken with respect to senior management.

11) To exercise such other powers granted to the committee in this Regulation.

The Corporate Governance, Appointments and Remuneration Committee shall meet whenever the Board of Directors of the Company or its Chairman requests that it issue a report or approve proposals within the scope of its powers, provided that the Chairman of the Committee deems it warranted in order to adequately carry out their duties.

Audit Committee:

The rules governing the organization and operations of the Audit Committee that are described below are contained in article 21bis of the Company Bylaws and Article 24 of the Board of Directors Regulations:

The number of directors on the Audit Committee shall be determined by the Board of Directors from time to time, having a minimum of three (3) and a maximum of five (5) members. The majority of members shall be non-executive Directors who shall not have any other contractual relationship with the Company other than the position for which they are appointed. The Committee shall provide for appropriate representation of independent directors, which shall at least be proportional to their representation on the Board of Directors.

Committee members shall be appointed and removed by the Board of Directors as proposed by the Chairman.

Members shall cease to belong to the Committee when they are no longer directors or when the Board of Directors so decides.

The Chairman of the Committee shall be selected by the Board of Directors from among board members who are independent directors and who do not maintain any contractual relationship with the Company other than the position to which they were appointed. The Chairman of the Committee shall be replaced every four years, and may be reelected after he has ceased in his functions for one year.

The Audit Committee shall perform the tasks attributed to it by law, without prejudice to any other functions that the Board of Directors may determine. The primary function of the Audit Committee is to support the Board of Directors in its task of overseeing the management of the Company.

The Audit Committee has the following basic responsibilities:

a) Within the scope of its powers, to report at annual shareholders meetings on issues raised by shareholders, pursuant to the provisions of the Law and the Shareholders Meeting Regulation.

b) To propose to the Board of Directors the appointment of external account auditors pursuant to Section 204 of the consolidated text of the Corporations Law, to be submitted at the annual shareholders meeting.

c) To supervise internal auditing services.

d) To supervise the Company's financial information process and internal monitoring systems.

e) To maintain contact with the external auditors in order to receive information on those issues that could compromise their independence and any others related to the accounts auditing process, together with any other communication provided for in accounts auditing legislation and rules.

In addition, and regardless of other tasks that may be assigned it by the Board of Directors, the Audit Committee shall have the following powers:

a) To advise and make proposals to the Board of Directors concerning the auditors contract conditions, scope of professional mandate and, if warranted, the revocation or non-renewal of the external auditors, as well as supervising their performance of audit contract obligations;

b) To propose the selection, appointment, reappointment or removal of the person in charge of the company's internal audit service.

c) To review the company accounts, oversee compliance with the legal requirements and the proper application of generally accepted accounting principles, as well as to issue opinions on proposals to amend accounting principles and criteria suggested by the management;

d) To review the issue prospectuses and information concerning the quarterly and half-yearly financial statements that the Board must provide the markets and their supervisory bodies;

e) To analyze and issue opinions concerning specific investment transactions when, owing to their importance, the Board so requests;

f) To issue opinions concerning the creation or acquisition of interests in entities domiciled in countries or territories considered as tax havens.

g) To exercise all other powers granted the committee in this Regulation.

The Audit Committee shall meet periodically as warranted, and at least four (4) times a year.

Any member of the company management team or staff who may be required for such purpose shall be compelled to attend committee meetings and to provide it with assistance and access to any information at his disposal. The committee may likewise request the attendance of the accounts auditors at its meetings.

B.2.4. Indicate, if applicable, the advisory powers and, if applicable, powers that have been delegated to each of the committees:

Committee Name	Brief Description
EXECUTIVE COMMITTEE	HAS BEEN DELEGATED ALL BOARD POWERS THAT MAY LEGALLY BE DELEGATED
AUDIT COMMITTEE	FOR ADVISORY POWERS, SEE B.2.3 ABOVE. NO DELEGATED POWERS HAVE BEEN ATTRIBUTED TO THIS COMMITTEE.
CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE	FOR ADVISORY POWERS, SEE B.2.3 ABOVE. NO DELEGATED POWERS HAVE BEEN ATTRIBUTED TO THIS COMMITTEE.

B.2.5. Indicate, if applicable, whether there are board committee regulations, and if so, where they are available for consultation and any amendments made to them during the financial year. Likewise indicate whether any non-mandatory annual reports are issued concerning the activities of each committee:

Committee Name
EXECUTIVE COMMITTEE
Brief Description
Its composition, operations and powers are set forth in the Board of Directors Regulation, which is available on the company website (www.prisa.com).

Amendments to the Board of Directors Regulation implemented in 2009 that affect this committee are detailed in section B.1.18 above.

Committee Name
CORPORATE GOVERNANCE, APPOINTMENTS AND REMUNERATION COMMITTEE
Brief Description
Its composition, operations and powers are set forth in the Board of Directors Regulation, which is available on the company website (www.prisa.com).

On May 2009 the Corporate Governance, Appointments and Remuneration Committee published a report on compliance with the company's rules of corporate governance during the 2008 financial year and also concerning the functions and activities of the Committee during said financial year.

Committee Name
AUDIT COMMITTEE
Brief Description
Its composition, operations and powers are set forth in the Board of Directors Regulation, which is available on the company website (www.prisa.com).

On May 2009 the Audit Committee published a report on its functions and activities during the 2008 financial year.

B.2.6. Indicate whether the composition of the Executive Committee reflects the Board Member's holdings within their category:

YES

C. RELATED-PARTY TRANSACTIONS

C.1 Indicate whether the Board in full has reserved the right to approve the company's transactions with directors, significant shareholders or those represented on the Board, or persons related thereto, after having received the favorable opinion of the Audit Committee or any other committee performing that function:

YES

C.2. Describe relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries and the Company's significant shareholders:

C.3. Describe relevant transactions that entail a transfer of resources or obligations between the Company or its subsidiaries and the managers or directors of the Company.

Manager's or Director's Name	Name of the Company or Entity in its Group	Nature of the Relationship	Type of Transaction	Amount (Euros 000)
ALFONSO LOPEZ CASAS	SOGECABLE, S.A.	Contractual	PROVISION OF SERVICES	15
FRANCISCO JAVIER DIEZ DE POLANCO	SOGECABLE, S.A.	Contractual	PROVISION OF SERVICES	60
JOSE BUENAVENTURA TERCEIRO LOMBA	SOGECABLE, S.A.	Contractual	PROVISION OF SERVICES	1,000
MATIAS CORTES DOMINGUEZ	PROMOTORA DE INFORMACIONES, S.A.	Contractual	PROVISION OF SERVICES	3,022
MATIAS CORTES DOMINGUEZ	SOGECABLE, S.A.	Contractual	PROVISION OF SERVICES	5,017

C.4. Describe any relevant transactions between the Company and other of its group entities that are not compensated in the consolidated financial statements and whose objectives and conditions are not a part of the Company's normal operations:

Name of the Group Entity	Brief Description of the Transaction	Amount (Euros 000)

DÉDALO GRUPO GRAFICO, S.L.	PRISA PROVIDED A JOINT AND SEVERAL GUARANTEE TO DÉDALO GRUPO GRÁFICO, S.L. WITH RESPECT TO THE BANKING SYNDICATE CREATED BY VIRTUE OF THE SYNDICATED CREDIT AND LOAN AGREEMENT SIGNED ON FEBRUARY 8, 2008, FOR A MAXIMUM OF 130,000,000 EUROS.	130,000
DÉDALO GRUPO GRAFICO, S.L.	PROVISION OF SERVICES BY SEVERAL COMPANIES IN WHICH DEDALO GRUPO GRAFICOS, S.L. HAS HOLDINGS, TO SEVERAL GRUPO PRISA COMPANIES.	31,388
DÉDALO GRUPO GRAFICO, S.L.	LOANS FOR A TOTAL OF 94,849,000 EUROS, PLUS INTEREST ACCRUED, GRANTED BY COMPANIES IN WHICH PRISA HAS HOLDINGS TO DEDALO GRUPO GRAFICO, S.L. OR COMPANIES IN WHICH IT HOLDS INTERESTS AS A RESULT OF DIFFERENT FINANCING OPERATIONS.	94,849
IBERBANDA, S.A.	GUARANTEES GRANTED BY PRISA.	28,806
SOGECABLE, S.A.	LOAN GRANTED BY SOGECABLE, PLUS INTEREST ACCRUED, TO COMPAÑIA INDEPENDIENTE DE NOTICIAS DE TELEVISION, S.L.	5,015
SOGECABLE, S.A.	PROVISION OF SERVICES BY COMPAÑIA INDEPENDIENTE DE NOTICIAS DE TELEVISION, S.L. AND CANAL CLUB DE DISTRIBUCION DE OCIO Y CULTURA, S.A. (COMPANIES IN WHICH SOGECABLE, S.A. HAS HOLDINGS), TO SEVERAL SUBSIDIARIES OF SOGECABLE, S.A.	36,908
SOGECABLE, S.A.	PROVISION OF SERVICES BY SUBSIDIARIES OF SOGECABLE, S.A TO COMPAÑIA INDEPENDIENTE DE NOTICIAS DE TELEVISION, S.L. AND CANAL CLUB DE DISTRIBUCION DE OCIO Y CULTURA, S.A. (COMPANIES IN WHICH SOGECABLE, S.A. HAS HOLDINGS).	17,215

C.5. Identify, if applicable, any circumstances in which company directors are involved that may constitute a conflict of interest, pursuant to the provisions of Article 127ter of the Corporations Law.

YES

Director`s name	Description of the conflict of interest

D. Adolfo Valero Cascante	Board of Director's approval of: i) submission of his reappointment as director to the annual shareholders meeting and ii) his reappointment as member of the Executive Committee.
D. Alfonso López Casas	Board of Director's approval of compensation for executive directors
D. Emiliano Martínez Rodríguez	Board of Director's approval of: i) compensation for executive directors and ii) submission of his reappointment as director to the annual shareholders meeting.
D. Francisco Javier Díez de Polanco	Board of Director's approval of compensation for executive directors
D. Gregorio Marañón y Bertrán de Lis	Board of Director's approval of: i) submission of his reappointment as director to the annual shareholders meeting, ii) his reappointment as member of the Executive Committee and iii) proposal of professional agreements with this director.
D. Ignacio Polanco Moreno	Board of Director's approval of compensation for executive directors
D. José Buenaventura Terceiro Lomba	Board of Director's approval of: i) his appointment as member of the Executive Committee and ii) his appointment as chairman of the Audit Committee.
D. Juan Luis Cebrián Echarri	Board of Director's approval of: i) submission of his reappointment as director to the annual shareholders meeting and ii) his appointment as Chief Executive Officer and, thus, pursuant to the provisions of the Board of Directors Regulation, his post as chairman of the Executive Committee.
D. Manuel Polanco Moreno	Board of Director's approval of compensation for executive directors
D. Matías Cortés Dominguez	Board of Director's approval of: i) submission of his reappointment as director to the annual shareholders meeting, ii) his reappointment as member of the Executive Committee and iii) proposal of professional agreements with this director.

C.6. Describe the mechanisms in place to detect, determine and resolve possible conflicts of interest between the Company and/or its group and its directors, managers and significant shareholders.

Pursuant to Article 31 of the Board of Directors Regulations:

1.- Directors shall inform the Company of any situation that may involve a conflict of interest as defined in Chapter V of "Promotora de Informaciones, S.A. and its Group Companies' Internal Code of Conduct Concerning Securities Market Transactions."

2.- Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or any of its subsidiaries must be authorized by the Board of Directors after it has considered the opinion of the Corporate Governance, Appointments and Remuneration Committee.

Transactions carried out by persons related to directors and which do not exceed 60,000 euro must be authorized by the Corporate Governance, Appointments and Remuneration Committee.

3.- Directors shall refrain from intervening in deliberations concerning matters in which they have direct or indirect interests. In addition to not exercising their voting rights, directors affected by a linked operation must absent themselves from the boardroom during deliberations and voting on such matters.

4.- Authorization of the Board of Directors shall not be required for linked operations that fulfill the following conditions:

a) Those involving compliance with standard contract conditions applied extensively to multiple customers;

b) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question;

c) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

Likewise, Article 33 of the Board Regulations provides that Directors may not provide their professional services to competitors of the Company, its subsidiaries or companies in which it has holdings. This excludes holding posts in companies that have a significant stable stake in the Company's shareholdings.

In other respects, Article 34 of the Board of Directors Regulations states that:

1. The Board of Directors formally reserves the right to oversee any Company transaction with a significant shareholder.

2. Under no circumstances shall a transaction be authorized if an opinion of the Corporate Governance, Appointments and Remuneration Committee assessing the operation from the point of view of market conditions has not been issued.

3. Nevertheless, authorization of the Board of Directors shall not be required for those transactions that fulfill all of the conditions set forth in Article 31.4 above.

With respect to the above and to ensure transparency, Article 35 of the Board of Directors Regulations provides that the Board of Directors shall include in its annual public reports a summary of the transactions carried out by the Company with its Directors and significant shareholders. This information shall detail the overall volume of the operations and the nature of the most relevant.

In addition, section V of the "Internal Code of Conduct of Promotora de Informaciones, S.A. and its Corporate Group Concerning Matters Involving Securities Markets" provides the following rules for the conflicts of interest:

5.1. All persons subject to this Internal Code of Conduct must promptly inform the Secretary General of any situations in which a conflict of interests may exist.

In that respect, notification must be made of any situations derived from their activities outside of GRUPO PRISA or those of related persons (to the extent defined in paragraph 5.2. below) that may conflict with the interests of GRUPO PRISA with regard to any specific action, service or operation with

i) financial intermediaries
ii) professional investors
iii) suppliers
iv) clients
v) competitors

5.2. With respect to paragraph 5.1 above, the following shall be considered related persons:

(i) a spouse or any person in a relationship that can be equated to marriage;

(ii) the ascendants, descendents and siblings of the person subject to this Code of Conduct or of his/her spouse;

(iii) the spouses of the ascendants, descendents and siblings of the person subject to this Code of Conduct;

(iv) the companies in which the persons subject to this Code of Conduct, either personally or through an intermediary, fall within any of the categories set forth in article 4 of Law 24/1988, of July 28, governing the Securities Market.

5.3. Those persons affected by a conflict of interest shall refrain from deciding, intervening or influencing decisions taken with respect to those actions, services or operations.

C.7 Are more than one of the group companies listed in Spain?

NO

Specify the subsidiary companies that are listed:

D. RISK CONTROL SYSTEMS

D.1. General description of the Company and/or its Group's risk policy, detailing and evaluating the risks covered by the system, together with the justification as to why these systems are deemed adequate for each type of risk.

GRUPO PRISA's organizational structure and management processes are designed to compensate for the different risks that are inherent in its activities. Risk analysis and control are framed within the Group's management processes and, as such, involve all of the members of the organization in a supervisory environment that is complemented with preventive measures intended to ensure that Group objectives are fulfilled.

The Group continuously monitors the most significant risks that may affect the principal business units. To do so it uses a risk map as a tool that graphically represents the risks inherent in the Group, which is used to identify and assess risks that affect the development of the different business units comprising the Group. The parameters evaluated in each risk to define their location on the risk map are the impact and the probability of occurrence of that risk. The identification of these risks and the operative processes in which each of the risks considered are managed are carried out by the Group's Internal Audit Office, which periodically reports the results of its work to the Audit Committee.

The principal risks considered within the framework of the Group's risk management policy can be classified in the following categories:

a. Strategic risks

b. Business process risks

c. Financial management risks

d. Control of Risks Derived from the Reliability of Financial Information

e. Information, infrastructures and technology risks

Control systems in place to evaluate, mitigate or reduce the principal risks of the Company and its group:

<u>a. Control of Strategic Risks</u>

The CEO is responsible for the day-to-day management of the company, without prejudice to the general supervisory functions of the Board of Directors and its Executive Committee, to which all powers that may legally be delegated have been granted.

By authority of the CEO, Group management determines the Group's strategic plan, defining the objectives to be met for each business area, developmental goals and growth rates, based on both national and international market conditions, taking into consideration in those plans the appropriate risk levels for each business and market. The Company's general policies and strategies require the Board of Directors' prior authorization. In that regard, the strategic or business plan, as well as management objectives, the annual budgets and investment policies are approved by the Board of Directors.

Compliance with the Strategic Plan and budgets are review periodically, analyzing the degree in which they are being fulfilled, evaluating deviations and proposing corrective measures. Managers from all business units are involved in this process, as well as the general and functional committees that issue their reports to senior group management.

<u>b. Control of Business Process Risks</u>

To develop and supervise business activity, the Group relies on a decentralized organization divided into specialized business units with coordinating entities such as the Management of Business Committee, which carry out analysis and supervisory functions with respect to both the evolution of business activities, as well as the operational environment and problems of the business units, and the Operative Efficiency Committee, which coordinates the business units to improve the efficiency of Group processes.

Transactional business risks, as well as operational, commercial, legal, fiscal and other types of risks are monitored by their respective organizations, with supervisory mechanisms in place for each at the corporate level. For example, the

Group’s fiscal management unit monitors compliance with current tax legislation in each of the geographic and business segments in which it carries out its activity, and manages risks arising from different interpretation of rules that the competent tax authorities may offer in each case. In other respects, risks inherent in radio and television, which are generally regulated activities subject to temporary administrative concessions or licensing, are evaluated by the general management of their respective business units and supervised at the corporate level by the Secretary General.

Likewise, commercial risks related to advertising and matching our offer of services and product to client demands are continuously monitored by the Group’s Commercial Management and by a specialized Advertising Committee. In that regard, we should underscore that, in comparison with other companies in the sector, Group revenue is less dependent on advertising commercial cycles due to the Santillana publishing business and, above all, the pay television audiovisual business, which show periodic and recurring fluctuations. In effect, the Group’s top-line activities are based on turnover from subscribers to its digital television platform, which generated 31.2% of the Group’s operating turnover in 2009. In other respects, the Transversal Business Committee coordinates the different business units that analyze business opportunities as well as joint actions among business units.

c. Control of Financial Management Risks

- Financing Risks

In the last few financial years the Group has strengthened its presence in the audiovisual sector, basically through the acquisition of the Media Capital Group and 100% of the share capital in Sogecable. These operations have a significant impact on the dimension of the Group and its financial structure.

The Group’s financial obligations at December 31, 2009 are described in Note, “Financial Debt” in Prisa’s 2009 Consolidated Annual Report.

In that regard, the Group’s debt level involves certain payment obligations, interest payments and amortization of principal, as well as certain operational limits derived from the financing contracts undertaken. To fulfill these obligations the Group has a centralized treasury management system and a Treasury Account, Debt and Capex Committee that monitors the Group’s expenditures weekly, as well as making periodic consolidated financial forecasts that optimize available resources to meet the financial needs of each business area and to service the debt.

In other respects, by virtue of powers delegated to the Board at Prisa’s extraordinary shareholders meeting on December 5, 2008, in order to meet or renew financial obligations, the Board of Directors is empowered to obtain new financial resources through capital increases or through the issue of convertible and/or exchangeable fixed-interest securities, warrants, notes, preference interests and other capital-backed financial instruments.

In addition, during the 2009 financial year the Group resolved to merge Telecinco and Cuatro’s FTA television business and reached agreements to sell minority shares of its investments in Grupo Media Capital, SGPS, S.A. (to a maximum of 35%), Grupo Santillana de Ediciones, S.L. (25%) and its companies offering pay television services (43%). Once the pertinent reviews and authorizations have been obtained, these agreements will provide the Group with additional income to strengthen its capacity to restructure its financial obligations and to boost its future activities.

- Exposure to Interest Rate Risks

The Group is exposed to interest rate fluctuations, since all of its debt with financial entities is at variable interest rates. In that regard, the Company takes out contracts to cover interest rate risk, basically by means of contracts that ensure maximum rates of interest.

- Exposure to exchange rate risks

The Group is exposed to exchange rate fluctuations, basically due to financial investments in American companies, as well as income and profit from those investments. During 2009 revenue from the international area and Latin America respectively accounted for 23.05% and 15.49% of the Group’s consolidated income.

In that regard, the Group is exposed to potential variations in the exchange rates of the different currencies in which it holds debt with financial institutions. At December 31, 2009 the weight of non-euro currencies with respect to total Group debt was less than 1%.

In this context, and with a view to lessening this risk, based on its forecasts and budgets the Group maintains risk-coverage contracts to offset exchange rate variations (basically exchange risk insurance, forwards and currency options).

- Exposure to Risks Related to the Price of Paper

The Group is exposed to the possibility of variations in its results due to fluctuations in the price of paper, the essential raw material in some of its production processes. The Group has set up a strategic coverage program through which, by means of long-term contracts, it can cover the price of a given percentage of the volume of paper to be consumed in the mid term. In 2009 paper consumption represented 8.43% of the Group's total purchases and consumption.

d. Control of Risks Derived from the Reliability of Financial Information

The process implemented to manage and control financial and accounting information is based on:

- An adequate organizational structure that maintains a separation of functions in administrative and accounting procedures, which provide the basis for preparing financial and accounting information, as a means to mitigate risks of manipulation or fraud. In that regard, mention should be made of the function of the Group's Financial Management, which assigns responsibilities and authority in the different areas involved in generating this type of information.

- Permanent updating of financial information rules and systems
In that regard, mention should be made of the project underway to integrate and standardize information systems by implementing a single system of financial information for all group business units. During past years this single information system was implemented in the Group companies located in Spain, Argentina, the United States, and the radio broadcasting entities in Colombia. During 2009 it was implemented in the radio broadcasting companies located in Mexico and in publishing companies in Colombia. This system will continue to be implemented in the remaining Group companies over the next few financial years.

- A system for reviewing economic and financial information regulated in manuals, instructions and internal regulations (valuation and accounting policy manual, instructions for closing accounts, annual economic and financial information calendar, corporate accounting plan, intra-group operations and conciliation regulation) and verification of compliance with internal control systems through internal and external audits. In that regard, simultaneously with the implementation of a single financial information system, conversion to a common chart of accounts for all Group companies has likewise been undertaken, along with the training required to ensure the adequate application of the single accounting plan. To that end, in 2009 specific courses were taught in Group companies located in Colombia and Mexico.

The objective of the adoption of the same chart of accounts by all companies is to facilitate consolidation and reporting, analysis and monitoring of financial information, as well as to provide all Group companies with a common financial language.

e. Risk control in information systems, infrastructures and technology

During 2009 the Corporate Security Department managed Grupo Prisa's overall security, integrating different security aspects and collaborating in data protection security and occupational safety, in cooperation with the Group's Secretary General and the Human Resources Department, respectively.

This overall security management includes consulting in the areas of physical and network security and the adoption of coordinated measures to protect the confidentiality, integrity and availability of information and information systems, as well as the security of the Group's remaining assets –personnel, processes, installations and content-, thanks to the implementation and updating of the normative framework, ongoing risk management and establishing security surveillance and control systems. These activities have been especially relevant in establishing the new externalized model of Information and Communications Technology in which we have actively participated to ensure its success and to verify that the necessary controls are in place, both in the initial contract stage as well as in its subsequent implementation and operative functioning. This has been done with a view to attaining appropriate quality levels in Group security processes, which will enable us to achieve international certification. Among the risk prevention measures taken are support for decision making in the area of business intelligence.

During this financial year and in collaboration with an important company in the sector, we have continued developing our Corporate Security Management System (CSMS), a projected that commenced in 2008 and will be completed over several years. The system incorporates information analysis methods and tools. In this new system the Group has integrated all security areas of its different business units, optimizing security investments and achieving greater resource and action efficiency, thus contributing to business continuity and minimizing risk impact. The regulations generated facilitate integrated security management, reflected in a catalogue of controls. Likewise, external relations with public and private institutions and agencies have been stepped up.

From a technological perspective, we have carried out projects in communications security, incident management, security auditing, IT contingency plans, vulnerability analysis and alert systems. Projects planned for 2010 include a data loss plan (DLP), a security operations center, automating alerts, and a security audit. Concerning physical security, risk analysis has been conducted with respect to certain assets, and a contingency plan for physical risks based on the previous one is projected for 2010. We likewise continue to optimize recurrent expenses, improving technological systems and centralizing headquarter management, including a Comprehensive Control Center, which coordinates the physical and network security of the Group's various Control Centers, as well as physical security resource optimization studies to reduce costs and technological improvements.

In addition, Grupo Prisa has a Technological Observatory to identify risks and business opportunities afforded the Group as a result of technological developments.

D.2 Indicate whether during the financial year any of the different types of risks affecting the company or its group (operational, technological, financial, legal, reputational, fiscal …) have actually materialized:

NO

If so, indicate the circumstances that prompted the risk and whether established control systems were effective.

D.3. Indicate whether there is a committee or other governing body in charge of establishing and supervising those control mechanisms:

SI

If so, explain its duties.

Name of committee or body	Description of its duties
Audit Committee	One of the main responsibilities of the Audit Committee is to "supervise the financial information process and the Company's internal control systems." (Article 24.3.d of the Board of Directors Regulations).

D.4. Identify and describe the compliance processes for the different regulations governing your Company and/or its Group.

The Board of Directors Regulations state that:

- The Directors and senior management have the obligation to be informed of, and comply with and compel compliance with these Regulations (Article 4).

- In any event, the Secretary of the Board of Directors shall ensure the formal and material lawfulness of all Board activities and that its procedures and rules of governance are obeyed (Article 13).

- Among the powers of the Corporate Governance, Appointments and Remunerations Committee is the power to verify compliance with the Internal Code of Conduct with respect to securities markets, Board Regulations and, in general, all rules governing the Company, and to propose changes for their improvement. In particular, Corporate Governance, Appointments and Remunerations Committee shall receive information and, when warranted, issue reports to the senior company management concerning any disciplinary. (Article 25, paragraph b) 9)

Section 10 of the Internal Code of Conduct provides for the following:
10.1. In order to ensure compliance with the provisions of this Code, the Secretary General of GRUPO PRISA will have the following responsibilities and powers:
(i) To maintain, in coordination with the Director of Human Resources, an updated list of those persons subject to this Internal Code.
(ii) To receive and preserve communications reflecting transactions with respect to the Securities and to the securities of other companies included within the accounts consolidation perimeter of Promotora de Informaciones, S.A., from the

persons subject to this Internal Code, and to annually request the interested parties to confirm the balances of the securities included in the corresponding file.
(iii) To bring any Relevant Information to the attention of the CNMV, following consultation with the Chairman or Chief Executive Officer.
(iv) To pay particular attention to the quotation of the Securities during the review or negotiation phases of any type of legal or financial transaction that could have a noticeable effect on the quotation of the Securities.
(v) To monitor news that the professional sources of financial information and the media issue and which could affect the evolution on the market of the Securities and, following consultation with the Chairman or Chief Executive Officer, to confirm or deny as the case may be, any public information on circumstances deemed to be relevant information.
(vi) To maintain a Central Register of Privileged Information.
(vii) Following consultation with the Chairman or Chief Executive Officer and pursuant to the provision of sections II and IX herein, to determine those who shall be subject to the Internal Code of Conduct.
10.2. In order to ensure compliance with this Code, the Director of Finances and Administration of GRUPO PRISA shall have the following responsibilities and powers:
(i) To have access to the communications referred to in section 10.1. ii) of this Code.
(ii) To bring any Relevant Information to the attention of the CNMV, following consultation with the Chairman or Chief Executive Officer.
(iii) To closely monitor the quotation of the Securities during the phases of review or negotiation of any type of legal or financial transaction that could have a noticeable affect on the quotation of the Securities.
(iv) To monitor the news issued by the professional sources of financial information and the media that may affect the evolution of the Securities in the market and, following consultation with the Chairman or Chief Executive Officer thereof, to confirm or deny as the case may be, any public information on circumstances deemed as Relevant Information.
(v) To execute, following consultation with the Chairman or Chief Executive Officer, the specific plans for the acquisition or transfer of its own Securities or those of the dominant company and to order and supervise the development of ordinary transactions on Securities, in accordance with the contents of Internal Code, and to make the official communications on the transactions on Securities undertaken pursuant to provisions currently in force.
(vi) To determine, following consultation with the Chairman or the Chief Executive Officer, those persons that are assigned to the Department of Finances and Administration and should be subject to this Internal Code.

- The Board of Directors shall take the measures necessary to ensure the distribution of the Shareholders' Meeting Regulations to shareholders by making them known to the National Stock Exchange Commission as relevant information, recording them on the Companies Register and publishing them on the Company's webpage (Article 25).

E. SHAREHOLDERS MEETING

E.1 Concerning the quorum required at Shareholders Meetings, indicate whether there are differences with respect to the minimum stipulated in the Corporations Law, and if so, explain.

NO

	% difference vs. quorum required pursuant to Article 102 LSA of the Corporations Law (general)	**% difference vs. quorum required pursuant to Article 103 of the Corporations Law (special cases provided in Article 103)**
Quorum required at initial meeting	0	0
Quorum required at adjourned meeting	0	0

E.2 Concerning rules for adopting corporate resolutions, explain whether there are differences with respect to those provided in the Corporations Law and, if so, explain:

NO

Describe differences vs. provisions of the Corporations Law

E.3. Describe shareholders' rights with respect to General Meetings that differ from those established in the Corporations Law.

Pursuant to Article 15.b.) of the Company Bylaws, all shareholders holding at least 60 shares recorded in the corresponding share ledger five days prior to the meeting and who obtain the corresponding attendance card may attend the Shareholders' Meeting.

Pursuant to Article 15.c.) of the Company Bylaws (and without prejudice to the provision for representation by a family member or by means of a general power of attorney), shareholders may delegate their vote to another shareholder.

According to Article 15.g.) of the Company Bylaws, each fully paid-up share represents one vote.

The Shareholders' Meeting Regulation likewise states that:

Shareholders or their representatives who arrive on the premises late, once admission to the Shareholders' Meeting has been closed in accordance with the time set for the commencement of the meeting, may enter the premises if the Company deems it warranted, but in no case may those shareholders be included in the list of attendees nor may they exercise the right to vote (Article 16.2).

The list of persons in attendance shall be made available to those shareholders who request it at the beginning of the Shareholders' Meeting (Article 16.6)

In order to be included in the minutes of the meeting, the shareholders present may express to the Notary any reservations or objections that they may have concerning whether the meeting is valid as held, or concerning the general numbers of the list of shareholders in attendance after it has been read aloud (Article 17.8).

Shareholders who wish their intervention at the meeting to be recorded verbatim in the minutes must simultaneously deliver it in writing to the Notary, so that he can compare the text to the shareholder's intervention, once it has concluded (Article 18.2).

E.4. Indicate, if applicable, the measures adopted to promote the participation of shareholders at the Shareholders' Meeting.

Those set forth in the Law.

E.5. Indicate whether the Shareholders' Meeting is presided by the Chairman of the Board of Directors. Explain, if applicable, the measures adopted to guarantee the independence and proper conduct of shareholders' meetings:

YES

Description of Measures
As provided in Article 14.2 of the Shareholders' Meeting Regulations, Shareholders' Meetings are presided by the Chairman of the Board of Directors or by the person substituting for him pursuant to Article 26 of the Company Bylaws and, in their absence, by the shareholder elected in each case by those in attendance at the meeting. In accordance with Article 26 of the Company Bylaws, in the event of the temporary absence or incapacity of the Chairman, the chair shall be assumed by the Deputy Chairman, if there is one, and if not, by a Director appointed by the Board. Measures to guarantee the independence and proper conduct of shareholders' meetings: The Shareholders' Meeting held on April 15, 2004 approved the "Regulations Governing the Shareholders' Meetings of Promotora de Informaciones, S.A. (Prisa)", which contains a series of measures to guarantee the independence and proper conduct of shareholders' meetings. These Regulations are available for consultation on the Company's webpage.

E.6. Indicate, if applicable, any amendments made to the Shareholders' Meeting Regulations during the financial year.

The Shareholders' Meeting Regulations have not been modified during 2009.

E.7. Provide attendance statistics for the general shareholders' meetings held during the year to which the present report refers:

	Attendance Statistics				
Date of Shareholders' Meeting	**% physically present**	**% represented by proxy**	**% distance voting**		Total
			Vote by electronic means	**Others**	
18 June 09	77.204	3.860	0.000	0.000	81.064

E.8. Briefly describe the resolutions adopted at the general shareholders' meetings held during the year to which this report refers, providing the percentage of votes cast to pass each resolution.

The following resolutions were adopted at the Shareholders' Meeting held on June 18, 2009:

First.- Approval of the Annual Accounts (Balance Sheet, Profit and Loss Account and Annual Report) and the Management Report, both for the Company and its consolidated group, for the 2008 financial year, as well as the proposal for distribution of profits.

Second.- Approval of the Board of Directors' management of the Company during the 2008 financial year.

Third.- In accordance with Article 204 of the Corporations Law and Article 153 ff. of the Companies Register Regulation, the appointment of DELOITTE S.L. as auditors of the accounts of the Company and its consolidated group was renewed for a term of one (1) year, in order to audit the financial statements that will be closed on December 31, 2009.

Fourth. – Given that some Directors´s term of office on the Board of Directors was expired as set forth in the bylaws, and given that the post were still in effect pursuant to Article 126 of the Corporations Law, it was resolved to reelect the following directors of the Company for a five-year term, as set forth in the bylaws: Mr. Juan Luis Cebrián Echarri, Mr Matías Cortés Dominguez, Mr. Gregorio Marañón y Bertrán de Lis, Mr Emiliano Martinez Rodriguez y Mr. Adolfo Valero Cascante.

Fifth.- Amendment of Article 19 (Compensation for Directors) of the Company Bylaws.

Sixth.- The Compensation for the Board of Directors was approved

Seventh.- Authorization was granted for the direct or indirect derivative acquisition of treasury shares, within the legal limits and requirements. Likewise, any unexercised powers authorizing the derivative acquisition of treasury shares granted at the Annual Shareholders Meeting on March 13, 2008 were revoked.

Eight.- It was resolved to delegate powers to the Board of Directors, the Chairman of the Board of Directors Mr. Ignacio Polanco Moreno, the Chief Executive Officer Mr. Juan Luis Cebrián Echarri and the Secretary Mr. Iñigo Dago Elorza, in relation to the above resolutions.

Percentage of votes cast (with respect to the quorum present) to adopt each one of the resolutions:

Agenda	**Votes in favor**		**Votes against**		**Abstaining**	
	Votes	**%**	**Votes**	**%**	**Votes**	**%**
Item1	166,652,793	99.98	30,592	0.18	190	0.00

Item 2	166,683,252	100	173	0.00	150	0.00
Item 3	166,376,638	99.816	106,362	0.064	200,385	0.120
Item 4.1	161,499,646	96.890	4,511,430	2.707	672,159	0.403
Item 4.2	161,499,646	96.890	4,511,430	2.707	672,159	0.403
Item 4.3	161,499,646	96.890	4,511,430	2.707	672,159	0.403
Item 4.4	161,499,646	96.890	4,511,430	2.707	672,159	0.403
Item 4.5	161,499,646	96.890	4,511,430	2.707	672,159	0.403
Item 5	166,681,360	99.99	1,673	0.001	352	0.000
Item 6	166,673,242	99.994	9,600	0.006	543	0.000
Item 7	166,505,895	99.894	177,157	0.106	333	0.000
Item 8	166,683,000	100	123	0.000	262	0.000

E.9 Indicate whether there are any restrictions in the company bylaws with respect to the minimum number of shares required to attend the Annual Shareholders Meeting:

YES

Number of shares required to attend the Annual Shareholders Meeting	60

E.10. Indicate and justify the policies followed by the Company with respect to proxy voting in shareholders' meetings.

Article 8 of the Shareholders' Meeting Regulations states that:

Shareholders may vote by proxy, delegating their votes in another shareholder for a specific shareholders' meeting. This requisite will not apply when the proxy holds a general power of attorney set forth in a notarial instrument, granting him power to administer all of the principal's assets within Spain. Representation by proxy shall be indicated on the attendance card or in a letter, in either case bearing an original signature.

The document designating a proxy must contain or be accompanied by the meeting agenda as well as a request for instructions as to how to exercise the right to vote and an indication as to how the proxy should vote if precise instructions are not provided. If the shareholder appointing a proxy fails to give him voting instructions, it is understood that he should vote in favor of the Board of Directors' proposals at each meeting.

A proxy granted to someone who cannot legally represent the shareholder or one granted by a fiduciary or similar representative shall not be valid.

A proxy may likewise be granted by electronic means, using procedures similar to those provided for in Article 11.2 of the Shareholders' Meeting Regulation and confirming the shareholder's identity with the same requirements of that Article 11.2., likewise applying the term established in Article 11.3 of the Regulation for the valid reception of proxies.

Proxies shall always be revocable, and shall be deemed to have been revoked by a shareholder who personally attends the Shareholders' Meeting.

Concerning public proxy solicitations, see section B.1.28 of this Report.

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

NO

E.12. Indicate the address and means for accessing corporate governance content on the company webpage.

www.prisa.com / Shareholders and Investors

F DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations of the Unified Code of Corporate Governance.

In the event of noncompliance with any of them, explain the recommendations, rules, practices or criteria that the company applies.

1. **The bylaws of listed companies shall not limit the number of votes cast by a single shareholder nor contain other restrictions that preclude taking control of a company by acquiring its shares on the market.**
   See sections: A.9, B.1.22, B.1.23 and E.1, E.2

   Complies

2. **When both the parent company and a subsidiary are listed companies, both shall publicly and accurately define:**

   a) **Their respective areas of activity and the business dealings between them, as well the listed subsidiary's business dealings with the other group companies;**
   b) **The mechanisms in place to resolve possible conflicts of interest that may arise.**

   See sections: C.4 and C.7

   Not applicable

3. **Although not expressly required under company law, operations that result in a modification of company structure shall be submitted for approval at the annual shareholders meeting, especially the following:**

   a) **conversion of listed companies into holding companies through "subsidiarization" or reallocating to dependent companies core activities previously carried out by the originating company, even when the latter retains full control of the former;**
   b) **acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;**
   c) **operations that effectively result in the company's liquidation.**

   Complies

4. **Detailed explanation of the resolutions to be adopted at the Annual Shareholders Meeting, including the information referred to in Recommendation 28 shall be made public when the Notice of Meeting is issued.**

   Complies

5. **Separate votes shall be taken at annual shareholders meeting on matters that are materially different, so that shareholders may express their voting preferences separately. This rule is applied specifically to:**

   a) **Appointment and ratification of directors, which shall be voted on individually;**
   b) **With reference to amendments of the bylaws, votes shall be taken on each article or articles that are substantially independent.**

   See section: E.8

   Complies

6. **Companies shall allow split votes so that financial intermediaries who are the shareholders of record acting on behalf of different clients may cast their votes according to their clients' instructions.**

   See section: E.4

   Complies

7. **The Board of Directors shall perform its duties with unity of purpose and independent criteria, afford all shareholders equal treatment, and be guided by the best interests of the company, which may be defined as constantly seeking to maximize the company's value over time.**

   The Board shall ensure that in its relationships with stakeholders, the company abides by all laws and regulations, fulfills its obligations and contracts in good faith, respects the customs and good practices of the sectors and territories in which it does business, and observes any additional principles of social responsibility that it has voluntary accepted.

   Complies

8. **The core components of the Board's mission shall be to approve the company's strategy and organize its implementation, as well as to supervise and ensure that management meets its objectives and pursues the company's interests and corporate purpose. In that regard, the Board in full shall approve:**

   a) **The company's general policies and strategies, and in particular:**
      i) **The strategic or business plan, management targets and annual budgets**;
      ii) **Investment and financing policy;**
      iii) **Design of the structure of the corporate group;**
      iv) **Corporate governance policy;**
      v) **Corporate social responsibility policy;**
      vi) **Remuneration and evaluation of the performance of senior management;**
      vii) **Risk control and management policy, as well as periodic monitoring of internal information and control systems.**

viii) Policy on dividends and treasury shares, and the limits applied thereto.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

i) At the proposal of the company's chief executive, the appointment and removal of senior managers, as well as their compensation clauses.

See section: B.1.14.

ii) Remuneration of directors, as well as in the case of executive directors, additional compensation for their executive duties and other conditions that must be respected in their contracts.

See section: B.1.14.

iii) Financial information that listed companies must periodically disclose.

iv) Investments or operations of any nature, which due to the amount involved or their characteristics are considered as strategic, unless they require the approval of the shareholders at the annual meeting;

v) The incorporation or acquisition of interest in special-purpose entities or those domiciled in countries or territories considered tax havens, as well as any similar transactions or operations, which due to their complexity may impair the group's transparency.

c) Operations that the company conducts with directors, significant shareholders, shareholders represented on the board, or with persons related thereto ("related-party transactions").

However, board authorization shall not be required for related-party transactions that simultaneously meet the following three conditions:

1. Those governed by standard-form contracts applied equally to a large number of clients;

2. Those made at prices or rates generally set by the supplier of the goods or services in question;

3. Those whose value does not exceed 1% of the company's annual revenue.

It is recommended that the Board approve related-party transactions only after having received a favorable opinion from the Audit Committee or, if applicable, any other committee exercising that function; and that directors affected by the transactions should neither vote nor be present at the meetings in which the Board deliberates and votes thereon.

It is recommended that the Board not be allowed to delegate the powers attributed to it herein, with the exception of those mentioned in sections b) and c), which for reasons of urgency may be exercised by a delegated committee, and subsequently ratified by the board in full.

See sections: C.1 and C.6

Partially complies

The company complies with all points with the exception of b) i), which is not deemed necessary.

9. **In order to achieve effectiveness and full participation, it is recommended that the Board have no fewer than five and no more than fifteen members.**
See section: B.1.1

Complies

10. **External directors representing significant shareholdings and independent directors should constitute a broad majority of the Board, while the number of executive directors should be kept at a necessary minimum, taking into account the complexity of the corporate group and the percent of the executive directors' interests in the company's share capital.**
See sections: A.2, A.3, B.1.3 and B.1.14.

Complies

11. **If there is any external director who cannot be considered as either independent or representing a significant shareholding, the company shall explain that circumstance and his relationships either with the company, management, or its shareholders.**
See section: B.1.3

Not applicable

12. **Among external directors, the relationship between the number of directors representing significant shareholdings and independent directors shall reflect the proportion existing between share capital represented by directors representing significant shareholdings and the rest of the company's capital.**

    This criterion of strict proportionality may be relaxed so that the weight of significant shareholdings may be greater than the percentage of the total capital that they actually represent in the following cases:

    1. **In large cap companies where few or no equity stakes meet the legal threshold to be considered significant shareholdings, but where there are shareholders with share packages having a high absolute value.**
    2. **In companies in which many shareholders are represented on the board, and who are not otherwise related.**

    See sections: B.1.3, A.2 and A.3

Complies

13. **Independent directors should comprise at least one third of all board members.**
See section: B.1.3

Explain

The Board of Directors Regulation does not require a specific number of independent directors on the board. Article 8 provides as follows:
"In exercising its right to fill vacancies and to propose appointments at Annual Shareholders Meetings concerning the composition of the Board, the Board of Directors shall ensure a majority of external or

non-executive directors with respect to executive directors."
….. As vacancies arise, the Board shall ensure that the majority group of external directors includes both those proposed by owners of significant stable shareholdings (owner-directors) and professionals of recognized prestige who have no links to the executive team or significant shareholders that would compromise their independence (independent directors).
For the purposes of the foregoing paragraph, the Board shall take into account the ownership of the Company, the importance in absolute and comparative terms of the significant shareholders' stakes, as well as the degree of permanence and the strategic association of the owners of those significant shareholdings with the Company….."
At present there are three independent directors on the Board, a number that is deemed reasonable and which, in any case, complies with the provisions of the Board of Directors Regulation in that regard.

14. The Board shall explain the nature of each director to the shareholders at the Annual Shareholders Meeting that is to ratify his/her appointment, and confirm or, if applicable, review that status annually in the Annual Report on Corporate Governance, after having verified it with the Appointments Committee. That report should likewise explain the reasons for appointing directors representing significant shareholdings at the request of shareholders holding less than 5% of capital stock; and explain the reasons, if applicable, for having denied formal requests for representation on the board from shareholders whose stake is equal to or higher than the stake of others whose requests to appoint directors representing significant shareholdings were granted.
See sections: B.1.3 and B.1.4

Complies

15. When there are few or no female directors on the Board, explain the reasons and the measures adopted to correct that situation, and, specifically, those that the Appointments Committee takes when filling new vacancies to ensure that:

a) Selection procedures are not implicitly biased against the selection of female directors; and
b) The company deliberately seeks and includes among potential candidates women who meet the required profile.

See sections: B.1.2, B.1.27 and B.2.3.

Complies

16. The Chairman, as the person responsible for the efficient operations of the Board, shall ensure that all directors receive in advance sufficient information, stimulate debate and the active participation of board members at board meetings, ensure that they can freely take sides and express their opinions, and organize and coordinate with the chairmen of the relevant committees periodic evaluations of the board, as well as, when applicable, the chief executive officer.
See section: B.1 42

Partially complies

There is compliance with the first part of this recommendation, that is, the Chairman ensures that directors receive sufficient information prior to board meetings, and stimulates debate and active participation on the part of the directors, ensuring that they can freely express their positions and opinions.
With respect to the last part of this recommendation, it is considered sufficient in accordance with Article 5

of the Board of Directors Regulation that the board carry out a periodic evaluation of its operations and composition, after having received the opinion of the Corporate Governance, Appointments and Remuneration Committee (Article 25 of the Board of Directors Regulation). The evaluation considers the board's functions as a whole, and not each individual member or the chairman or chief executive officer in particular.

17. When the Chairman of the Board is also the company's Chief Executive Officer, one of the independent directors should be empowered to request that a meeting of the board be called or that new items be included on the agenda, to coordinate and reflect the concerns of external directors and to direct the board's evaluation of the Chairman.

See section: B.1.21

Not applicable

18. The Secretary to the Board shall take special steps to ensure that the Board's actions:

a) Adhere to the spirit and letter of the laws and their implementing regulations, including those issued by regulatory bodies;
b) Conform to the provisions of the Company Bylaws, Shareholders Meeting Regulation, Board of Directors Regulation and other company regulations;
c) Take into account the corporate governance recommendations contained in the Unified Code that the company has accepted.

And to ensure the Secretary's independence, impartiality and professionalism, his/her appointment and removal shall be submitted to the Appointments Committee for its opinion and approved at a meeting of the full board; and this procedure for appointment and removal should be set forth in the Board of Directors Regulation.

See section: B.1.34

Partially complies

The opinion of the Corporate Governance, Appointments and Remuneration Committee is not required with respect to the removal of the Secretary.

19. The Board shall meet with the frequency required to enable it to efficiently perform its functions, following a schedule of dates and matters to be determined at the beginning of the year, and each director shall be allowed to propose additional items on the agenda not initially included.

See section: B.1.29

Complies

20. Directors' absences from board meetings shall be kept to a minimum and shall be quantified in the Annual Report on Corporate Governance. Directors who have no choice but to appoint a proxy shall issue proxy voting instructions.

See sections: B.1.28 and B.1.30

Partially complies

Proxies may be appointed without instructions.

21. When directors or the Secretary express concerns about a given proposal, or in the case of directors, about the performance of the company, and these concerns are not addressed by the Board, the person expressing those concerns may request that they be recorded in the minutes.

Not applicable

22. The Board shall evaluate annually:

a) The quality and efficiency of the Board's operations;
b) The performance of the Chairman of the Board and the Chief Executive Officer, based on the Appointments Committee report;
c) The performance of the board committees, based on the reports they submit.

See section: B.1.19

Partially complies

As indicated previously, an evaluation is made of the board's performance as a whole, and not of each individual member or the chairman or chief executive officer in particular.

23. All directors shall be able to exercise their right to receive the additional information they deem warranted concerning matters of the Board's competence. Unless otherwise stipulated in the Bylaws or the Board of Directors Regulation, they should make such requests to the Chairman or Board Secretary.

See section: B.1.42

Complies

24. All directors shall have the right to obtain from the company the guidance they require in the performance of their duties. The company shall establish suitable channels for the exercise of this right, which in special circumstances may include outside assistance provided at the company's expense.

See section: B.1.41

Complies

25. Companies shall set up an orientation program to promptly provide new directors with sufficient knowledge of the company and its rules of corporate governance, while likewise offering directors ongoing training programs when circumstances so warrant.

Partially complies

In practice this information is provided without a formal program.

26. Companies shall demand that directors devote the time and effort necessary to efficiently perform their duties, and in that regard:

- **a) Require directors to inform the Appointments Committee of other professional obligations they have, in the event that they might interfere with the dedication their directorships require;**
- **b) Establish limits as to the number of boards of directors on which their directors may sit.**

See sections: B.1.8, B.1.9 and B.1.17

Partially complies

Article 30 of the Board of Directors Regulation sets forth the general obligations of directors and Article 31 the rules concerning conflicts of interest of which the company must be notified through the Corporate Governance, Appointments and Remuneration Committee. However the number of boards on which directors may sit is not limited.

27. The proposed appointment or reelection of directors that the Board submits at the Annual Shareholders Meeting, as well as their provisional appointment by cooptation, shall be approved by the Board:

- **a) At the proposal of the Appointments Committee in the case of independent directors.**
- **b) After receiving the prior opinion of the Appointments Committee in the case of all other directors.**

See section: B.1.2

Complies

28. Companies shall provide on their websites and maintain updated the following information concerning their directors:

- **a) Professional profile and biography;**
- **b) Other boards of directors on which they sit, whether listed companies or otherwise;**
- **c) Indication of the type of director, and in the case of directors representing significant shareholdings, the identity of the shareholders whom they represent or with whom they maintain business relations.**
- **d) Dates of first and subsequent appointments as director, and;**
- **e) Shares in the company or stock options that the director holds.**

Complies

29. Independent directors shall not remain as such for a continuous period exceeding twelve years.

See section: B.1.2

Explain

It has not been considered necessary to establish a limit, since it is not clear why after twelve years a director would lose his independence.

30. Directors representing significant shareholdings shall resign when the shareholders they represent sell all of their interests in the company. They shall also do so when the shareholders in question reduce their shareholdings to the extent that would require a reduction in the number of directors representing those shareholders.

See sections: A.2, A.3 and B.1.2

Complies

31. The Board of Directors shall not propose the removal of any independent director before he concludes the term in office mandated in the bylaws for which he was appointed, unless after receiving the opinion of the Appointments Committee, the Board deems that there is just cause to do so. In particular, just cause shall be deemed to exist when the director has failed to fulfill the duties inherent in his post or incurs in any of the circumstances described in paragraph 5 of Section III of the definitions contained in the Code.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation resulting in changes in the company's capital structure warrant changes in the Board based on the proportionality criterion set forth in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complies

32. Companies shall establish rules that oblige directors to inform and, if warranted, to resign in situations that may impair the credit and reputation of the company, and specifically, rules that oblige them to inform the Board of any criminal process in which they are indicted, as well as the progress of any subsequent proceedings.

If a director is indicted or legal proceedings are commenced against him for any of the offenses set forth in Article 124 of the Corporations Law, the Board shall examine his case as soon as possible and, in view of the specific circumstances, decide whether the director should continue in his post. The Board shall provide details of the foregoing in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Partially complies

Article 21.2.b) of the Board of Directors Regulation provides that directors shall offer their resignations to the Board of Directors and, if the Board deems it warranted, effectively resign *"when based on a criminal offense they are indicted in ordinary felony proceedings or have been convicted in a fast-track criminal proceeding."*

33. All directors shall clearly express their opposition when they consider any proposed decision submitted to the Board to be contrary to the company's

interests. Independent directors and others not affected by a conflict of interest shall do likewise when the decision in question could prejudice shareholders not represented on the Board.

When the Board adopts significant or reiterated decisions about which a director has expressed serious reservations, he shall draw the pertinent conclusions and, if he chooses to resign, explain his motives in the letter referred to in the following recommendation.

This Recommendation shall also apply to the Secretary to the Board, whether a board member or not.

Complies

34. **Any director who resigns or otherwise leaves his post before the end of his tenure shall explain his motives in a letter addressed to all of the members of the Board. Regardless of whether the resignation is disclosed as relevant information, the reasons therefore shall be set forth in the Annual Corporate Governance Report.**

See section: B.1.5

Complies

35. **The remuneration policy approved by the Board shall as a minimum include the following points:**

    a) **Amount of fixed sums, detailing, if applicable, allowances for participating on the Board and its committees, and an estimate of the resulting annual fixed remuneration;**
    b) **Variable remuneration, including in particular:**
        i) **The type of directorships to which it applies, as well as an explanation of the relative weight of variable remuneration vis-à-vis fixed remuneration.**
        ii) **Criteria for evaluating performance on which the right to perceive remuneration in shares, stock options or other variable compensation is based;**
        iii) **Parameters and justification for any annual bonus system or other non-cash benefits; and**
        iv) **An estimate of the total amount of variable remuneration in the proposed remuneration plan, based on performance or fulfillment of the objectives taken as a reference.**
    c) **Principal characteristics of any benefits systems (such as supplementary pensions, life insurance and similar arrangements) with an estimate of their equivalent annual cost.**
    d) **Conditions that must be respected in the contracts of those exercising senior management duties such as executive directors, among which should be included:**
        i) **the duration;**

ii) terms for notices of termination; and

iii) any other clauses covering hiring bonuses, as well as compensation or golden parachutes in the event of early termination of the executive director's contractual relationship with the company.

See section: B.1.15

Complies

36. Any remuneration that includes stock in the company or group companies, stock options or instruments pegged to stock prices, variable retribution linked to company performance or benefit plans shall be limited to executive directors.

This recommendation shall not include delivery of stock when it is contingent upon the directors' holding the stock until the end of their tenure as director.

See sections: A.3 , B.1.3

Complies

37. Remuneration of external directors shall be sufficient to compensate them for their commitment, qualifications and the responsibility that the post entails, but not so high as to compromise their independence.

Complies

38. Remuneration linked to company performance shall take into account any possible qualifications stated in the external auditor's Audit Report that may reduce those results.

Explain

This hypothesis has not been considered.

39. In the case of variable remuneration, remuneration policies shall include precise technical safeguards to ensure that that remuneration actually reflects the professional performance of the beneficiaries and is not simply derived from the general evolution of the markets or the company's sector of activities or other similar circumstances.

Complies

40. As a separate item on the agenda, the Board shall submit to a non-binding vote at the Annual Shareholders Meeting a report on the remuneration policy for directors. That report shall be made available to shareholders, either separately or in any other form the company considers appropriate.

The report shall focus specifically on the remuneration policy approved by the Board for the current year as well as, if applicable, the policy for future years. It shall include all matters addressed in Recommendation 35, except those which would require the disclosure of sensitive commercial information. It

shall underscore the most significant changes in the policies applied during the past year for which a shareholders meeting was held, and shall likewise include an overall summary of how the remuneration policy was applied over the last year.

The Board shall also review the role played by the Remuneration Committee in the preparation of the remuneration policy and, if external advice was sought, disclose the identity of the consultants who provided that advice.

See section: B.1.16

Partially complies

The Board of Directors submits its annual remuneration policy for the Board of Directors and management team to the shareholders for their approval at the Annual Shareholders Meeting, as an integral part of the Management Report submitted with the annual accounts (and not as a separate non-binding item on the agenda), which is one of the solutions suggested in the Recommendation of the European Commission of December 14, 2004 concerning promoting an adequate remuneration system for directors of listed companies.

41. The Annual Report shall itemize the individual remuneration of the director for the year and include:

a) An individualized breakdown of each director's remuneration, including, if applicable:

- **i) Allowances for attending meetings or other fixed remuneration as director;**
- **ii) Additional remuneration for chairing or serving as a member of a board committee;**
- **iii) Any remuneration that includes a share in profits or bonuses, and the reasons why it was awarded;**
- **iv) Contributions on behalf of the director to defined-contribution pension plans; or any increase in the director's vested rights with respect to defined-benefit schemes;**
- **v) Any compensation agreed or paid in the event of termination of his duties;**
- **vi) Remuneration perceived as director from other group companies;**
- **vii) Remuneration of executive directors who perform senior management duties;**
- **viii) Any other remuneration in addition to the above, whatever its nature or the group company from which it originates, especially when it may be considered a related-party transaction or when its omission would distort the fair view of the total remuneration received by the director.**

b) An individualized breakdown of any stock, stock option or any other instrument pegged to share prices granted directors, including:

- **i) The number of shares or options granted during the year, and the conditions for exercising them;**
- **ii) The number of options exercised during the year, indicating the number of shares affected and the exercise price;**
- **iii) The number of shares pending exercise at the end of the year, indicating the price, date and other requirements for exercising them;**

iv) **Any change during the year in the conditions for exercising options already granted.**

c) **Information concerning the relationship during the past year between the remuneration obtained by executive directors and profits, or other means for measuring the company's performance.**

Explain

The Company complies with the provisions of Article 200 of the Corporations Law that provides that the Annual Report must state the amount of remuneration paid directors "globally and by type of remuneration." No legal provision provides for reporting the director's remuneration individually, and the Company does not deem it appropriate to do so.

42. When there is a Delegated or Executive Committee (hereinafter, the "Delegated Committee"), its structure and composition with respect to the different categories of directors shall be similar to the Board's, and its secretary shall be the Secretary to the Board.

See sections: B.2.1 and B.2.6

Complies

43. The Board shall always be informed of the matters discussed and decisions adopted by the Delegated Committee and all board members shall receive a copy of the minutes of the meeting of the Delegated Committee.

Complies

44. In addition to the Audit Committee provided for in the Securities Market Law, the Board of Directors shall form one or two separate committees for appointments and remuneration.

The rules governing the composition and operations of the Audit Committee or the Appointments and Remuneration Committee (or committees) shall be included in the Board of Directors Regulation and stipulate the following:

a) **The Board shall designate the members of those committees, taking into account the knowledge, skills and experience of the directors and members of each committee; shall deliberate on their proposals and opinions; and the committees shall report on their activities and work at the first full board session following their meetings;**
b) **These committees shall be composed exclusively of a minimum of three external directors. The foregoing is without prejudice to the fact that executive directors or senior managers may attend committee meetings when expressly agreed by the committee members.**
c) **The committees shall be chaired by independent directors.**
d) **Committees may seek external advice when it is deemed necessary for the performance of their duties.**
e) **Minutes shall be taken of committee meetings, and copies thereof shall be sent to all board members.**

See sections: B.2.1 y B.2.3

Partially complies

The only aspect of this recommendation with which the company is not in compliance is providing board members with copies of the minutes of committee meetings. However, their respective chairpersons report to the Board all matters discussed at the meetings and, when applicable, present proposed resolutions for the Board's approval.

45. Supervision of compliance with internal codes of conduct and rules of corporate governance shall be vested in the Audit Committee, or if there is a separate committee, in the Corporate Governance Committee.

Complies

46. The members of the Audit Committee and especially its chairman shall be appointed taking into account their knowledge and experience in the area of accounting, audits and risk management.

Complies

47. Listed companies shall have an internal audit department which, under the supervision of the Audit Committee shall ensure the proper functioning of internal information and control systems.

Complies

48. The person in charge of the internal audit shall present to the Audit Committee his/her annual work plan; inform the committee directly of any incidents that may arise when conducting the audit; and shall submit a report of its activities at the end of each financial year.

Complies

49. The risk management and control policy shall identify at least the following:

a) Different types of risks (operational, technological, financial, legal, reputational …) which the company may encounter, including among the financial or economic risks contingent liabilities and off-balance sheet risks;
b) Establishing the level of risk that the company deems acceptable;
c) Measures to mitigate the impact of identified risks, in the event they materialize;
d) Information and internal control systems to be used to control and manage those risks, including contingent liabilities and off-balance sheet risks.

See section: D

Complies

50. The Audit Committee shall:

1 With respect to information and internal control systems:

a) Supervise the preparation and integrity of the company's, and if applicable, the group's financial information, monitoring compliance with regulatory requirements, the appropriate composition of the consolidation perimeter and the correct application of accounting rules

b) Periodically review internal control and risk management systems, so that the main risks are adequately identified, managed and reported.

c) Ensure the independence and accuracy of the operations of the internal audit department; propose the selection, appointment, reelection and removal of the head of the internal audit department; receive periodic information concerning audit activities; and verify that senior managers take into account the conclusions and recommendations contained its reports.

d) Set up and supervise a mechanism whereby employees may confidentially and, if deemed appropriate, anonymously notify the company of any potentially relevant irregularities within the company of which they may be aware, particularly financial or accounting irregularities.

2 With regard to the external auditor:

a) Submit to the Board of Directors proposals for the selection, appointment, reelection and substitution of the external auditor, as well as the conditions of the auditor's contract.

b) Receive regularly from the external auditor information concerning the audit plan and the results of its application, and verify that senior managers take its recommendations into account.

c) Ensure the independence of the external auditor, and in that regard ensure that:

i) The company discloses to the National Securities Market Commission as an announcement of relevant information any change of auditor and attaches a declaration with respect to any discrepancies with the former auditor, if applicable, and the nature of those discrepancies.

ii) Measures are be taken to ensure that the company and the auditor abide by regulations concerning the provision of services other than auditing services, limits on the concentration of the auditor's business and, in general, all other rules designed to ensure the auditor's independence;

iii) In the event of the resignation of the external auditor, the circumstances motivating that resignation shall be examined.

d) In the case of groups, encourage the group's auditor to assume responsibility for auditing group companies.

See sections: B.1.35, B.2.2, B.2.3 y D.3

Partially complies

The company does not deem it necessary to set up and regulate a mechanism whereby employees may anonymously report to the Audit Committee irregularities detected within the company. Without the need to formally implement such a procedure, any employee can notify the Audit Committee or any other management or supervisory department in the company of concerns of any nature that he deems warranted.

51. The Audit Committee shall be able to meet with any employee or manager of the company, and may even require that they appear without the presence of another manager.

Complies

52. The Audit Committee shall issue an opinion to the Board before the Board adopts any decisions concerning the following matters listed in Recommendation 8:

a) Financial information that a listed company must disclose periodically. The committee shall ensure that the interim accounts are prepared using the same accounting criteria as the annual accounts and, to that end, consider a limited review by the external auditor.
b) The creation or acquisition of interests in special-purpose entities or those domiciled in countries or territories considered tax havens, as well as any other similar transactions or operations, which due to their complexity may impair the group's transparency.
c) Related-party transactions, unless the function of issuing an advisory opinion has been attributed to another supervision and control committee.

See sections: B.2.2 and B.2.3

Complies

53. The Board of Directors shall endeavor to present the accounts at the Shareholders Meeting without reservations or qualifications in the audit report and, in exceptional circumstances where they exist, both the Chairman of the Audit Committee and the auditors shall clearly explain to the shareholders the content and scope of those reservations or qualifications.

See section: B.1.38

Complies

54. The majority of the members of the Appointments Committee (or the Appointments and Remuneration Committee, if they form a single committee) shall be independent directors.

See section: B.2.1

Explain

Two members of the Corporate Governance, Appointments and Remuneration Committee are independent directors (its chairman, Mr. Gregorio Marañón y Bertrán de Lis and a member, Mr. José Buenaventura Terceiro Lomba), and the other two (Mr. Diego Hidalgo Schnur and Mr. Adolfo Valero Cascante) represent significant shareholdings, since the presence of such representatives is deemed essential on this committee.

55. In addition to the functions indicated in the preceding Recommendations, the Appointments Committee shall perform the following:

a) **Evaluate the skills, knowledge and experience needed on the Board, and in consequence define the functions and aptitudes required of the candidates to fill each vacancy, and evaluate the time and devotion required to enable them to properly perform their duties.**
b) **Examine and organize in the manner deemed appropriate the succession to the Chairman and Chief Executive and, if warranted, make proposals to the Board, so that succession may take place in a ordered and well-planned manner.**
c) **Issue opinions concerning the appointments and removal of senior managers that the Chief Executive proposes to the Board.**
d) **Issue opinions to the Board concerning matters of gender diversity set forth in Recommendation 14 of the Code.**

See section: B.2.3

Partially complies

The Corporate Governance, Appointments and Remuneration Committee does not have the powers set forth in point c) of this recommendation.

56. The Appointments Committee shall consult the Chairman and the Chief Executive, especially with regard to matters concerning executive directors.
Any director may ask the Appointments Committee to consider potential candidates to cover vacant directorships considered to meet the required profile.

Complies

57. In addition to the functions indicated in the preceding Recommendations, the Remuneration Committee shall have the following duties:
a) **To propose to the Board of Directors:**
   i) **The remuneration policy for directors and senior management;**
   ii) **The individual remuneration of executive directors and the other conditions of their contracts.**
   iii) **The standard conditions of the contracts of senior managers.**
b) **To ensure that the company's remuneration policy is observed.**

See sections: B.1.14, B.2.3

Complies

58. The Remuneration Committee shall consult with the Chairman and Chief Executive, especially with regard to matters concerning directors and senior managers.

Complies

G. OTHER INFORMATION OF INTEREST

If you believe there are relevant principles or aspects concerning the corporate governance practices applied by your company that have not been presented in this report, please identify and explain their content below.

-With regard to **Section A.6** of this report it should be underscored that:

Shareholder Agreement in Rucandio, S.A.
i) the percent of share capital involved is the share capital of Rucandio, S.A., a company that indirectly holds 68.542% of the stock in Promotora de Informaciones, S.A.
ii) On December 23, 2003 in a private document Mr. Ignacio Polanco Moreno, Ms. Isabel Polanco Moreno–deceased- (whose children have succeeded to her position in this agreement), Mr. Manuel Polanco Moreno, Ms. Mª Jesús Polanco Moreno and their now deceased father Mr. Jesús de Polanco Gutiérrez and mother Ms. Isabel Moreno Puncel signed a Family Protocol, to which a Shareholder Syndicate Agreement was annexed concerning shares in Rucandio, S.A. and whose object is to preclude the entry of third parties outside the Polanco Family in Rucandio, S.A. in the following terms: (i) the syndicated shareholders and directors must meet prior to any shareholder or board meeting to determine how they will vote their syndicated shares, and are obliged to vote together at shareholder meetings in the manner determined by the syndicated shareholders; (ii) if an express agreement is not achieved among the syndicated shareholders with respect to any of the proposals made at a shareholder meeting, it will be understood that sufficient agreement does not exist to bind the syndicate and, in consequence, each syndicated shareholder may freely cast his vote; (iii) members of the syndicate are obliged to attend syndicate meetings personally or to grant proxy to a person determined by the syndicate, unless the syndicate expressly agrees otherwise, and to vote in accordance with the instructions determined by the syndicate, as well as to refrain from exercising any rights individually unless they have been previously discussed and agreed at a meeting of the syndicate.; (iv) members of the syndicate are precluded from transferring or otherwise disposing of shares in Rucandio, S.A until 10 years following the death of Mr. Jesús de Polanco Gutiérrez, requiring in any case the consensus of all shareholders for any type of transfer to a third party. An exception to the aforementioned term can be made upon the unanimous agreement of the shareholders. This limitation likewise applied specifically to the shares that Rucandio, S.A. holds directly or indirectly in Promotora de Informaciones, S.A.

Shareholder Agreement in Promotora de Publicaciones, S.L.:
i) the percentage of share capital affected is the percentage held by Promotora de Publicaciones, S.L., a company which holds 44.535% of the stock in Promotora de Informaciones, S.A.
ii) the shareholders agreement was signed on May 21, 1992 and in a notarial document certified by Madrid Notary Public Mr. Jose Aristonico Sanchez, Timon S.A. and a group of shareholders of Promotora de Informaciones, S.A. entered into an agreement to govern the contribution of their shares in that company to Promotora de Publicaciones, S.L. (hereinafter, “Propu”) and their participation therein. Basically, the undertakings set forth in that agreement are as follows: a) each majority shareholder shall have at least one representative on the Board of Directors of Prisa and, to the extent possible, the governing body of Propu shall have the same composition as Prisa’s; b) Propu shares to be voted at Prisa’s General Shareholders Meetings will be previously determined by the majority members. Propu members who are likewise members of Prisa’s Board of Directors shall vote in the same manner, following instructions from the majority shareholders; c) in the event that Timon, S.A. sells its holdings in Propu, the remaining majority shareholders shall have the right to sell their holdings in Propu on the same terms to the same buyer, to the extent that the foregoing is possible.

- With regard to **Section A.8** of this report it should be underscored that capital gains on treasury shares disposed of during 2009 amounted to 3,889 thousand euros, affecting 10,233,319 shares representing 4.67% of share capital.

-With regard to **Section B.1.2** of this report it should be underscored that:

i) The first appointment of Mr. Ignacio Polanco Moreno as Chairman of the Board of Directors was 23 July 2007 and the first appointment of Mr. Juan Luis Cebrian Echarri as Managing Director was 20 Oct 88.

ii) At its June 18, 2009 meeting the Board of Directors amended the Board of Directors Regulation to, among other minor modifications, set 75 as the maximum age for directors, as well as creating the status of Honorary Board Member.
This amendment affected four directors:

. Messrs. Juan Salvat and Jesús de la Serna, whose terms had not yet expired on that date, tendered their resignations at that board meeting (see section B.1.5 of this report).

. Messrs. Francisco Pérez González and Manuel Varela, whose terms had already expired, were not nominated for reelection to the Board.

. at this same meeting, the Board of Directors appointed Mr. Francisco Pérez González and Honorary Board Member.

- With regard to **Section B.1.3** of this report it should be underscored that:

i) Executive directors may qualify as external directors representing significant shareholdings pursuant to the instructions for completing this report (National Securities Market Commission Circular 4/2007 of December 27 amending the Model Annual Corporate Governance Report for Listed Corporations, but are considered executives pursuant to Definition 3 (Executive Directors) of the Unified Code of Good Governance approved by the Commission on May 22, 2006 that states that "when a director performs senior management duties and at the same time represents a significant shareholder on the Board, he shall be considered as "executive" or "internal" for the exclusive effects of this Code."

ii) that the Appointments and Remuneration Committee did not "propose" the appointment of the directors, but rather issued a "favorable opinion" concerning those appointments, pursuant to the provisions of the Board of Directors Regulation in force when the appointments were made.

- With regard to **section B.1.8.** of this report it should be underscored that:

i) company director Ms. Agnès Noguera Borel holds the following posts on the boards of directors of the following companies:

- Banco de Valencia, S.A.: representing the director Libertas 7, S.A
- Bodegas Riojanas, S.A.: representing the director Premier Mix, S.A.
- Adolfo Domínguez, S.A.: representing the director Luxury Liberty, S.A.
- Compañía Levantina de Edificación y Obras Públicas: representing the director Libertas 7, S.A.

ii) on the Board of Directors of Abengoa, S.A., the director of the Company Mr. José Buenaventura Terceiro Lomba, represents the Vice President Aplicaciones Digitales, S.L.

- With regard to **section B.1.10** of this report it should be underscored that in Article 5 of the Board of Directors Regulation, the Board is vested with the power to approve the general remuneration policy for directors and senior management, as well as to periodically evaluate the operations and composition of the Board of Directors, but not the performance of senior managers.

- With regard to **section B.1.12** of this report it should be underscored that senior managers are those who report directly to the chief executive (members of the Management Committee and Business Committee who are not executive directors) as well as the Internal Audit Manager of Promotora de Informaciones, S.A.

-With regard to **Section B.1.13** of this report it should be underscored that:

i) the beneficiaries are part of the group of executive directors and managers referred to previously in Section B.1.12.
ii) the body that has authorized ironclad or golden handshake clauses is the Corporate Governance, Appointments and Remunerations Committee.
iii) the ironclad or golden handshake clauses are assessed in the report on remuneration policy submitted for approval at the Shareholders Meeting as part of the Management Report.

- With regard to **Section B.1.15** of this report it should be underscored that as per December 31, 2008 there is no benefits system for members of the Board of Directors or senior managers.

- With regard to **Section B.1.16** of this report it should be underscored that the Board of Directors submits its annual remuneration policy for the Board of Directors and management team to the shareholders for their approval at the Annual Shareholders Meeting, as an integral part of the Management Report submitted with the annual accounts (and not as a separate non-binding item on the agenda), which is one of the solutions suggested in the Recommendation of the European Commission of December 14, 2004 concerning promoting an adequate remuneration system for directors of listed companies.

- With regard to **Section B.1.38** of this report it should be underscored that in May, 2009 the Board of Directors restated its Individual and Consolidated Group Accounts and their corresponding Management Reports for 2008 (initially released on March 31, 2009).
The exception expressed in the audit report issued on April 30, 2009 was eliminated from the audit report for the restated accounts.

- With regard to **Section C.1** of this report it should be underscored that in accordance with the provisions of the Board of Directors Regulation, related-party transactions will be submitted to the Board of Directors for approval (and for reasons of urgency may be approved by the Executive Committee) under the following terms:

i) Direct or indirect professional or commercial transactions of directors (or of persons related to them if they involve operations in excess of 60,000 euro) with the Company or any of its subsidiaries must be authorized by the Board of Directors, after it has considered the opinion of the Corporate Governance, Appointments and Remuneration Committee. Transactions carried out by persons related to directors and which do not exceed 60,000 euro must be authorized by the Corporate Governance, Appointments and Remuneration Committee. Authorization of the Board of Directors shall not be required for linked operations that fulfill the following conditions: a) Those involving compliance with standard contract conditions applied extensively to multiple customers; b) Those involving predetermined prices or fees carried out by the suppliers of the goods and services in question; c) Those which amount to less than 1% of the annual income of the person or entity receiving the service.

ii) The Board of Directors formally reserves the right to oversee any Company transaction with a significant shareholder. Under no circumstances shall a transaction be authorized if an opinion of the Corporate Governance, Appointments and Remuneration Committee assessing the operation from the point of view of market conditions has not been issued. Nevertheless, authorization of the Board of Directors shall not be required for those transactions that fulfill all of the conditions mentioned in the preceding paragraph.

- With regard to **section C.3** of this report it should be underscored that compensation to Prisa directors and senior management is detailed in Sections B.1.11 and B.1.12 of this report.

Likewise it should be underscored that the following services were rendered during 2009 directly or indirectly by Prisa directors to other companies of Grupo Prisa:

i) Services provided to Prisa and Sogecable, S.A. for 8,039,000 euro refers to legal counsel and defense provided by Cortés Abogados y Cía S.R.C, thorough Tescor Profesionales Asociados, S.L.P, in a series of proceedings in several jurisdictions (administrative, civil, commercial and arbitral) and legal advice rendered in various matters.

ii) Financial advisory services rendered by Jaime Terceiro Lomba, thorough Tescor Profesionales Asociados, S.L.P, to Sogecable, S.A., amounting 1,000,000 euro.

iii) Confivendis, S.L., which is owned and managed by Mr. Carlos López Casas, provided financial and strategic consulting services to Sogecable, S.A. in the amount of 15,000 euro.

iv) Mr. Javier Diez de Polanco provided to Sogecable, S.A legal advice and strategic consulting services concerning the television business in the amount of 60,000 euro.

With regard to **section C.4** of this report it should be underscored that:

1. The aggregate amount of 94,849,000 euros for operations with Dédalo Grupo Gráfico, is a consequence of the following:
i) 92,359,000 euros represent a loan granted by Prisaprint, S.L (a Prisa investee company) to Dédalo Grupo Gráfico, S.L. or with companies in which Dédalo has interests, as a consequence of financing operations and not paid interests.
ii) 2,490,000 euros represent loans granted by Diario El Pais, S.L. (a Prisa investee company) to Distribuciones Aliadas and Norprensa (companies in which Dédalo Grupo Gráfico, S.L. holds interests).

2. For the 2009 fiscal year, financing operations related to Dédalo Grupo Gráfico, S.L. and Sogecable, S.A. have accrued interest in the amount of 1,140,000 euros.

- With regard to **section C.7 and F.2** of this report it should be underscored that PRISA does not have any dependent company that is listed in Spain, but its Portuguese subsidiary Grupo Media Capital, S.G.P.S, S.A. is listed on the Portuguese securities market.

- With regard to **section F.34** of this report it should be underscored that as a consequence of the amendment to the Board of Directors Regulation of June 18, 2009 setting 75 as the maximum age limit for directors, Messrs. Jesús de la Serna Gutierrez Répide and Juan Salvat Dalmau, whose terms as directors had not yet expired on that date, but who fell within that limitation, tendered their resignations during that same board meeting.

- With respect to the binding definition of an independent director, the answer states that none of the independent directors has or has had a relationship with the company, its significant shareholders or its management that contravenes the provisions of Section 5 of the Unified Code of Good Governance, since the consulting services provided directly or indirectly by some Prisa directors (see the corresponding description in the observations provided under C.3·in Section G of this Report) does not prejudice the independence of those directors.

-Lastly, and generally applicable throughout the report, it should be underscored that, the Tax Identification Numbers attributed to the non-Spanish companies are fictitious and were provided as required in this computerized form.

Binding definition of independent director:

Indicate whether any of the independent directors maintains or has maintained any relationship with the company, its significant shareholders or its managers which, had it been sufficiently relevant or important, would have determined that the director could not be considered independent as defined in section 5 of the Unified Code of Good Governance:

NO

This Annual Report on Corporate Governance was approved by the Board of Directors of the Company at its meeting on March 18, 2010.

Indicate whether any directors voted against or abstained in the vote taken to approve this report.

NO