

Promotora de Informaciones, S.A. (Prisa)

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

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

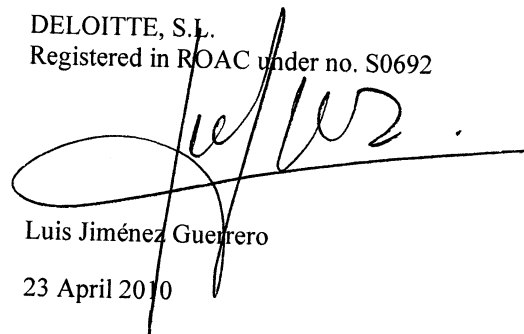
AUDITORS' REPORT ON FINANCIAL STATEMENTS

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

1. We have audited the financial statements of PROMOTORA DE INFORMACIONES, S.A. (PRISA) comprising the balance sheet at 31 December 2009 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The preparation of these financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the evidence supporting the 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 directors present, in addition to the figures for 2009 for each item in the balance sheet, income statement, statement of changes in equity, statement of cash flows and notes to the financial statements, the figures for 2008. Our opinion refers only to the 2009 financial statements. On 22 May 2009, we issued our auditors' report on the 2008 financial statements, in which we expressed an unqualified opinion.
3. Since the Company is the head of a group and meets certain requirements, it is obliged under current legislation to prepare consolidated financial statements separately in accordance with International Financial Reporting Standards (EU-IFRS), on which we issued our auditors' report on 23 April 2010, in which we expressed an opinion qualified for a matter similar to that described in paragraph 4 below. Per the content of the consolidated financial statements prepared in accordance with EU-IFRS, the total equity amounts to EUR 1,373,019 thousand, the consolidated profit for the year attributable to the shareholders of the Parent to EUR 50,479 thousand and the total assets and operating income to EUR 8,193,052 thousand and EUR 3,208,584 thousand, respectively.
4. As indicated in Note 1.b) to the accompanying financial statements, in the coming months the Company 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 19 May 2013. The capital increases will be approved by the shareholders at the Annual General Meeting of the Company once the appropriate authorisations have been obtained from the stock market regulators.
5. In our opinion, except for the effects that could arise from the obtainment of the approvals and the authorisations described in the preceding paragraph, the accompanying financial statements for 2009 present fairly, in all material respects, the equity and financial position of PROMOTORA DE INFORMACIONES, S.A. (PRISA) at 31 December 2009 and the results of its operations, the changes in equity and its cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with the generally accepted accounting principles and standards under the Spanish regulations applicable to the Company applied on a basis consistent with that of the preceding year.

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

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



Luis Jiménez Guerrero

23 April 2010

**PROMOTORA DE INFORMACIONES,
S.A. (PRISA)**

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

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Financial Statements and Directors' Report for 2009

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual Financial Statements for 2009

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)
BALANCE SHEETS AT 31 DECEMBER 2009 AND 31 DECEMBER 2008
(in thousands of euros)

ASSETS	12/31/09	12/31/08	EQUITY AND LIABILITIES	12/31/09	12/31/08
A) NON-CURRENT ASSETS	5,332,726	5,271,797	A) EQUITY (Note 7.4)	912,084	880,801
I. INTANGIBLE ASSETS (Note 5)	10,494	11,804	A-1) Shareholders' equity	912,084	880,801
1. Computer software	8,870	9,861	I. SHARE CAPITAL	21,914	21,914
2. Advances and intangible assets in progress	1,624	1,943	II. SHARE PREMIUM	112,665	112,665
II. PROPERTY, PLANT AND EQUIPMENT (Note 6)	2,953	3,540	III. RESERVES	788,232	733,787
1. Buildings	246	253	1. Legal and bylaw reserves	15,364	15,364
2. Other fixtures and furniture	1,291	1,447	2. Other reserves	772,868	718,423
3. Other items of property, plant and equipment	1,416	1,840	IV. TREASURY SHARES	(3,044)	(24,726)
III. NON-CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES (Note 7.1)	5,056,818	4,998,742	V. PROFIT (LOSS) FOR THE YEAR	(7,683)	37,161
1. Equity instruments	4,873,003	4,838,745	B) NON-CURRENT LIABILITIES	1,779,751	1,966,267
2. Loans to companies	183,815	159,997	I. LONG-TERM PROVISIONS (Note 10)	154,724	127,361
IV. NON-CURRENT FINANCIAL ASSETS (Note 7.1)	12,610	24,862	II. NON-CURRENT PAYABLES (Note 7.2)	1,585,048	1,789,456
1. Equity instruments	4,425	108	1. Bank borrowings	1,568,602	1,771,630
2. Loans to third parties	-	4,449	2. Derivatives	16,446	17,826
3. Derivatives	-	17,826	III. NON-CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES (Note 7.2)	22,991	32,588
4. Other financial assets	8,185	2,479	IV. DEFERRED TAX LIABILITIES (Note 8)	16,988	16,862
V. DEFERRED TAX ASSETS (Note 8)	249,851	232,849	C) CURRENT LIABILITIES	2,898,266	2,684,083
B) CURRENT ASSETS	257,375	259,354	I. CURRENT PAYABLES (Note 7.2)	2,239,961	2,086,700
I. TRADE AND OTHER RECEIVABLES	107,693	100,139	1. Bank borrowings	2,232,565	2,060,151
1. Trade receivables for services	5,152	735	2. Derivatives	-	19,111
2. Receivable from Group companies and associates	94,033	91,782	3. Other financial liabilities	7,396	7,438
3. Employee receivables	159	141	II. CURRENT PAYABLES TO GROUP COMPANIES AND ASSOCIATES (Note 7.2)	602,206	570,871
4. Tax receivables (Note 8)	1,947	6,680	III. TRADE AND OTHER PAYABLES	56,099	26,512
5. Other receivables	6,402	801	1. Payable to suppliers	37	46
II. CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES (Note 7.1)	145,065	158,299	2. Payable to suppliers - Group companies and associates	8,541	1,519
1. Loans to companies	145,064	153,299	3. Sundry accounts payable	21,682	16,653
2. Other financial assets	1	5,000	4. Remuneration payable	4,402	5,183
III. CURRENT FINANCIAL ASSETS (Note 7.1)	935	36	5. Tax payables (Note 8)	21,145	2,722
1. Other financial assets	935	36	6. Current accruals and deferred income	292	389
IV. CURRENT PREPAYMENTS AND ACCRUED INCOME	166	176	TOTAL EQUITY AND LIABILITIES	5,590,101	5,531,151
V. CASH AND CASH EQUIVALENTS	3,516	704			
1. Cash	3,516	704			
TOTAL ASSETS	5,590,101	5,531,151			

The accompanying Notes 1 to 16 and Appendices I and II are an integral part of the balance sheets at 31 December 2009 and 2008.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A. (PRISA)
INCOME STATEMENTS FOR 2009 AND 2008
(in thousands of euros)

	2009	2008
A) CONTINUING OPERATIONS		
1. Revenue		
a) Services (Note 15)	24,319	27,084
b) Income from equity investments (Note 15)	117,245	312,626
c) Gains on disposal of equity instruments (Note 7.1)	921	71,551
2. Other operating income	203	109
3. Staff costs		
a) Wages, salaries and similar expenses	(16,522)	(16,602)
b) Employee benefit costs (Note 9)	(2,065)	(2,024)
4. Other operating expenses		
a) Outside services	(24,963)	(27,041)
b) Taxes other than income tax	(169)	(452)
c) Impairment and other losses	(61)	-
5. Depreciation and amortization charge (Notes 5 and 6)	(2,958)	(2,750)
PROFIT FROM OPERATIONS	95,950	362,501
6. Finance income		
a) From loans to Group companies and associates (Note 15)	6,895	20,187
b) Other finance income	2,191	21,665
7. Finance costs and similar expenses:		
a) On debts to Group companies (Note 15)	(8,659)	(18,518)
b) On debts to third parties and similar expenses	(180,633)	(227,572)
8. Change in fair value of financial instruments	24,465	(25,253)
9. Exchange differences	457	1,077
10. Impairment of financial instruments		
a) Impairment and other losses (Notes 7.1 and 10)	8,478	(136,187)
FINANCIAL LOSS	(146,806)	(364,601)
LOSS BEFORE TAX	(50,856)	(2,100)
11. Income tax (Note 8)	43,173	39,260
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS	(7,683)	37,161
B) DISCONTINUED OPERATIONS	-	-
PROFIT/(LOSS) FOR THE YEAR	(7,683)	37,161

The accompanying Notes 1 to 16 and Appendices I and II are an integral part of the income statements for 2009 and 2008.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A.
STATEMENT OF CHANGES IN EQUITY FOR 2009 AND 2008
(in thousands of euros)

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR 2009

	12/31/09	12/31/08
A) Profit/(Loss) per income statement	(7,683)	37,161
Income and expense recognized directly in equity		
I. Arising from revaluation of financial instruments		
1. Available-for-sale financial assets		
2. Other income/expenses		
II. Arising from cash flow hedges		
III. Arising from actuarial gains and losses and other adjustments		
IV. Tax effect		
B) Total income and expense recognized directly in equity		
Transfers to profit or loss		
V. Arising from revaluation of financial instruments		
1. Available-for-sale financial assets		
2. Other income/expenses		
VI. Arising from cash flow hedges		
VII. Tax effect		
C) Total transfers to profit or loss		
TOTAL RECOGNIZED INCOME AND EXPENSE	(7,683)	37,161

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A.
STATEMENT OF CHANGES IN EQUITY FOR 2009 AND 2008
(in thousands of euros)

<i>(in thousands of euros)</i>	Share capital	Share premium	Legal reserve	Statutory reserves	Revaluation reserves	Reserves for treasury shares	Reserves for retired capital	Voluntary reserves	Reserves for first-time application of the new Spanish national chart of accounts	Reserves	Treasury shares	Profit (Loss) for the year	Equity
Balance at 31 December 2007	22,036	128,891	4,376	10,941	13,939	39,101	1,373	584,984	5,961	660,675	(39,101)	111,193	883,694
I. Adjustments due to changes in policies													
II. Adjustments due to errors													
Adjusted balance at 31 December 2007	22,036	128,891	4,376	10,941	13,939	39,101	1,373	584,984	5,961	660,675	(39,101)	111,193	883,694
I. Total recognized income and expense												37,161	37,161
II. Transactions with shareholders or owners													
1. Capital reduction	(122)	(16,226)					122	16,226		16,348			
2. Distribution of 2007 profit													
- Remuneration of directors												(1,386)	(1,386)
- Dividends												(38,258)	(38,258)
- Reserves			31	77				70,529	912	71,549		(71,549)	-
3. Treasury share transactions													
- Delivery of treasury shares						(146)		146		-	146		146
- Purchase of treasury shares						347		(347)		-	(347)		(347)
- Provision for treasury shares						(14,576)				(14,576)	14,576		
4. Transfer of reserves				(61)				61		-			-
III. Other changes in equity													
- Other								(209)		(209)			(209)
Balance at 31 December 2008	21,914	112,665	4,407	10,957	13,939	24,726	1,495	671,390	6,873	733,787	(24,726)	37,161	880,801
I. Adjustments due to changes in policies													
II. Adjustments due to errors													
Adjusted balance at 31 December 2008	21,914	112,665	4,407	10,957	13,939	24,726	1,495	671,390	6,873	733,787	(24,726)	37,161	880,801
I. Total recognized income and expense												(7,683)	(7,683)
II. Transactions with shareholders or owners													
1. Distribution of 2008 profit								37,161		37,161		(37,161)	-
- Reserves								37,161		37,161		(37,161)	-
2. Treasury share transactions													
- Delivery of treasury shares						(290)		290		-	290		290
- Purchase of treasury shares						884		(884)		-	(884)		(884)
- Sale of treasury shares						(36,204)		40,092		3,888	36,204		40,092
- Provision for treasury shares						13,928		-		13,928	(13,928)		-
III. Other changes in equity													
- Other								(532)		(532)			(532)
Balance at 31 December 2009	21,914	112,665	4,407	10,957	13,939	3,044	1,495	747,517	6,873	788,232	(3,044)	(7,683)	912,084

The accompanying Notes 1 to 16 and Appendices I and II are an integral part of the statements of changes in equity for 2009 and 2008.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 16). In the event of a discrepancy, the Spanish-language version prevails.

PROMOTORA DE INFORMACIONES, S.A.
STATEMENTS OF CASH FLOWS FOR 2009 AND 2008
(in thousands of euros)

	2009	2008
A) CASH FLOWS FROM OPERATING ACTIVITIES		
1. Loss for the year before tax	(50,856)	(2,100)
2. Adjustments for	(11,574)	(56,087)
a) Depreciation and amortization charge (+)	2,959	2,750
b) Impairment of non-current financial assets (+/-)	(8,478)	136,187
Impairment losses recognised for financial assets	4,965	104,393
Period provisions for contingencies and charges	27,693	107,622
Impairment losses for financial assets reversed	(40,860)	(63,189)
Provisions for contingencies and charges used	(276)	(12,639)
c) Gains/Losses on derecognition and disposal of non-current assets (+/-)	-	-
d) Finance income (-)	(36,357)	(61,235)
e) Finance costs (+)	191,641	289,648
f) Gains/Losses on derecognition and disposal of financial instruments (+/-)	(921)	(71,551)
g) Dividends received	(117,245)	(312,626)
h) Income tax	(43,173)	(39,260)
3. Changes in working capital	35,575	120,171
a) Inventories (+/-)	-	-
b) Trade and other receivables (+/-)	(7,554)	(61,950)
c) Current prepayments and accrued income	10	25
d) Current financial assets	12,335	138,316
e) Trade and other payables (+/-)	47,660	12,436
f) Change in deferred taxes (+/-)	(16,876)	31,344
4. Other cash flows from operating activities	(2,186)	92,725
a) Interest paid (-)	(152,247)	(219,659)
b) Dividends received (+)	122,244	316,161
c) Interest received (+)	6,967	20,805
d) Income tax recovered (paid) (+/-)	42,945	(14,987)
e) Other amounts received (paid) relating to operating activities (+/-)	(22,095)	(9,595)
5. Cash flows from operating activities (+/-1+/-2+/-3+/-4)	(29,041)	154,709
B) CASH FLOWS FROM INVESTING ACTIVITIES		
6. Payments due to investment (-)	(2,097)	(2,207,297)
7. Proceeds from disposal (+)	8,379	44,727
8. Cash flows from investing activities (7-6)	6,282	(2,162,570)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
9. Proceeds and payments relating to equity instruments	33,325	(1,047)
10. Proceeds and payments relating to bank borrowings	(30,614)	1,793,723
11. Proceeds and payments relating to borrowings from Group companies	22,859	253,445
12. Dividends and returns on other equity instruments paid	-	(39,644)
13. Cash flows from financing activities (+/-9+/-10-11-12)	25,570	2,006,477
E) NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (+/-A+/-B+/-C+/-D)	2,812	(1,384)
Cash and cash equivalents at beginning of year	704	2,089
Cash and cash equivalents at end of year	3,516	704

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PROMOTORA DE INFORMACIONES, S.A. (PRISA)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR 2009

1.- COMPANY ACTIVITIES AND PERFORMANCE

a) Company activities

Promotora de Informaciones, S.A. ("Prisa") was incorporated on January 18, 1972, and has its registered office in Madrid, 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 view of the business activity carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

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.

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

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

These financial statements are presented in thousands of euros as this is the currency of the main economic area in which the Group operates.

b) Performance of the Company and the Prisa Group

In recent years the Prisa 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 7.2).

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 14*).

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 financial statements the aforementioned merger had not been carried out.

2.- BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

a) Fair presentation

The accompanying financial statements for 2009, which were obtained from the Company's accounting records, are presented in accordance with Royal Decree 1514/2007, of November 16, approving the Spanish National Chart of Accounts and, accordingly, present fairly the Company's equity, financial position and results of operations.

These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2008 were approved by the shareholders at the Annual General Meeting held on June 18, 2009.

b) Non-obligatory accounting principles

No non-obligatory accounting principles were applied. Also, all obligatory accounting principles were applied.

c) Key issues in relation to the measurement and estimation of uncertainty

In the accompanying financial statements for 2009 estimates were occasionally made by executives of the Company in order to quantify certain of the assets, liabilities, income, expenses 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 Notes 5, 6 and 7*).
- The useful life of the property, plant and equipment and intangible assets (*see Notes 5 and 6*).
- The assumptions used in calculating the fair value of financial instruments (*see Note 7*).
- The assessment of the likelihood and amount of undetermined or contingent liabilities.
- The calculation of provisions (*see Note 10*).

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

3.- ALLOCATION OF LOSS

The allocation of the loss for 2009 proposed by the Company's directors is to offset the loss against "*Voluntary Reserves*".

4.- ACCOUNTING POLICIES

The principal accounting policies used by the Company in preparing the accompanying financial statements for 2009 were as follows:

a) Intangible assets

Intangible assets are recognized initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses. Only assets whose cost can be estimated objectively and from which the Company considers it probable that future economic benefits will be generated are recognized. These assets are amortized over their years of useful life.

"*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 over a period ranging from four to six years, depending on

the type of program, from the date on which it is brought into service, which is the period over which these assets are estimated to contribute to the generation of revenue.

b) Property, plant and equipment

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

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 income statement for the year in which they are incurred.

The Company depreciates its property, plant and equipment 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 useful life
Buildings	50
Other fixtures and furniture	10
Other items of property, plant and equipment	4-10

c) Impairment losses

At each balance sheet date, or whenever it is considered necessary, the Company 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).

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 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. 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 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 income statement.

d) Financial instruments

As the head of the Group, the Company prepares consolidated financial statements. The consolidated financial statements for 2009 were prepared in accordance with International Financial Reporting Standards (IFRSs) as approved by European Commission Regulations. The main aggregates of the PRISA Group's consolidated financial statements for 2009, prepared in accordance with IFRSs, are as follows:

	Thousands of euros
Total assets	8,193,052
Equity	1,373,019
Profit for the year	50,479

Financial assets-

Equity investments in Group companies, jointly controlled entities and associates

Equity investments in Group companies, jointly controlled entities and associates are measured at cost net, where appropriate, of any accumulated impairment losses.

The impairment loss is the difference between the carrying amount of the investment and its recoverable amount, which is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless the recoverable amount of the investment can be determined by its market value, it is based on the value of the equity of the investee, adjusted by the amount of the unrealized gains existing at the date of measurement.

Of the impairment losses recognized at December 31, 2009, EUR 145,285 thousand were recognized under "Provision for Third-Party Liability" (see Notes 4-i and 10).

Loans and receivables

These assets are recognized at amortized cost, 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 Company records the related allowance for the difference between the recoverable amount of the receivables and their carrying amount.

Held-to-maturity investments

In this category, the Company recognizes assets that it 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

Includes certain derivative financial instruments which do not qualify for hedge accounting. They are measured at fair value and the changes therein are recognized directly in the income statement.

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognized in the income statement.

Available-for-sale financial assets

The Company includes in "Available-for-Sale Financial Assets" the remaining assets not included in the categories above, which relate substantially in full to equity investments. These investments are measured in the balance sheet at fair value when it can be determined reliably. Any changes in fair value are recognized in equity until the asset is disposed of or there has been a permanent decrease in its value.

The accrued returns, in the form of interest or dividends, are recognized in the income statement.

Financial liabilities-

Accounts payable

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 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.

The Company derecognizes financial liabilities when the obligations giving rise to them cease to exist.

Treasury shares-

Treasury shares are measured at acquisition cost with a debit balance under "Equity". Gains and losses on the acquisition, sale, issue, retirement or impairment of treasury shares are recognized directly in equity in the accompanying balance sheet.

e) Derivative financial instruments and hedge accounting

The Company is exposed to interest rate risk since its bank borrowings and payables to Group companies bear interest at floating rates. In this regard, the Company arranges interest rate hedges, basically through contracts providing for interest rate caps, when the market outlook makes it advisable to do so.

These cash flow hedging derivatives are measured at fair value at the arrangement date. The subsequent changes in the fair value of the effective portion of the hedge are recognized in "Valuation Adjustments" and are not transferred to the income statement until the losses or gains on the hedged transactions are recognized therein or until the maturity date of transactions. The ineffective portion of the hedge is recognized directly in profit or loss.

Changes in the fair value of the derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement as they arise.

f) Foreign currency transactions

Foreign currency transactions are translated to euros (the Company'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 income statement.

At the end of the reporting period, foreign currency on hand and the receivables and payables denominated in foreign currencies are translated to euros at the exchange rates then prevailing. Any gains or losses on such translation are recognized in the income statement.

g) Income tax

Tax expense (tax income) reflects the sum of current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities.

Deferred tax assets and liabilities arise from temporary differences defined as the amounts expected to be recoverable or payable in the future which result from differences between the carrying amounts of the various 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.

The deferred tax assets are recognized to the extent that it is considered probable that the Company 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 deferred tax assets recognized are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future

recoverability. Also, unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that they will be recovered through future taxable profits.

Deferred tax liabilities are recognized for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss), and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognized in equity.

The Company files consolidated tax returns as Parent of tax group number 2/91 as permitted by the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of March 5.

As Parent of the group, the Company recognizes the adjustments relating to the consolidated tax group, by recognizing the temporary differences and the corresponding deferred tax asset arising as a result of the change in impairment losses on the Company's investments in companies in the consolidated tax group, provided that it considers that these impairment losses will be reversed.

h) 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 calculated 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, VAT and other sales-related taxes.

Interest income from financial assets is recognized using the effective interest method and dividend income is recognized when the shareholder's right to receive payment has been established.

i) Provisions and contingencies

The present obligations at the balance sheet date arising from past events which could give rise to a loss for the Company, which is uncertain as to its amount and timing are recognized as provisions in the balance sheet at the present value of the most probable amount that it is considered that the Company will have to pay to settle the obligation (*see Note 10*).

"Provision for Taxes" relates 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.

The *"Provision for Third-Party Liability"* relates to the estimated amount required to meet the Company's liability, as the majority shareholder, for the portion of the losses incurred at

investees whose equity has become negative, and which must be restored by their shareholders.

j) Current/non-current classification

Assets and liabilities maturing within twelve months from the balance sheet date are classified as current items and those maturing within more than twelve months are classified as non-current items.

k) Share-based payment

The Company makes equity-settled share-based payments to certain employees which 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 Company's estimate of the shares that will eventually be delivered, with a credit to "Equity - Other Reserves".

l) Related party transactions

Related party transactions are a part of the Company's normal business activities (in terms of their purpose and terms and conditions). Sales to related parties are carried out on an arm's length basis.

The most significant transactions performed with related companies are of a financial nature.

5.- INTANGIBLE ASSETS

The transactions performed in 2009 in the various intangible asset accounts and the related accumulated amortization are summarized as follows (in thousands of euros):

	Balance at 12/31/08	Additions	Transfers	Balance at 12/31/09
Cost-				
Concessions, patents and other	60	-	-	60
Computer software	16,803	759	457	18,019
Advances and intangible assets in progress	1,943	138	(457)	1,624
Total cost	18,806	897	-	19,703
Accumulated amortization-				
Concessions, patents and other	(60)	-	-	(60)
Computer software	(6,942)	(2,207)	-	(9,149)
Total accumulated amortization	(7,002)	(2,207)	-	(9,209)
Total intangible assets, net	11,804	(1,310)	-	10,494

The 2009 additions to "Advances and Intangible Assets in Progress" and "Computer Software" relate mainly to the various projects which the Company is implementing in the framework of the Group's Technology Plan. As these projects in progress are completed they are transferred to "Computer Software".

At December 31, 2009, the Company's fully amortized intangible assets in use amounted to EUR 4,714 thousand (December 31, 2008: EUR 4,450 thousand).

There are no restrictions on title to or future purchase obligations for intangible assets.

2008

The transactions performed in 2008 in the various intangible asset accounts and the related accumulated amortization are summarized as follows (in thousands of euros):

	Balance at 12/31/07	Additions	Transfers	Balance at 12/31/08
Cost-				
Concessions, patents and other	60	-	-	60
Computer software	13,236	1,356	2,211	16,803
Advances and intangible assets in progress	2,553	1,601	(2,211)	1,943
Total cost	15,849	2,957	-	18,806
Accumulated amortization-				
Concessions, patents and other	(60)	-	-	(60)
Computer software	(4,910)	(2,032)	-	(6,942)
Total accumulated amortization	(4,970)	(2,032)	-	(7,002)
Total intangible assets, net	10,879	925	-	11,804

6.- PROPERTY, PLANT AND EQUIPMENT

The transactions performed in 2009 in the various property, plant and equipment accounts and the related accumulated depreciation are summarized as follows (in thousands of euros):

	Balance at 12/31/08	Additions	Disposals	Balance at 12/31/09
Cost-				
Buildings	310	-	-	310
Other fixtures and furniture	3,983	74	-	4,057
Other items of property, plant and equipment	5,462	90	(1)	5,551
Total cost	9,755	164	(1)	9,918
Accumulated depreciation-				
Buildings	(57)	(7)	-	(64)
Other fixtures and furniture	(2,536)	(230)	-	(2,766)
Other items of property, plant and equipment	(3,622)	(514)	1	(4,135)
Total accumulated depreciation	(6,215)	(751)	1	(6,965)
Total property, plant and equipment, net	3,540	(587)	-	2,953

At December 31, 2009, the Company's fully depreciated property, plant and equipment in use amounted to EUR 4,906 thousand (December 31, 2008: EUR 4,101 thousand).

There are no restrictions on title to or future purchase obligations for property, plant and equipment.

The Company takes out insurance policies to adequately cover the replacement value of its assets.

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 (*see Note 13*).

2008

The transactions performed in 2008 in the various property, plant and equipment accounts and the related accumulated depreciation are summarized as follows (in thousands of euros):

	Balance at 12/31/07	Additions	Balance at 12/31/08
Cost-			
Buildings	310	-	310
Other fixtures and furniture	3,809	174	3,983
Other items of property, plant and equipment	4,799	663	5,462
Total cost	8,918	837	9,755
Accumulated depreciation-			
Buildings	(50)	(7)	(57)
Other fixtures and furniture	(2,313)	(223)	(2,536)
Other items of property, plant and equipment	(3,134)	(488)	(3,622)
Total accumulated depreciation	(5,497)	(718)	(6,215)
Total property, plant and equipment, net	3,421	119	3,540

7.- FINANCIAL INSTRUMENTS

7.1- FINANCIAL ASSETS

The detail of “Financial Assets” in the balance sheets at December 31, 2009 and 2008, based on the nature of the transactions, is as follows:

Classes Categories	Thousands of euros							
	Non-current				Current		Total	
	Equity instruments		Loans, derivatives and other		Loans, derivatives and other			
	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08
Group companies and associates	4,873,003	4,838,745	183,815	159,997	145,065	158,299	5,201,883	5,157,041
Loans and receivables	-	-	-	4,449	935	36	935	4,485
Held-to-maturity investments	-	-	8,185	2,479	-	-	8,185	2,479
Assets at fair value through profit or loss	-	-	-	17,826	-	-	-	17,826
Available-for-sale financial assets	-	-	4,425	108	-	-	4,425	108
Total	4,873,003	4,838,745	196,425	184,859	146,000	158,335	5,215,428	5,181,939

Equity investments in Group companies and associates

The transactions performed in 2009 in this category of financial assets, are summarized as follows (in thousands of euros):

	Balance at 12/31/08	Additions	Disposals	Balance at 12/31/09
Cost				
Investments in Group companies	5,061,618	176	(3,637)	5,058,157
Investments in associates	3,267	-	(3,267)	-
Total cost	5,064,885	176	(6,904)	5,058,157
Impairment losses				
In Group companies	(222,872)	(4,751)	42,469	(185,154)
In associates	(3,268)	-	3,268	-
Total impairment losses	(226,140)	(4,751)	45,737	(185,154)
Total equity instruments	4,838,745	(4,575)	38,833	4,873,003

The main direct and indirect investments of Promotora de Informaciones, S.A. are listed in Appendix I and Appendix II, respectively.

The disposals recognized relate mainly to the sale of the Company's 25% ownership interest in Inversiones en Radiodifusión, S.L. and the exchange of 23.05% of the Bolivian company Inversiones Grupo Multimedia de Comunicaciones, S.A. for 12% of the Spanish and Portuguese-language media chain V-me Media Inc. The net profit on the transactions amounts to EUR 921 thousand and is recognized under "Gains on Disposal of Equity Investments" in the income statement for 2009.

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 including the associated debt. Prisa and DLJ 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.

2008

The transactions performed in 2008 in these category of financial asset, were as follows (in thousands of euros):

	Balance at 12/31/07	Additions	Transfers	Disposals	Balance at 12/31/08
Cost					
Investments in Group companies	2,952,974	2,203,042	4,335	(98,733)	5,061,618
Investments in associates	48,661	-	(45,394)	-	3,267
Total cost	3,001,635	2,203,042	(41,059)	(98,733)	5,064,885
Impairment losses					
In Group companies	(216,091)	(104,258)	-	97,477	(222,872)
In associates	(48,419)	-	45,151	-	(3,268)
Total impairment losses	(264,510)	(104,258)	45,151	97,477	(226,140)
Group companies and associates	2,737,125	2,098,784	4,092	(1,256)	4,838,745
Other equity instruments	4,335	-	(4,335)	-	-
Total equity instruments	2,741,460	2,098,784	(243)	(1,256)	4,838,745

Takeover bid for Sogecable, S.A.U.

On December 20, 2007, the Company 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 the former 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, the Company 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, the Company 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 "Investments in Group Companies" in 2008 arising from these transactions amounted to EUR 2,052,558 thousand.

Other changes in investments in Group companies

The other additions recognized in 2008 relate mainly to the contributions made to offset the losses incurred by Gran Vía Musical de Ediciones, S.L. and Plural Entertainment España, S.L. by offsetting the participating loans and financial debts amounting to EUR 28,614 thousand and EUR 9,228 thousand, respectively. Also, in April 2008 Plural Entertainment España, S.L. increased capital with a share premium of EUR 17,232 thousand, which was subscribed in full by Prisa.

Also, in December 2008 the Company acquired 25% of the shares of Promotora de Emisoras de Televisión, S.A. and subsequently contributed funds by offsetting the participating and ordinary loans amounting to EUR 95,405 thousand.

Also, in 2008 Iberbanda, S.A. ceased to be an associate as the ownership interest therein was reduced from 21.69% to 15.38%, since Prisa did not accept the capital increase issued by the Company.

The disposals recognized relate mainly to the sale of 5.2% of Sociedad de Servicios Radiofónicos Unión Radio, S.L., (Unión Radio) for EUR 62,748 thousand within the investment agreement arranged by the Prisa Group and the Godó de Comunicación, S.A. Group with 3i Group plc, whereby the latter undertook to acquire an ownership interest of approximately 16.2% in Sociedad de Servicios Radiofónicos Unión Radio, S.L. at a total investment of EUR 225 million, through the aforementioned purchase and successive capital increases.

In 2008, the Company also carried out two intra-group transactions whereby it transferred the ownership interest in Plural Entertainment España, S.L. amounting to EUR 50,000 thousand to Grupo Media Capital, SGPS, S.A., a Group company, and the ownership interest in Gran Vía Musical de Ediciones, S.L., amounting to EUR 8,896 thousand to Servicios Radiofónicos Unión Radio, S.L.

The net profit generated from these sales totaled EUR 71,551 thousand and is recognized under "*Gains on Disposal of Equity Instruments*" in the income statement for 2008.

Impairment tests

At the end of each reporting period, or whenever there are indications of impairment, the Company tests its investments for impairment to determine whether they have suffered any permanent loss in value that reduces their recoverable amount to below their carrying amount.

The recoverable amount of each equity investment is the higher of value in use and the net selling price that would be obtained.

Value in use was calculated on the basis 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 income and costs 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. Therefore, in 2009 the rates used ranged from 7% to 8.8% depending on the business being analyzed.

Loans to Group companies and associates-

“Loans to Group Companies and Associates” includes mainly the loans granted to Group companies and associates, the detail being as follows:

Group Company	Type of loan	Final Maturity	Balance at 12/31/2008	Additions	Transfer to short Term	Repayment	Balance at 12/31/2009
Promotora de Emisoras de Televisión, S.A .	Participating	2014	-	29,052	-	-	29,052
Promotora de Emisoras, S.L.	Participating	2013	41,456	-	-	-	41,456
Oficina del Autor, S.L.	Participating	2013	916	-	-	-	916
Promotora de Actividades América 2010, S.L.	Participating	2011	-	877	-	-	877
Promotora de Actividades América 2010, S.L.	Financing	2011	1,500	406	-	(1,177)	729
Group Media Capital SGPS, S.A.	Financing	2012	24,297	1,037	(8,780)	-	16,554
Santillana Ediciones Generales, S.L.	Financing	2010	2,760	-	(2,760)	-	0
Prisaprint, S.L.	Financing	2011	88,000	6,231	-	-	94,231
Group companies, total			158,929	37,603	(11,540)	(1,177)	183,815
Associates companies			1,068	-	-	(1,068)	-
Group companies and associates, total			159,997	37,603	(11,540)	(2,245)	183,815

The participating loans earn floating interest which is dependent upon the borrower achieving a certain volume of billings and/or earnings. The loans to Oficina del Autor, S.L. and to Promotora de Emisoras de Televisión, S.A. also earn interest tied to Euribor plus a market spread. The financial loans earn interest tied to Euribor plus a market spread.

The additions to Promotora de Emisoras de Televisión, S.A. in 2009 relate to the conversion of current financial accounts into a participating loan to restore the equity.

The disposals recognized by Promotora de Actividades América 2010, S.L. in 2009 related to early repayments of EUR 300 thousand and to the conversion of EUR 877 thousand of a financing loan to a participating loan to restore the equity.

Current investments in Group companies and associates-

The Company pools all the cash balances of the Prisa Group companies located in Spain through transfers from (to) the banks at which it has demand deposits. The balances in this connection earn and bear interest for the Company at rates tied to Euribor plus a spread. At December 31, 2009, this heading included EUR 130,453 thousand of balances and interest receivable from Group companies arising from the above-mentioned cash pooling.

This heading also includes, inter alia, the installments falling due within one year of the loans to Group companies and the accrued interest payable on these loans amounting to EUR 14,612 thousand.

7.2.- FINANCIAL LIABILITIES

Bank borrowings and accounts payable

Classes Categories	Thousands of euros									
	Non-current				Current					
	Bank borrowings		Derivatives and other		Bank borrowings		Derivatives and other		Total	
	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08	12/31/09	12/31/08
Bank borrowing and accounts payable	1,568,602	1,771,630	22,991	32,588	2,232,565	2,060,151	609,602	578,309	4,433,760	4,442,678
Liabilities at fair value through profit or loss	-	-	16,446	17,826	-	-	-	19,111	16,446	36,937
Total	1,568,602	1,771,630	39,437	50,414	2,232,565	2,060,151	609,602	597,420	4,450,206	4,479,615

Bank borrowings

At December 31, 2009, the Company's bank borrowings were as follows (in thousands of euros):

	Maturity Date	Limit	Drawn down amount maturing at short term	Drawn down amount maturing at long term
Syndicated Loan and credit facility	2013	1,747,305	305,307	1,441,998
Bridge Loan	2010	1,835,837	1,835,837	-
Subordinate Loan	2013	134,000	-	134,000
Credir Facilities	2010	150,000	132,230	-
Leases, interest and other	-	3,419	3,419	-
Loan arrangement costs	2013	-	(44,228)	(7,396)
Total		3,870,561	2,232,565	1,568,602

Syndicated loan and credit facility and bridge loan-

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. Of the outstanding balance of the loan at December 31, 2009, EUR 30,000 thousand will be repaid in March 2010 and EUR 70,115 thousand on the first of the following dates: June 30, 2010 or the collection date for the expected sale of any of the non-

controlling interests. 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., Sociedad de Servicios Radiofónicos Unión Radio, S.L. and Grupo Media Capital SGPS, S.A.

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 7.1*) and for the possible early maturity of the syndicated financing.

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. Also, the agreement states that the Prisa Group, except for Sogecable, S.A.U., must comply basically with the general obligations established for the current syndicated loan and credit facility agreement.

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 the non-renewal of the bridge loan intended to cover the syndicated 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 Company 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 Company signed the novation 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 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.

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

To secure the obligations under the syndicated and bridge loans, the Company 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 Company 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 on this financing 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.

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. The term of the credit facilities was agreed upon with each bank as March 31, 2010.

The total amount of bank borrowings maturing in 2010 includes the balances drawn down against certain credit facilities which mature within twelve months. Accordingly, these balances were classified under "*Current Liabilities - Bank Borrowings*" in the accompanying 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 Vertex, SGPS, S.A.

Payable to Group companies and associates

The detail of "Payable to Group Companies and Associates" at December 31, 2009, was as follows (in thousands of euros):

	Non - Current	Current
Tax Credit for investment	18,587	-
Other Payables	4,404	-
Cash Pooling	-	559,858
Income Tax settlement	-	42,348
Total	22,991	602,206

Investment tax credits-

"Investment Tax Credits" includes Promotora de Informaciones, S.A.'s obligation to its subsidiaries arising from investment tax credits earned by Group companies in prior years that were not used in the consolidated group's income tax settlement.

Other payables-

"Other Payables" includes EUR 4,404 thousand relating to the tax assessments issued by the tax authorities against Sociedad Española de Radiodifusión, S.A. for withholdings on income from movable capital. Promotora de Informaciones, S.A.'s entitlement to a refund has been recognized and the Company has undertaken to repay the amount involved if the appeals filed are ultimately not successful.

Derivative financial instruments

The Company includes in this category, the fair value of various interest rate hedging instruments that do not qualify as effective hedges.

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

The changes in the 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. "Non-Current Financial Assets" and "Current Financial Assets" on the asset side of the accompanying balance sheet and "Non-Current Payables" and "Current Payables" on the liability side of the accompanying balance sheet include the market value of the various financial instruments.

Interest rate derivatives

The detail of the transactions arranged by the Company and in force at December 31, 2009, is as follows:

Company	Instrument	Expiry	Nominal value	Fair value	Nominal value	
					Outstanding at 2010	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
Total			702,000	(16,446)	531,903	423,903

The outstanding interest rate derivatives at December 31, 2009 and 2008, had negative fair values of EUR 16,446 thousand and EUR 19,081 thousand, respectively.

Analysis of sensitivity to interest rates

The fair value of the interest rate derivatives arranged by the Company depends on the changes in the Euribor and long-term swap interest rate curves. These derivatives had a negative fair value of EUR 16,446 thousand at December 31, 2009.

Following is a detail, in thousands of euros, of the analysis of the sensitivity (changes in the fair value at December 31, 2009), of derivatives to changes in the euro interest rate curve that the Company considers to be reasonable:

Sensitivity (before tax)	12/31/09
+0.5% (Increase in interest rate curve)	3,128
-0.5% (Decrease in interest rate curve)	(3,577)

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. For floating-rate financial debt, a 0.5% increase in interest rates would increase borrowing costs by EUR 19,420 thousand.

Liquidity and interest rate risk tables

The following table shows an analysis of the Company'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.

(Thousands of euros)	1-3 months	3 months - 1 year	1-5 years	+ 5 years
Interest rate derivatives	(3,596)	(8,602)	(4,248)	-

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.

7.3.- NATURE AND RISK OF THE FINANCIAL INSTRUMENTS

The Company has the mechanisms necessary to control, based on its financial structure and position and on the economic variables of the industry, exposure to changes in interest and exchange rate fluctuations and credit and liquidity risks, using specific hedging transactions, when necessary.

Interest rate hedges-

The Company is exposed to fluctuations in interest rate curves as all of its bank borrowings are at floating interest rates. Accordingly, the Company has taken out Euribor interest rate hedges for the syndicated loans and credit facilities described above in order to ensure that a maximum rate is not exceeded.

7.4.- EQUITY

The detail of the transactions recognized under "*Equity*" at December 31, 2009 and in 2008 is summarized in the statement of changes in equity.

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.

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.

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.

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.

Bylaw-stipulated reserves-

Under Article 32 of the Company'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.

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 balance sheet under “*Equity – Other Reserves*”.

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 1*).

8.- TAX MATTERS

As indicated under “Accounting Policies”, the Company files consolidated income tax returns under the consolidated tax regime regulated by the Consolidated Spanish Corporation Tax Law and is the Parent of consolidated tax group 2/91. The companies included in the consolidated tax group are detailed in the accompanying Appendixes I and II.

As the parent of the aforementioned consolidated tax group, Promotora de Informaciones, S.A. recognizes the Group’s overall position vis-à-vis the tax authorities resulting from application of the consolidated tax regime, the detail being as follows:

	Thousands of euros	
	2009	2008
Sum of individual tax bases	108,617	347,500
Consolidation adjustments	(115,028)	(194,920)
Offset of tax losses arising prior to inclusion in the group	-	(584)
Consolidated taxable profit (tax loss)	(6,411)	151,996
Consolidated gross tax payable	-	45,599
Double taxation tax credits	-	(6,525)
Investment tax credits used at PRISA	-	(11,992)
Investment tax credits used at other tax group companies	-	(27,082)
Net tax payable	-	-
Withholdings from tax group	(533)	(1,158)
Income tax refundable	(533)	(1,158)

The consolidated tax group’s tax loss amounted to EUR 6,411 thousand, after making the appropriate consolidation adjustments for a negative amount of EUR 115,028 thousand. The income tax refundable in this connection amounted to EUR 533 thousand at December 31, 2009, and is included under “Tax receivables” in the balance sheet.

Reconciliation of the accounting profit (loss) to the taxable profit (tax loss)

The reconciliation of the income and expenses for the year to the taxable profit (tax loss) used to calculate the income tax expense for 2009 and 2008 is as follows (in thousands of euros):

	2009	2008		
	Income statement	Income statement	Equity	Total
Balance of income and expenses for the year	(7,683)	37,210	-	37,210
Income tax	(43,317)	(49,055)	-	(49,055)
Adjustment of prior years' income tax	95	9,653	-	9,653
Individual permanent differences	10,444	148,685	(172)	148,513
Individual temporary differences	(2,335)	(2,724)	-	(2,724)
Permanent differences on consolidation	-	38	-	38
Temporary differences on consolidation	2,596	1,751	-	1,751
Taxable profit (tax loss)	(40,200)	145,558	(172)	145,386

The permanent differences are due mainly to the exemption of foreign-source dividends provided for in Article 21 of the Corporation Tax Law, from the differences in the methods of recognition for accounting and tax purposes of the income tax expense deriving from impairment losses on investments, contingencies and charges and contributions made to not-for-profit entities.

The temporary differences are due mainly to the provisions for expenses recognized for accounting purposes and which will become deductible for tax purposes in subsequent periods.

Reconciliation of the accounting profit (loss) to the income tax expense

The reconciliation of the accounting profit (loss) to the income tax expense is as follows in thousands of euros:

	2009	2008		
	Income statement	Income statement	Equity	Total
Accounting profit (loss) before tax	(50,856)	(2,103)	-	(2,103)
Tax charge at 30%	(15,257)	(631)	-	(631)
Individual permanent differences and permanent differences on consolidation	3,119	44,591	(52)	44,539
Impact of temporary differences	78	(292)	-	(292)
Double taxation tax credits	(30,241)	(83,328)	-	(83,328)
Investment tax credit	(938)	(9,635)	-	(9,635)
Current income tax	(43,239)	(49,295)	(52)	(49,347)
Deferred income tax	(78)	292	-	292
Foreign withholdings	49	90	-	90
Adjustment of prior years' income tax	95	9,653	-	9,653
Total tax income	(43,173)	(39,260)	(52)	(39,312)

Current income tax regulations provide for certain tax incentives. In calculating its income tax expense, the Company availed itself of the tax benefit envisaged in Article 40 of the Spanish Corporation Tax Law, which amounted to EUR 1 thousand. The Company also availed itself of the tax credit envisaged in Article 20 of Law 49/2002, of December 23, on the Tax Regime of Non-Profit-Making Entities and Patronage Tax Incentives, amounting to EUR 937 thousand.

The Company also took EUR 30,241 thousand of domestic and international dividend double taxation tax credits arising in 2009.

In 2008 the Company availed itself of the tax credit for the reinvestment of extraordinary income and applied the reinvestment tax credit to income amounting to EUR 54,776 thousand and EUR 15,866 thousand, having fulfilled, in the year in which the income was obtained, the obligation to reinvest the sale price in the acquisition of financial assets, in the terms established by the tax legislation.

Tax receivables and tax payables

The detail of the tax receivables and tax payables at December 31, 2009, is as follows (in thousands of euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax receivable	1,878	-	-	-
Deferred tax assets arising from unused tax credits	-	221,105	-	-
Deferred tax assets arising from tax losses upon tax consolidation	-	1,924	-	-
Deferred tax assets arising from temporary differences	-	26,822	-	-
Deferred tax liabilities	-	-	-	(16,988)
VAT, personal income tax withholdings, social security taxes and other	69	-	(21,145)	-
Total	1,947	249,851	(21,145)	(16,988)

The detail of the tax receivables and tax payables at December 31, 2008, is as follows (in thousands of euros):

	Receivable		Payable	
	Current	Non-current	Current	Non-current
Income tax receivable	6,486	-	-	-
Deferred tax assets arising from unused tax credits	-	206,183	-	-
Deferred tax assets arising from temporary differences	-	26,666	-	-
Deferred tax liabilities	-	-	-	(16,862)
VAT, personal income tax withholdings, social security taxes and other	194	-	(2,722)	-
Total	6,680	232,849	(2,722)	(16,862)

Deferred tax assets and liabilities

Deferred tax assets-

Deferred tax assets amounting to EUR 249,851 thousand at December 31, 2009, recognized under "Deferred Tax Assets" relate mainly to investment tax credits earned and not deducted when calculating income tax, tax loss carryforwards from the consolidated tax group and the difference in the timing of the recognition for accounting and tax purposes of the expense incurred in relation to the impairment losses recognized for companies included in the consolidated tax group.

Deferred tax liabilities-

The non-current balance of deferred tax liabilities relates mainly to the different method of recognizing for accounting and tax purposes the expense incurred in relation to the impairment losses recognized for certain subsidiaries .

Years open for review by the tax authorities

In 1999 the tax authorities audited the years open for review up to and including 1996 of the Company and its consolidated tax group, and issued tax assessments against the Company relating to personal income tax withholdings and prepayments, VAT, the single revaluation

tax and, as the head of the tax group, income tax. The amount in litigation at 2008 year-end totaled EUR 7,519 thousand relating to consolidated income tax. Since the Company 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, of which those relating to income tax have not yet been resolved. In 2007 favorable judgments were issued by the National Appellate Court in connection with personal income tax withholdings and prepayments. The Supreme Court handed down a decision in connection with the appeals filed against the income tax settlements for 1992 to 1994. The settlements for the other years have not yet been resolved. However, the Company filed an appeal for protection of its constitutional rights at the Spanish Constitutional Court against the settlements for 1992 to 1994, on which, at the date of preparation of these financial statements, a decision had not been handed down, except for 1992 settlement which was paid by the Company. Guarantees have been provided for the other settlements, the execution of which was therefore stayed. However, in accordance with the principle of prudence in valuation, the Company has recorded a provision of EUR 9,439 thousand (*see Note 10*) to cover any payments that it might have to make in this connection in the future.

In 2006 the tax authorities completed their audit of consolidated income tax for 1999, 2000, 2001 and 2002 and of 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 period from June 2000 to May 2004. The decisions handed down on the appeals filed against the decisions upholding the final tax assessments issued for each year (from 1999 to 2002), for income tax (which partially upheld the submissions), confirmed settlements for a total amount of EUR 34,867 thousand (deficiency plus late-payment interest). Appeals were filed at the Central Economic-Administrative Tribunal against these decisions. The corresponding 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 financial statements, the decisions for 1999 and 2000 partially upholding the Group's claims had been received confirming the tax authority's 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, as head of its tax group, 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 Company as a result of the current tax audit that might have an effect on the Company's financial statements.

At the date of preparation of these 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. 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 did not give rise to any regularizations of significance. Also, the audit of non-resident income tax, from June 2004 to December 2005, was completed with EUR 13 thousand refundable to the Company and the tax audit of VAT

from June 2004 to December 2006 was completed and the corresponding preliminary assessment was issued amounting to EUR 5,357 thousand, which was signed on a contested basis.

The Company has from 2006 onwards open for review (except for VAT) for all state taxes. Additionally, the Company has open for review the last four years for all non-state taxes. The directors do not expect any additional material liabilities to arise as a result of the current or possible future tax audits.

Transactions under the special regime

The disclosures required by Article 93 of the Spanish Corporation Tax Law, approved by Legislative Royal Decree 4/2004, of March 5, relating to corporate restructuring transactions under the special regime for mergers and spin-offs of Chapter VIII Title VII of the aforementioned legislation, are included in the notes to the financial statements of the years in which these transactions took place.

9.- INCOME AND EXPENSE

Employees

The detail of “Employee Benefit Costs” in the income statements for 2009 and 2008 is as follows (thousands of euros):

	2009	2008
Employer social security costs	1,479	1,460
Other employee benefit costs	586	564
Total	2,065	2,024

The average number of employees in 2009 and 2008 was 140 and 142, respectively, all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	2009		2008	
	Men	Women	Men	Women
Executives	28	10	25	10
Middle management	12	8	10	9
Qualified line personnel	21	33	26	32
Other	3	25	3	27
Total	64	76	64	78

The number of employees at December 31, 2009 and 2008, was 137 and 143, respectively, all of whom had a permanent employment contract. The detail, by gender and professional category, is as follows:

	2009		2008	
	Men	Women	Men	Women
Executives	28	9	25	11
Middle management	12	8	10	9
Qualified line personnel	19	33	25	34
Other	2	26	3	26
Total	61	76	63	80

Fees paid to auditors

The fees for financial audit services relating to the 2009 financial statements provided to the various companies composing the Prisa Group and Subsidiaries by Deloitte, S.L., and by other entities related to the auditor amounted to EUR 1,877 thousand (2008: EUR 2,868 thousand), of which EUR 136 thousand related to services provided to Promotora de Informaciones, S.A. (2008: EUR 69 thousand). Also, the fees relating to other auditors involved in the 2009 audit of the 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 2,052 thousand), of which EUR 293 thousand relate to services provided to the Company, 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).

10.- PROVISIONS AND CONTINGENCIES

The changes in "Provisions and Contingencies" in 2009 are summarized as follows (thousands of euros):

	Balance at 12/31/08	Additions	Disposals	Balance at 12/31/09
Provision for taxes	9,439	-	-	9,439
Provision for third-party liability	117,922	27,693	(330)	145,285
Total cost	127,361	27,693	(330)	154,724

"Provision for Taxes" relates to the estimated amount of tax debts arising from the tax audit carried out at the Company for the years open to review up to 1996, inclusive (*see Note 8*).

The additions to "Provision for Third-Party Liability" relate mainly to the increase in the provisions recognized to cover the equity deficit of Prisaprint, S.L. and Promotora de Emisoras, S.L. at December 31, 2009.

11.- SHARE-BASED PAYMENT TRANSACTIONS

On March 13, 2008, the shareholders at the Annual General Meeting approved the basic terms of a 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 directors of the Prisa Group.

Each option 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 no options relating to the plan had been exercised.

12.- GUARANTEE COMMITMENTS TO THIRD PARTIES

The Company 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.

In order for the LMDS license to be awarded to the investee Iberbanda, S.A., Prisa provided a guarantee for the amount of the investment commitment assumed by this company, in proportion to its percentage of ownership and based on the terms and conditions in the tender specifications. At December 31, 2009, the guarantees provided in this connection totaled EUR 1,222 thousand.

At December 31, 2009, the Company had provided bank guarantees amounting to EUR 59,619 thousand mainly in relation to the tax assessments issued by the tax authorities that were signed on a contested basis (*see Note 8*).

In 2008 Dédalo Grupo Gráfico, S.L. completed the process to restructure its financial debt by obtaining a EUR 130,000 thousand syndicated loan. In this financing agreement, 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 income statements would not be material.

13.- FUTURE COMMITMENTS

By virtue of the agreement entered into with Indra on December 23, 2009 (*see Note 6*), Prisa assumed payment commitments totaling EUR 267,000 thousand with the aforementioned company for the coming seven years.

Year	Thousands of euros
2010	38,143
2011	38,143
2012	38,143
2013	38,143
2014	38,143
2015 and subsequent years	76,285
	267,000

14.- 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. 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 vote may be converted into ordinary shares from the second year onwards at the choice of the 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 redemptions not exceeding 30% of shares. Liberty will have 137 million shares and USD 900 million in cash (EUR 660 million), net of transaction expenses, without taking into account redemptions.

Also, in order to enable Prisa's current non-controlling shareholders 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 capital 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 exchange.

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 by-laws 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 right for all the shareholders. Once the capital increases have been completed and the preference shares converted into ordinary shares, the percentage of ownership of Liberty of 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 related authorizations of both the Spanish National Securities Commission (CNMV) and the Security and Exchange Commission (SEC).

15.- RELATED PARTY TRANSACTIONS

Transactions with Group companies, associates and related parties

The detail of the balance receivable from and payable to Group companies, associates and related parties in 2009 and 2008 is as follows:

	Thousands of euros	
	2009	2008
Income		
Services rendered and other	24,190	26,891
Finance income	6,895	20,187
Dividends	117,245	312,626
Total	148,330	359,704
Expenses		
Services rendered and other	-	2,841
Finance costs	8,659	18,518
Total	8,659	21,359

Income from the provision of services corresponds basically to central corporate services.

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

The detail, by company, of the dividend income paid by Group companies in 2009 and 2008 is as follows (thousands of euros):

	2009	2008
Grupo Santillana de Ediciones, S.L.	43,000	29,048
Sogecable, S.A.	37,344	-
Vertex, S.G.P.S.	16,606	35,813
Diario El País, S.L.	15,000	23,902
Sociedad de Servicios Radiofónicos Unión Radio, S.L.	3,164	14,570
Prisa División Inmobiliaria, S.L.	2,131	191,329
Grupo Empresarial de Medios Impresos, S.L.	-	10,117
Gerencia de Medios, S.A.	-	6,934
Redprensa, S.A.	-	913
Total	117,245	312,626

Remuneration and other benefits of directors

In 2009 and 2008 the remuneration earned by the members of the Board was as follows:

Type of remuneration	Thousands of euros	
	2009	2008
Fixed remuneration	2,010	1,700
Variable remuneration	1,588	3,490
Bylaw-stipulated directors' emoluments	-	1,386
Attendance fees	1,811	2,176
Other	1,886	83
Total	7,295	8,835

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 28 July, 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 Rodríguez, 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.

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, Augusto Delkader Teig, Jesús Ceberio Galardi, Fernando Martínez Albacete, Iñigo Dago Elorza, Matilde Casado Moreno, Oscar Gómez Barbero, Pedro García Guillén, Miguel Angel Cayuela Sebastián, 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 by the Group companies other than the latter, amounted to EUR 5,326 thousand, will be paid at short-term.

16.- EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

DIRECT HOLDINGS

APPENDIX I

GROUP COMPANIES									
INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	12/31/09 (In thousands of euros)						
			CARRYING AMOUNT	% OF OWNERSHIP	SHARE CAPITAL	RESERVES	INTERIM DIVIDEND	PROFIT (LOSS)	TAX GROUP
Diario El País, S.L.	Miguel Yuste, 40 - Madrid	Publication and operation of El País newspaper	18,030	99.99%	18,000	13,585	-	(1,300)	2/91
Diario El País México, S.A de C.V. (*)	Avda. de la Universidad, 767 - Mexico City	Operation of El País newspaper in Mexico	29	11.18%	2,850	(1,742)	-	(864)	-
Gerencia de Medios, S.A. (*)	Gran Vía, 32 - Madrid	Contracting of advertising exclusives	47,077	99.99%	800	11,164	-	1,855	2/91
Grupo Empresarial de Medios Impresos, S.L.	Gran Vía, 32 - Madrid	Holding company for publishing stakes	76,790	100.00%	990	65,956	-	(3,087)	2/91
Grupo Santillana de Ediciones, S.L.	Torreaguna, 60 - Madrid	Publishing	87,767	100.00%	12,018	45,835	(26,000)	36,733	2/91
Oficina del Autor, S.L. (*)	Gran Vía, 32 - Madrid	Management of publishing rights and author representation	(364)	99.99%	1,200	-	-	(156)	2/91
Prisa División Inmobiliaria, S.L. (*)	Gran Vía, 32 - Madrid	Lease of commercial and industrial premises	71,912	99.99%	9,000	66,187	-	(1,462)	2/91
Prisa División Internacional, S.L. (*)	Gran Vía, 32 - Madrid	Holdings in foreign companies	156,767	99.99%	10,000	149,184	-	(2,416)	2/91
Prisa Finance (Netherlands) BV	Gran Vía, 32 - Madrid	Holdings in and financing of companies	14	100.00%	18	1	-	(5)	-
Prisacom, S.L. (*)	Gran Vía, 32 - Madrid	Internet services	6,055	99.99%	1,918	4,959	-	(997)	2/91
Prisaprint, S.L. (*)	Gran Vía, 32 - Madrid	Management of printing companies	(118,014)	99.99%	3,000	(95,731)	-	(25,285)	2/91
Promotora de Emisoras, S.L.	Gran Vía, 32 - Madrid	Radio broadcasting services	(18,637)	100.00%	2,500	(19,313)	-	(1,824)	2/91
Promotora de Emisoras de Televisión, S.A. (*)	Gran Vía, 32 - Madrid	Operation of television channels	(7,132)	25.00%	19,061	(45,832)	-	(459)	2/91
Redprensa, S.L.U.	Gran Vía, 32 - Madrid	Holding company	150	100.00%	150	5,296	-	277	2/91
S. S. R. Unión Radio, S.L.	Gran Vía, 32 - Madrid	Services to radio broadcasting companies	109,929	73.49%	2,036	188,965	-	46,110	-
Sogecable, S.A.U.	Avda. de los Artesanos, 6 - Tres Cantos - Madrid	Operation of television activities	3,659,417	100.00%	275,723	366,857	-	(56,868)	2/91
Vertix, SGPS, S.A.	Rua de las Amoreiras, 107 - Lisbon, Portugal	Holding company	639,061	100.00%	375,041	32,088	-	(19,048)	-
Promotora de Actividades América, 2010, S.L. (*)	Gran Vía, 32 - Madrid	Production and organization of activities marking the bicentenary of American independence	(871)	99.00%	10	-	-	(153)	2/91
Promotora de Actividades Audiovisuales de Colombia, Ltda. (*)	Calle 80, 10 23 . Bogotá. Colombia	Production and distribution of audiovisual content	4	1.00%	420	(12)	-	(4)	-
Total			4,727,984						

(*) The total holding is 100%

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

INDIRECT HOLDINGS

APPENDIX II

INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/09 (thousands of euros)	
					SHARE CAPITAL	SHAREHOLDERS' EQUITY
EDUCATION						
Aguilar A.T.A., S.A. de Ediciones	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	100.00%		1,692	1,941
Aguilar Chilena de Ediciones, S.A.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	100.00%		742	2,120
Avalia Qualidade Educacional Ltda.	Avenida São Gabriel. 201 Andar 14 Cj. 1408-1409. CEP 01435-0001. Sao Paulo. Brazil	Publishing	91.00%		226	410
Canal de Editoriales, S.A.	Juan Bravo, 38. Madrid	Retailing	99.14%	2/91	1,686	149
Constancia Editores, S.A.	Estrada da Outorela 118, 2795. Carnaxide Linda a Velha. Portugal	Publishing	100.00%		1,250	2,656
Distribuidora y Editora Aguilar A.T.A., S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	100.00%		359	1,401
Distribuidora y Editora Richmond, S.A.	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	100.00%		67	463
Ediciones Aguilar Venezolana, S.A.	Rómulo Gallegos. Edificio Zulia 1°. Caracas. Venezuela	Publishing	100.00%		0	0
Ediciones Grazaema, S.L.	Rafael Beca Mateos, 3. Seville	Publishing	100.00%	2/91	60	124
Ediciones Santillana Inc.	1506 Roosevelt Avenue. Guaynabo. Puerto Rico	Publishing	100.00%		1,065	3,744
Ediciones Santillana, S.A. (Argentina)	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Publishing	100.00%		5,316	3,258
Ediciones Santillana, S.A. (Uruguay)	Constitución, 1889 - 11800. Montevideo. Uruguay	Publishing	100.00%		147	850
Edicions Obradoiro, S.L.	Ruela de Entrecercos. 2 2º B. 15705. Santiago de Compostela	Publishing	100.00%	2/91	60	69
Edicions Voramar, S.A.	Valencia, 44. 46210. Pincaya. Valencia	Publishing	100.00%	2/91	60	80
Editora Fontanar, Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Município do Rio de Janeiro. Brazil	Publishing	75.00%		4	1
Editora Moderna Ltda.	Rua Padre Adelino, 758. Belezinho. Sao Paulo. Brazil	Publishing	100.00%		29,703	33,811
Editora Objetiva Ltda.	Rua Cosme Velho, 103. Bairro Cosme Velho. Município do Rio de Janeiro. Brazil	Publishing	75.00%		1,550	6,301
Editorial Nuevo México, S.A. de C.V.	Tenayuca N° 107. Col Vértiz Narvarte. Mexico City. Mexico	Publishing	100.00%		97	-483
Editorial Santillana, S.A. (Colombia)	Calle 80, N 10-23. Santa Fé de Bogotá. Colombia	Publishing	100.00%		1,676	9,372
Editorial Santillana, S.A. (Guatemala)	7ª Avenida 11-11. Zona 9. Guatemala	Publishing	100.00%		72	2,426
Editorial Santillana, S.A. (Honduras)	Colonia Lomas de Tepeyac. Casa No. 1626, contiguo al Autobanco Cuscatlan.	Publishing	100.00%		20	1,210
Editorial Santillana, S.A. (Dominican Republic)	Juan Sánchez Ramírez, 9. Gzazcue. Santo Domingo. Dominican Republic	Publishing	100.00%		79	2,420
Editorial Santillana, S.A. (Venezuela)	Rómulo Gallegos. Edificio Zulia 1°. Caracas. Venezuela	Publishing	100.00%		4,715	17,794
Editorial Santillana, S.A. de C.V. (El Salvador)	Siemens, 48 Zona Industrial Santa Elena. La Libertad. El Salvador	Publishing	100.00%		17	2,734
Editorial Santillana, S.A. de C.V. (Mexico)	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	100.00%		24,019	13,422
Grup Promotor D'Ensenyament i Difussió en Catalá, S.L.	Frederic Mompou, 11. V. Olímpica. Barcelona	Publishing	100.00%	2/91	60	74
Historia para Todos, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Worldwide publishing, in any language (mainly in Spanish), of works preferably related to the history of Mexico and its leading figures, in particular the centenary of the Mexican Revolution and the bicentenary of Independence, in any medium or platform.	50.00%		1,728	1,374
Instituto Universitario de Posgrado, S.A.	Torrelaguna, 60. Madrid	Complementary educational services	52.00%		358	118
Itaca, S.L.	Torrelaguna, 60. Madrid	Book distribution	100.00%	2/91	408	760
Lanza, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Creation, development and management of companies	100.00%		13,038	16,171
N. Editorial, S.L.	Torrelaguna, 60. Madrid	Publishing	100.00%	2/91	60	113
Richmond Educação, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brazil	Publishing	100.00%		40	69
Richmond Publishing, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	100.00%		4	4,129
Salamandra Editorial, Ltda.	Rua Urbano Santos 160. Sao Paulo. Brazil	Publishing	100.00%		40	189
Santillana, S.A. (Costa Rica)	La Uruca. 200 m Oeste de Aviación Civil. San José. Costa Rica	Publishing	100.00%		465	1,750
Santillana, S.A. (Ecuador)	Avenida Eloy Alfaro. N33-347 y 6 de Diciembre. Quito. Ecuador	Publishing	100.00%		935	2,293
Santillana, S.A. (Paraguay)	Avenida Venezuela. 276. Asunción. Paraguay	Publishing	100.00%		162	827
Santillana, S.A. (Peru)	Avenida Primavera 2160. Santiago de Surco. Lima. Peru	Publishing	95.00%		3,275	4,953
Santillana Canarias, S.L.	Urbanización El Mayorazgo. Parcela 14, 2-7B. Santa Cruz de Tenerife	Publishing	100.00%	2/91	60	58
Santillana de Ediciones, S.A.	Avenida Arce. 2333. La Paz. Bolivia	Publishing	100.00%		247	902
Santillana del Pacífico, S.A. de Ediciones.	Dr. Aníbal Ariztía 1444. Providencia. Santiago de Chile. Chile	Publishing	100.00%		387	3,792
Santillana Ediciones Generales, S.L.	Torrelaguna, 60. Madrid	Publishing	100.00%	2/91	2,276	23,374
Santillana Ediciones Generales, S.A. de C.V.	Avenida Universidad 767. Colonia del Valle. Mexico City. Mexico	Publishing	100.00%		948	8,825
Santillana Educación, S.L.	Torrelaguna, 60. Madrid	Publishing	100.00%	2/91	7,747	129,700
Santillana Formación, S.L.	Torrelaguna, 60. Madrid	Complementary educational services	100.00%	2/91	1,000	2,442
Santillana Formación, S.L. (Colombia)	Calle 73. N° 7-31. P8 TO B. Bogotá. Colombia	Consultancy services for the obtainment of quality certification by schools	100.00%		34	(79)
Santillana USA Publishing Co. Inc.	2105 NW 86th Avenue. Doral. Florida. US	Publishing	100.00%		48,168	1,326
Uno Educação, Ltda.	Rua Urbano Santos. 755. Sala 4. Bairro Cumbica. Cidade de Guarulhos. Sao Paulo. Brazil	Publishing	100.00%		40	165
Zubia Editorial, S.L.	Poligono Lezama Leguizamon. Calle 31. Etxebarri. Vizcaya	Publishing	100.00%	2/91	60	87

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

INDIRECT HOLDINGS

APPENDIX II

INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	12/31/09 (thousands of euros)		
				TAX GROUP	SHARE CAPITAL	SHAREHOLDERS' EQUITY
PRESS-PAIS						
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	100.00%		1,726	1,726
Box News Publicidad, S.L. (Formerly, Box News Comunicación, S.L.)	Gran Vía, 32. Madrid	Advertising services and public relations	100.00%	2/91	933	345
Diario El País Argentina, S.A.	Leandro N. Alem. 720. Buenos Aires. 1001. Argentina	Operation of El País newspaper in Argentina	100.00%		1,609	164
Diario El País Do Brasil Distribuidora de Publicações, LTDA.	Rua Padre Adelino. 758 Belezinho. CEP 03303-904. Sao Paulo. Brazil	Operation of El País newspaper in Brazil	100.00%		728	71
Ediciones El País, S.L.	Miguel Yuste, 40. Madrid	Publication, operation and sale of El País newspaper	100.00%	2/91	15,743	27,058
Pressprint, S.L.U.	Miguel Yuste, 40. Madrid	Production, printing, publication and distribution of physical and digital published materials	100.00%	2/91	63,313	64,510
PRESS-SPECIALIZED						
Diario As, S.L.	Albasanz, 14. Madrid	Publication and operation of the Diario As newspaper	75.00%	2/91	1,400	24,428
Espacio Editorial Andaluza Holding, S.L.	Gran Vía, 32. Madrid	Holding company for publishing stakes	100.00%	2/91	8,501	16,782
Estructura, Grupo de Estudios Económicos, S.A.	Gran Vía, 32. Madrid	Publication and operation of the Cinco Dias newspaper	100.00%	2/91	60	(258)
Gestión de Medios de Prensa, S.A.	Gran Vía, 32. Madrid	Common services for regional and local newspapers	50.82%		87	104
Promotora General de Revistas, S.A.	Julían Camarillo, 29B. Madrid	Publication, production and operation of magazines	100.00%	2/91	1,501	3,833

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

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

INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/09 (thousands of euros)	
					SHARE CAPITAL	SHAREHOLDERS' EQUITY
RADIO IN SPAIN						
Algarra, S.A.	García Lovera, 3. Córdoba	Operation of radio broadcasting stations	73.49%	194/09	60	2,249
Antena 3 de Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.06%	194/09	5,052	23,049
Antena 3 de Radio de León, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	72.74%	194/09	135	597
Antena 3 de Radio de Melilla, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.06%	194/09	61	910
Avante Radio, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	72.95%	194/09	60	976
Cantabria de Medios, S. A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	66.19%	194/09	60	(32)
Compañía Aragonesa de Radiodifusión, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	71.30%	194/09	66	4,258
Corporación Canaria de Información y Radio, S.A.	General Balmes s/n. Las Palmas de Gran Canaria	Operation of radio broadcasting stations	73.49%	194/09	60	684
Ediciones LM, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	36.75%		215	3,502
Frecuencia del Principado, S.A.	Jovellanos 1, Gijón	Operation of radio broadcasting stations	73.49%	194/09	60	217
Gestión de Marcas Audiovisuales, S.A.	Gran Vía, 32. Madrid	Production and recording of sound media	73.49%	194/09	70	2,666
Gran Vía Musical de Ediciones, S.L.	Gran Vía, 32. Madrid	Music services	73.49%	194/09	3,000	11,559
Iniciativas Radiofónicas, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	68.65%	194/09	228	437
Iniciativas Radiofónicas de Castilla La Mancha, S.A.	Carreteros, 1. Toledo	Operation of radio broadcasting stations	51.45%		61	148
La Palma Difusión, S.A.	Almirante Díaz Pimentía, 10. Los Llanos de Aridane. Santa Cruz de Tenerife	Operation of radio broadcasting stations	73.06%	194/09	360	557
Onda La Finojosa, S.A.	Limosna, 2. Hinojosa del Duque. Córdoba	Operation of radio broadcasting stations	73.49%	194/09	4	51
Onda Musical, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.27%	194/09	343	1,801
Ondas Galicia, S.A.	San Pedro de Mezonzo, 3. Santiago de Compostela	Operation of radio broadcasting stations	33.99%		70	305
Propulsora Montañesa, S.A.	Pasaje de Peña. Nº 2. Interior. 39008. Santander	Operation of radio broadcasting stations	66.19%	194/09	390	(866)
Radio 30, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	61.23%	194/09	60	257
Radio Club Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Operation of radio broadcasting stations	69.81%	194/09	480	3,443
Radio España de Barcelona, S.A.	Caspe, 6. Barcelona	Operation of radio broadcasting stations	72.98%	194/09	364	1,995
Radio Jaén, S.L.	Obispo Aguilar, 1. Jaén	Operation of radio broadcasting stations	26.45%		563	1,436
Radio Murcia, S.A.	Radio Murcia, 4. Murcia	Operation of radio broadcasting stations	61.23%	194/09	120	1,889
Radio Zaragoza, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	64.69%	194/09	183	4,152
Radiodifusora de Navarra, S.A.	Polígono Plazaola. Manzana F - 2ª. Pamplona	Operation of radio broadcasting stations	73.06%	194/09	66	3,715
Sociedad Española de Radiodifusión, S.L.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	73.48%	194/09	6,959	151,938
Sociedad Independiente Comunicación Castilla La Mancha, S.A.	Avenida de la Estación, 5 Bajo. Albacete	Operation of radio broadcasting stations	54.50%		379	962
Sociedad de Radiodifusión Aragonesa, S.A.	Paseo de la Constitución, 21. Zaragoza	Operation of radio broadcasting stations	36.74%		62	96
Societat de Comunicació i Publicitat, S.L.	Parc. de la Mola, 10 Torre Caldea, 6º Escalde. Engordany. Andorra	Operation of radio broadcasting stations	73.48%		30	(904)
Sonido e Imagen de Canarias, S.A.	Caldera de Bandama, 5. Arrecife. Lanzarote	Operation of radio broadcasting stations	36.53%		230	571
Talavera Visión, S.L.	Plaza Cervantes 6 4º. Ciudad Real	Operation of radio broadcasting stations	36.75%		192	217
Teleser, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	58.08%	194/09	75	67
Teleradio Pres, S.L.	Avenida de la Estación, 5 Bajo. Albacete	Management of media	54.87%		150	403
Unión Radio del Pirineu, S.A.	Carrer Prat del Creu, 32. Andorra	Operation of radio broadcasting stations	24.25%		249	417
Unión Radio Digital, S.A.	Gran Vía, 32. Madrid	Operation of digital radio broadcasting concession	73.32%	194/09	6,010	5,159
Unión Radio Servicios Corporativos, S.A. (Formerly, Paltrivia, S.A.)	Gran Vía, 32. Madrid	Holding company for stakes in radio broadcasting companies	73.49%	194/09	11,281	19,406
Valdepeñas Comunicación, S.L.	Plaza de Cervantes, 6. Ciudad Real	Operation of radio broadcasting stations	36.75%		60	125

INDIRECT HOLDINGS

APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/09 (thousands of euros)	
					SHARE CAPITAL	SHAREHOLDERS' EQUITY
INTERNATIONAL RADIO						
Abriil, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Dormant	73.49%		865	1,442
Aurora, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Dormant	73.49%		418	817
Blaya y Vega, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Advertising sales	73.49%		1,989	13,256
Cadena Radiodifusora Mexicana, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City. 04870. Mexico	Operation of radio broadcasting stations	36.74%		734	8,434
Caracol, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.62%		11	37,712
Caracol Broadcasting Inc.	2100 Coral Way - Miami 33145 - Florida, US	Operation of radio broadcasting stations	73.48%		215	2,912
Caracol Estéreo, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.61%		3	(331)
CHR, Cadena Hispanoamericana de Radio, S.A.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.61%		353	1,521
Comercializadora Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		19,852	6,124
Compañía de Comunicaciones C.C.C. Ltda.	Calle 67 N° 7-37 Piso 7 Bogotá. Colombia	Commercial radio broadcasting services	56.59%		25	1,493
Compañía de Radios, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Sale of advertising and rental of advertising space	73.49%		301	766
Comunicaciones del Pacifico, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Operation and management of television channels and broadcasting stations	73.49%		449	(144)
Comunicaciones Santiago, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		106	(1,334)
Consortio Radial de Panamá, S.A.	Urbanización Obarrio, Calle 54 Edificio Caracol. Panama	Advisory services and marketing of services and products in general and particularly to Green Emerald Business Inc.	73.48%		N/D	N/D
Corporación Argentina de Radiodifusión, S.A.	Beazley 3860. Buenos Aires. Argentina	Operation of radio broadcasting stations	73.64%		8,220	4,012
Ecos de la Montaña Cadena Radial Andina, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	56.44%			355
El Dorado Broadcasting Corporation	2100 Coral Way. Miami. Florida. US	Development of the Latin radio market in the US	18.37%		196	(1,184)
Emisora Mil Veinte, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	55.64%			204
Fast Net Comunicaciones, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Telecommunications and radio broadcasting services	73.49%		2	(150)
GLR Broadcasting, LLC	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami.	Operation of radio broadcasting stations	73.48%		1	10,876
GLR Chile Ltda	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		72,200	73,021
GLR Colombia, Ltda.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Provision of services to radio broadcasters	73.75%		263	(116)
GLR Costa Rica, S.A.	Llorrente de Tibás. Edificio La Nación. San José. Costa Rica	Radio broadcasting	36.74%		1,020	836
GLR Midi France, S.A.R.L.	Immeuble Le Periscope, 83-87 Av. d'Italie. Paris. France	Radio broadcasting	49.39%		40	35
GLR Networks, LLC	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami.	Provision of services to radio broadcasters	73.48%		3,676	(530)
GLR Services Inc.	Baypoint Office Tower, 4770 BiScayne Blvd. Suite 700 Miami.	Provision of services to radio broadcasters	73.48%		4	18,047
GLR Southern California, LLC	3500 Olive Avenue Suite 250 Burbank, CA 91505. US	Provision of services to radio broadcasters	73.48%		0	11,615
Green Emerald Business Inc.	Calle 54. Obarrio N° 4. Panama City. Panama	Development of the Latin radio market in Panama	25.68%		3,986	(1,718)
Iberoamericana Radio Chile, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Advertising sales	73.49%		27,591	32,758
Iberoamerican Radio Holding Chile, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Holding company and sale of advertising space	73.49%		3,668	11,426
La Voz de Colombia	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	55.59%		1	335
LS4 Radio Continental, S.A.	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	73.53%		4,381	1,922
Promotora de Publicidad Radial, S.A.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	56.61%		1	55
Publicitaria y Difusora del Norte Ltda.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Radio broadcasting	73.49%		54	(4,079)
Radiodifusion Iberoamerican Chile S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Holding company	73.49%		12,119	22,144
Radiotelevisora de Mexicali, S.A. de C.V.	Avenida Reforma 1270. Mexicali Baja California. Mexico	Operation of radio broadcasting stations	36.74%		228	673
Radio Comerciales, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. Mexico	Operation of radio broadcasting stations	36.74%		427	(948)
Radio Estéreo, S.A.	Rivadavia 835. Ciudad Autónoma de Buenos Aires. Argentina	Radio broadcasting and advertising services	73.53%		32	28
Radio Melodía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. Mexico	Operation of radio broadcasting stations	36.74%		72	154
Radio Mercadeo, Ltda.	Calle 67. N° 7-37. Piso 7. Bogotá. Colombia	Commercial radio broadcasting services	53.06%		298	459
Radio Tapatía, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. Mexico	Operation of radio broadcasting stations	36.74%		63	307
Servicios Radiópolis, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	36.74%		3	(23)
Servicios Xezz, S.A. de C.V.	Calzada de Tlalpan 3000 col Espartaco Mexico City 04870. Mexico	Operation of radio broadcasting stations	36.74%		3	4
Sistema Radiópolis, S.A. de C.V.	Avenida Vasco de Quiroga 2000. Mexico City Mexico	Operation of radio broadcasting stations	36.74%		14,843	18,391
Sociedad Radiodifusora del Norte, Ltda.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Operation of radio broadcasting stations	73.49%		3	(1,952)
Sociedad de Radiodifusión El Litoral, S.A.	Eliodoro Yañex. N° 1783. Comuna Providencia Santiago. Chile	Rental of equipment and advertising sales	73.49%		7	1,403
WSUA Broadcasting Corporation	2100 Coral Way. Miami. Florida. US	Radio broadcasting	18.37%		587	(3,671)
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 organization	35.99%		6	(695)
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	73.49%		2,348	2,200
Xezz, S.A. de C.V.	Rubén Darío n° 158. Guadalajara. Mexico	Operation of radio broadcasting stations	36.74%		31	32

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INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/09 (thousands of euros)	
					SHARE CAPITAL	SHAREHOLDERS' EQUITY
RADIO-MUSIC						
Compañía Discográfica Muxxic Records, S.A.	Gran Vía, 32. Madrid	Production and recording of sound media	73.49%	194/09	750	(2,269)
Gran Vía Musical, S.A.S.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Music services	73.49%			
Lyrics and Music, S.L.	Gran Vía, 32. Madrid	Music publishing	73.49%	194/09	12	1,172
Media Festivals, S.A.	Gran Vía, 32. Madrid	Production and organization of shows and events	73.49%	194/09	712	420
Merchandising On Stage, S.L.	Ulises, 49. 28043. Madrid	Manufacture and/or import of textile goods, costume jewelry, graphic materials, phonographic and/or audiovisual formats and their silk-screen printing, embossing or printing through any method or procedure	51.44%		3	(83)
Nova Ediciones Musicales, S.A.	Gran Vía, 32. Madrid	Music publishing	73.49%	194/09	600	1,982
Planet Events, S.A.	Gran Vía, 32. Madrid	Production and organization of shows and events	51.44%		120	1,640
RLM Colombia, S.A.S.	Calle 67. Nº 7 - 37. Piso 7º. Bogotá. Colombia.	Production and organization of shows and events	51.44%			0
RLM, S.A.	Puerto de Santa María, 65. 28043. Madrid	Production and organization of shows and events	51.44%		60	85
Sogecable Música, S.L.	Gran Vía, 32. Madrid	Creation, broadcasting, distribution and operation of thematic television channel	73.49%		1,202	3,272

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APPENDIX II

INVESTEE	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/09 (thousands of euros)	
					SHARE CAPITAL	SHAREHOLDERS EQUITY
AUDIOVISUAL-SOGECABLE						
Audiovisual Sport, S.L.	Calle Diagonal, 477. Barcelona	Management and distribution of audiovisual rights	80.00%	2/91	6,220	45,925
Canal Club de Distribución de Ocio y Cultura, S.A.	Calle Hermosilla, 112. Madrid	Catalog sales	25.00%		3,907	5,334
Canal + Investment Inc.	Beverly Hills. California. US	Film production	60.00%		N/D	N/D
CanalSatélite Digital, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	100.00%	2/91	285,746	716,960
Centro de Asistencia Telefónica, S.A.	Campezo,1. Madrid	Services	100.00%	2/91	3,077	5,622
Compañía Independiente de Noticias de TV, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	50.00%		1,442	(5,673)
Compañía Independiente de Televisión, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management and distribution of audiovisual rights	100.00%	2/91	601	45,351
Cinemanía, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Operation of thematic channels	100.00%	2/91	601	8,818
DTS, Distribuidora de Televisión Digital, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Television services	100.00%	2/91	126,285	107,888
Promotora Audiovisual de Colombia PACSA, S.A.	Calle 70. N° 4-60. 11001. Bogotá. Colombia	Audiovisual and communication activities	55.00%		177	177
Sociedad General de Cine, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Production and management of audiovisual rights	100.00%	2/91	6,010	5,040
Sogecable Editorial, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management of copyright	100.00%	2/91	3	5
Sogecable Media, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Sale of advertising space	100.00%	2/91	3	(2,027)
Sogepaq, S.A.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Management and distribution of audiovisual rights	100.00%	2/91	18,030	16,079
Vía Atención Comunicación, S.L.	Avenida de los Artesanos, 6. Tres Cantos. Madrid	Digital television services	100.00%	2/91	11	5

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INVESTEES	REGISTERED OFFICE	LINE OF BUSINESS	% OF OWNERSHIP	TAX GROUP	12/31/09 (thousands of euros)	
					SHARE CAPITAL	SHAREHOLDERS EQUITY
AUDIOVISUAL-LOCAL TELEVISION						
Axarquía Visión, S.A.	Paseo de Reding, 7. Málaga	Local television services	69.79%		60	(773)
Canal 4 Navarra, S.L.	Avenida Sancho el Fuerte, 18. Pamplona	Production and broadcasting of videos and television programs	100.00%	2/91	2,809	(4,085)
Canal 4 Navarra Digital, S.A.	Polígono Industrial Cordovilla. Navarre	Local television services	100.00%	2/91	2,000	2,164
Collserola Audiovisual, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Local television services	92.50%	2/91	85	(12,682)
Comunicación Radiofónica, S.A.	Gran Vía, 32. Madrid	Operation of radio broadcasting stations	100.00%	2/91	1,801	1,978
Comunicaciones y Medios Audiovisuales Tele Alcalá, S.L.	Encomienda, 33. Alcalá de Henares. Madrid	Local television services	100.00%	2/91	312	(1,146)
Legal Affairs Consilium, S.L.	Plaza Narcis Oller. Nº 6 1º. 1ª. 08006. Barcelona	Local television services	100.00%	2/91	130	(10,524)
Localia TV Madrid, S.A.	Gran Vía, 32. Madrid	Local television services	100.00%	2/91	6,000	3,260
Localia TV Valencia, S.A.	Don Juan de Austria 3. 46002. Valencia	Local television services	100.00%	2/91	190	(4,539)
Málaga Altavisión, S.A.	Paseo de Reding, 7. Málaga	Production and broadcasting of videos and television programs	87.24%	2/91	3,465	(2,796)
Marbella Digital Televisión, S.A.	Paseo de Reding, 7. Málaga	Local television services	87.24%	2/91	174	(3,067)
Productora Asturiana de Televisión, S.A.	Asturias, 19. Oviedo	Local television services	59.99%		1,112	(1,451)
Productora Audiovisual de Badajoz, S.A.	Ramón Albarrán, 2. Badajoz	Local television services	61.45%		498	(1,315)
Productora Audiovisual de Mallorca, S.A.	Puerto Rico, 15. Palma de Mallorca	Local television services	99.84%	2/91	92	(927)
Productora de Comunicación Toledo, S.A.	Carreteros, 1. Toledo	Local television services	100.00%	2/91	150	(566)
Productora de Televisión de Córdoba, S.A.	Amatista s/n. Polígono El Granadall. Córdoba	Local television services	100.00%	2/91	90	(1,501)
Productora Digital de Medios Audiovisuales, S.A.	Juan de la Cierva, 72. Polígono Industrial Prado Regordoño. Móstoles. Madrid	Local television services	100.00%	2/91	1,803	(310)
Productora Extremeña de Televisión, S.A.	J. M. R. "Azorín". Edificio Zeus. Polígono La Corchera. Mérida. Badajoz	Local television services	66.00%		1,202	649
Promociones Audiovisuales Sevillanas, S.A.	Rafael González Abreu, 3. Seville	Production and broadcasting of videos and television programs	100.00%		2,520	(141)
Promoción de Actividades Audiovisuales en Canarias, S.A.	Avenida Anaga, 35. Santa Cruz de Tenerife	Television communication activities in the Canary Islands	100.00%	2/91	60	348
Promotora Audiovisual de Zaragoza, S.L.	Emilia Pardo Bazán, 18. Zaragoza	Local television services	100.00%	2/91	120	(679)
Telecomunicaciones Antequera, S.A.	Aguardenteros, 15. Antequera. Málaga	Local television services	87.24%	2/91	822	(1,119)
Televisión Ciudad Real, S.L.	Ronda Carmen, 4. Ciudad Real	Production, broadcasting, publishing and distribution of media and advertising activities	75.10%	2/91	150	(5)
Televisión, Medios y Publicidad, S.L.	Quitana, 38. Alicante	Television services	100.00%	2/91	132	(159)
TV Local Eivissa, S.L.	Avenida San Jordi s/n. Edificio Residencial. Ibiza	Television services	100.00%	2/91	90	219
Grupo de Comunicación y Televisión Castilla La Mancha, S.A.		Local television services	33.33%		300	366
Riotedisa, S.A.		Audiovisual productions for television	49.00%		1,203	(393)
Televisión Digital de Baleares, S.L.		Local television services	40.00%		1,200	1,176

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

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INVESTE	REGISTERED OFFICE	LINE OF BUSINESS	12/31/09 (thousands of euros)			
			% OF OWNERSHIP	TAX GROUP	SHARE CAPITAL	SHAREHOLDERS' EQUITY
AUDIOVISUAL-MEDIA CAPITAL						
Agenciamento e Produção de Espectáculos, Lda. (EVENTOS SPOT)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Production and promotion of concerts and musical events in Portugal and abroad	47.35%		5	(181)
Argumentos para Audiovisual, Lda. (CASA DA CRIAÇÃO)	Avenida Liberdade. N.º 144/156 - 6.º Dto. 1250-146. Lisbon. Portugal	Creation, development, translation and adaptation of texts and ideas for television programs, films, entertainment, advertising and theater	94.69%		20	51
Chip Audiovisual, S.A.	Coso. 100. Planta 3ª puerta 4-50001. Zaragoza	Audiovisual productions for television programming	24.15%		600	1,648
Desenvolvimento de Sistemas de Comunicação, S.A. (MEDIA CAPITAL TECHNOLOGIES)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Development, maintenance and commercial operation of computer hardware and programs; management of multimedia content (images, sound, text and data)	94.69%		50	67
Editora Multimédia, S.A. (MULTIMÉDIA)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Publishing, multimedia production, distribution, consultancy, marketing (mail, telephone or other) of goods and services and the acquisition, supply, preparation and circulation of journalism by any media	94.69%		50	(1,080)
Emissores de Radiodifusão, S.A. (RADIO REGIONAL DE LISBOA)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting	94.69%		110	(7,569)
Empresa de Meios Audiovisuais, Lda. (EMAV)	Quinta Do Olival Das Minas. Lote 9. Vialonga. 2625-577. Vialonga. Portugal	Purchase, sale and leasing of audiovisual media (cameras, videos, special filming and lighting equipment, cranes, tracks, etc.)	94.69%		50	266
Empresa Europeia de Produção de Documentários, Lda. (Nannok)	Avenida Elias Garcia 57 - 7.º. 1000-148. Lisbon. Portugal	Advertising, manufacture, marketing and distribution of storage and other multimedia content	24.62%		0	0
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	94.69%		50	120
Factoria Plural, S.L.	Calle Biarritz, 2. 50017 Zaragoza	Production and distribution of audiovisual content	48.29%		175	855
Grupo Media Capital, SGPS, S.A.	Rua Mário Castelhana n.º 40. Queluz de Baixo. Portugal	Holding company	94.69%		89,584	77,613
Kimberley Trading, S.A. (KIMBERLEY)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Performance of any activity within television, e.g. the installation, administration and operation of any television infrastructure or channel	94.69%		42,400	103,646
Lúdicodrome Editora Unipessoal, Lda.	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Publishing, multimedia production, distribution, consultancy, marketing (mail, telephone or other) of goods and services circulated through catalogs, magazines, newspapers, printed or audiovisual media	94.69%		5	(2,768)
Media Capital Música e Entretenimento, S.A (MCME)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Publishing, graphic arts and reproduction of recorded formats: magazines, audio publishing, video reproduction and music, radio, television, cinema, theater and literary magazine services	94.69%		3,050	1,359
Media Capital Produções, S.A. (MCP)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Creation, design, development, production, promotion, marketing, acquisition, development rights, patents, distribution and broadcasting of audiovisual media	94.69%		45,050	44,437
Media Capital Produções - Investimentos, SGPS, S.A.	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Holding company	94.69%		45,050	50,730
Media Capital Rádios, S.A. (MCR II)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Accounting and economic consultancy services; development of broadcasting activities in radio production and broadcasting	94.69%		192	(9,159)
Media Global, SGPS, S.A. (MEGLO)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Holding company	94.69%		23,000	50,265
Multimedia, S.A. (CLMC)	Rua de Santo Amaro à Estrela. N.º 17 A. 1249-028. Lisbon. Portugal	Commercial film, video, radio, television, audiovisual and multimedia production and operation	85.22%		100	(3,131)
NBP Brasil, S.A.	Rua Padre Adelino. N.º 758, 3.º andar, Quarta Parada. CEP 03303-904. Brazil	Audiovisual production (dormant)	94.68%		11	11
Plural Entertainment Canarias, S.L.	Dársena Pesquera. Edificio Plato del Atlántico. San Andrés 38180. Santa Cruz de Tenerife	Production and distribution of audiovisual content	94.69%		75	184
Plural Entertainment España, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	94.69%	2/91	6,000	37,327
Plural Entertainment Inc.	1680 Michigan Avenue. Suite 730. Miami Beach. US	Production and distribution of audiovisual content	94.69%		109	(1,642)
Plural Entertainment Portugal, S.A. (Formerly Produção em Vídeo, S.A. - NBP)	R. José Falcao. 57 - 3.º Dt. 1000-184. Lisbon. Portugal	Video and cinema production, organization of shows, sound and lighting rental, advertising, marketing and representation of registered videos	94.69%		36,650	41,624
Plural - Jemspa, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	47.35%		350,000	261,890
Produção de Eventos, Lda. (MEDIA CAPITAL ENTERTAINMENT)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Publishing, graphic arts and reproduction of recorded formats: magazines, audio publishing, video reproduction and music, radio, television, cinema, theater and literary magazine services	94.69%		5	(548)
Producciones Audiovisuales, S.A. (NBP IBÉRICA)	Almagro 13. 1.º Izquierda. 28010. Madrid	Audiovisual production (dormant)	94.69%		60	21
Productora Canaria de Programas, S.A.	Enrique Wolfson, 17. Santa Cruz de Tenerife	Development of a television channel to promote the Canary Islands	37.88%		601	1,118
Produções Audiovisuais, S.A. (RADIO CIDADE)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio broadcasting, production of audio and video advertising spots. Advertising, production and recording of records. Development and production of radio programs	94.69%		100	(1,768)
Projectos de Media e Publicidade Unipessoal, Lda. (PUPLIPARTNER)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Design, preparation and execution of advertising projects (advisory, promotion, supply, marketing and distribution of goods and services in the media)	94.69%		5	(949)
Promoção de Projectos de Media, S.A. (UNIDIVISA)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Design, preparation and execution of advertising projects (advisory, promotion, supply, marketing and distribution of goods and services in the media)	94.69%		50	(538)
Rádio Comercial, S.A. (COMERCIAL)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio production and broadcasting	94.69%		2,255	1,871
RADIO XXI, Lda. (XXI)	Rua Sampaio e Pina. 24/26. 1099-044. Lisbon. Portugal	Radio production and broadcasting	94.69%		5	2,774
Rede Televisora Independente, S.A. (RETI)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Installation, management and operation of telecommunication network or networks, including the transportation and the distribution of television and radio signals, data, etc.	94.69%		50	90
Serviços de Consultoria e Gestao, S.A. (MEDIA CAPITAL SERVIÇOS)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Advisory services, orientation and operating assistance for public relations companies and organizations	94.69%		50	(1,853)
Serviços de Internet, S.A. (IOL NEGÓCIOS)	Rua Tenente Valadim. N.º 181. 4100-479. Porto. Portugal	Electronic goods and services publications and marketing. Publication, production and distribution activities in the media	94.69%		100	742
Sociedad Canaria de Televisión Regional, S.A.	Avenida de Madrid s/n. Santa Cruz de Tenerife	Audiovisual productions for television programming	37.88%		2,510	3,694
Sociedade de Produção e Edição Audiovisual, Lda. (FAROL MÚSICA)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Production of storage, phonograms, audiovisual and multimedia media	94.69%		5	939
Televisão Independente, S.A. (TVI)	Rua Mário Castelhana. N.º 40. 2734-502. Barcarena. Portugal	Performance of any activity within television, e.g. the installation, administration and operation of any television infrastructure or channel	94.69%		65,810	108,001
Tesela Producciones Cinematográficas, S.L.	Gran Vía, 32. Madrid	Production and distribution of audiovisual content	94.69%	2/91	1,034	2,811
União de Leiria, SAD. (UNIAO DE LEIRIA)	Estádio Dr. Magalhães Pessoa. 2400-000. Leiria. Portugal	Other	19.09%		0	0

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

PROMOTORA DE INFORMACIONES, S.A. (PRISA)

Individual 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)

DIRECTORS' REPORT

FOR 2009

1. BUSINESS PERFORMANCE

Promotora de Informaciones, S.A. (Prisa) is the company which heads the Prisa Group. Its function within the Group is to provide central corporate services, to act as the Group's financing centre and to engage in other activities related to the Group's strategy, development and performance.

In 2009 the Group entered into major strategic agreements in order to incorporate capital, technology and new markets. Telefónica and Mediaset became part of the shareholder structures of Digital+ and an agreement was entered into for the merger of Cuatro and Telecinco. Also, agreements were entered into with DLJ for the sale of 25% of Santillana, with Ongoing for the sale of up to 35% of Media Capital and with IBN for the development of the retail media business.

Organizational and management matters-

The Group is organized at global level into the following main lines of business:

- Audiovisual
- Press
- Radio
- Education-Publishing

This structure is supported by the Digital area, which operates across all the areas.

Audiovisual activities bring together the Sogecable and Media Capital businesses, the latter including the audiovisual production businesses in Spain and Portugal.

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 businesses.

Press activities include the El País, As, Cinco Días and Magazine business 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.

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

In addition, in 2009 the Group entered into an alliance with Indra Sistemas, S.A. for the implementation of a new model for the provision of global information and

communications technologies services model, aimed at focusing them as a common tool across all the Group's business areas. Through this agreement Indra has become a worldwide and long-term technological partner for the implementation of a new unified management model of its information systems to improve the Group's efficiency, flexibility and cost control and making it possible to apply synergies, economies of scale and best practices, thereby giving rise to improvements in service quality.

Results and profitability-

Prisa's results depend directly on the performance of the Group's various business units. Its revenue arises mainly from the dividends it receives from its subsidiaries and its expenses relate to staff costs and services received. The variations in the equity of its subsidiaries also give rise to increases and decreases in the value of its investment portfolio.

The Group obtained EBITDA totaling EUR 623.75 million and the profit from operations (EBIT) amounted to EUR 368.98 million. The net profit amounted to EUR 50.48 million. The results obtained by the Group in 2009 demonstrate, despite the difficult economic climate, the leadership of the Group companies.

Financing activities-

The Group had to increase its level of indebtedness to finance the acquisitions made in 2005, 2006, 2007 and 2008. In order to reach a more efficient and economic financial structure based on the conditions prevailing in the financial market in 2009, in June 2007 Prisa restructured its financial debt and entered into a six-year syndicated loan agreement with a group of 39 banks, including leading international and domestic banks, for a maximum amount of EUR 2,050,000 thousand. The response and support received from the banking community in the syndication process were highly satisfactory.

Also, in December 2007 Prisa entered into a six-month syndicated bridge loan agreement with a leading bank for a maximum amount of EUR 4,230,000 thousand to cover the financial obligations arising from the takeover bid for all the shares of Sogecable, S.A.

On February 29, 2008, Prisa signed the syndication of this bridge loan initially granted by one bank. On June 20, 2008, and after the result of the takeover bid became known, Prisa repaid a portion of the bridge loan, placing the bridge loan at EUR 1,950,000 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 18, 2008, the Company signed the novation of the bridge loan until March 2009. In August 2008 EUR 113,098 thousand of this bridge loan were repaid. Lastly, on May 13, 2009, the Company concluded an agreement with the banks which granted the bridge loan to extend the maturity thereof until March 31, 2010.

2. PRINCIPAL RISKS ASSOCIATED WITH THE BUSINESS

As the head of the Group, the risks to which Prisa is exposed are directly linked to those of its subsidiaries.

The activities of the Group, 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, 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 South America, are exposed to additional risks associated with exchange rate fluctuations and with the economic and political situation of the country.

The foreign currency risk assumed by the Group relates mainly 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.

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 provides more details on each risk category and on the bodies and specific actions in place to detect, measure, monitor and manage these risks.

3. USE OF FINANCIAL INSTRUMENTS

Promotora de Informaciones, S.A. arranges interest rate and exchange rate hedges when the market outlook so advises. In conformity with the syndicated financing agreement, the Company has arranged interest rate hedges which establish interest rate caps.

4. 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.

5. 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 the 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 overall recovery of the economy has begun to come into view.